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Vol. I

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. 497

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

October Term, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

v. *Petitioner,*

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

VOLUME I

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,

ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

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District Court of the United States

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

Appellant,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased.*

Appellees.

B1, Katherine Kirkpatrick Abbott, Administratrix of David J. Abbott, deceased. B2, Mrs. Carrie Harting Abell. B3, J. Fort Abell. B4, Albert M. Able. B5, Louis Abraham. B6, Louis J. Ackley. B7, James W. Adams. B8, Miss Sarah Byrd Adams. B9, Walter T. Adams. B10, Chester F. Adamson. B11, Moses W. Ades. B12, Simon Ades. B13, Miss Agnes L. Adolph. B14, Anna G. Adolph Wilhoyte. B15, Ernest C. Adolph. B16, Miss Mary Adolph. B17, William J. Adolph. B18, Mrs. Mollie Ahrens. B19, Maud Ainslie. B20, Frank P. Allen. B21, J. W. Allen, Jr. B22, Mrs. Mary Warfield Allen. B23, Victor W. Allen. B24, William Allen. B25, William B. Allen. B26, William D. Allen. B27, William H. Allen. B28, Frank N. Allgeier. A29, Arthur H. Almstedt; A30, Fred L. Alm-

* Appellees whose names are preceded by the letter "B" were defendants named in the original Bill of Complaint, or are personal representatives of such defendants against whom this cause has been revived. Appellees whose names are preceded by the letter "A" were defendants named in one of the amendments to the original Bill of Complaint or are personal representatives against whom this cause has been revived.

stedt; A31, Richard H. Almstedt; A32, William C. Almstedt, Partners doing business under the firm name and style of Almstedt Bros. A33, Fred L. Almstedt; A34, Arthur H. Almstedt, Executors of the Estate of Henry Almstedt, deceased. A35, Liberty National Bank & Trust Company, Trustee of the Estate of Henry Almstedt, deceased. B36, Montgomery Merritt Alves. B37, Julius Ambrosius. B 38, Robert Ambrosius. A39, Mollie B. Ament, Executrix of the will of Allen Ament, deceased. B40, Mrs. Mary B. Ament. B41, Nolte C. Ament. A42, Kentucky Title Trust Company, Trustee for Amelia W. Anderson. A43, Emma W. Anderson, Executrix of Estate of Mrs. Amelia W. Anderson. A44, Emma W. Anderson, Distributee. A45, Lucinda A. Morris, Distributee. B46, Miss Evelyn L. Anderson. B47, Miss Liny C. Anderson. B48, Miss S. Tanner Anderson. B49, W. Sherman Anderson. B50, Warren L. Anderson.

B51, Ida S. Andresen. B52, Adolph W. Andriott. B53, Miss Lillian Andriott. B54, Mrs. Amelia B. Angermeier B55, Robert R. Appel. B56, Mr. Robert L. Armes. B57, Pauline Nichols (nee Armes) Executrix of the will of Samuel H. Armes, deceased. B58, Mrs. Blanche Armstrong. B59, George Armstrong. B60, Louis Armstrong. B61, Ruth E. Armstrong, Executrix of the Estate of William F. Armstrong, deceased. B62, Ben Arnold. B63, Miss Bertha Arnold. B64, Calvin G. Arnold. B65, Miss Cornelia E. Arnold. B66, B. H. Arterburn; B67, G. T. Dick, Executors of the Estate of Norborn Arterburn, deceased. B68, Fritz C. Askenstedt. A69, Bernard Asman. B70, Lincoln Bank & Trust Company, Administrator with the will annexed of the Estate of William Astroth, deceased. B71, Minnie W. Atchison. B72, Miss Beulah E. Atkins. B73, William R. Atkins. B74, Miss Annabell Augustus. B75, Addie Austin. B76, Mrs. Goldie M. Awty. B77, Edwin D. Axton. A77, Edwin D. Axton, Distributee. A78, R. L. Axton, Dis-

tributee. A79, Edwin D. Axton; A80, R. L. Axton, Executors of the Estate of Wood F. Axton, deceased. A81, Edwin D. Axton; A82, R. L. Axton; A83, Fidelity & Columbia Trust Co., Agents Estate of Wood F. Axton. B84, Mrs. Juliet B. Ayers. B85, Frank B. Ayers. B86, Charles G. Bacigalupi. B87, Francis A. Bade. B88, Mrs. Marion L. Bade. B89, Mrs. Elise M. Bader. B90, Otto J. Bader. B91, Mrs. Elizabeth H. Badger. B92, David W. Baird. B93, Mrs. Eleanor D. Baird. A94, Saida B. Weaver. A95, Edna S. Baird. B96, Miss Addie C. Baker. B97, Pled P. Baker. B98, Mrs. Minnie L. Baldauf. B99, Henry Baldwin. B100, Carlton Ball.

B101, Clarence E. Ball. B102, United States Trust Company, Executor of the will of Sunshine H. Ballard, deceased. B103, Wilfred C. Bamber. B104, Miss Eva B. Bandman. B105, Chester J. Banes. B106, Rose M. Bannon. B107, Rodman Thurman Barber. B108, S. Lyman Barber. B109, Miss Caroline F. Barbour. B110, Catherine A. Barbour. B111, Mrs. Elizabeth Akin Barbour. B112, Philip F. Barbour. B113, Miss Pattie R. Barfield. B114, Mrs. Ellanora R. Barker. B115, Thomas A. Barker. B-A116, Mrs. Lilly S. Barkhouse. A117, Fidelity & Columbia Trust Company; A118, Joseph Selligman, Trustees for Nellie B. Clam (Calm), Distributee. A119, Fidelity & Columbia Trust Company; A120, Joseph Selligman, Trustees for Marie B. Moses, Distributee. A121, Caroline C. Barnes, Executrix of the Estate of Claude R. Barnes, deceased. A122, Caroline C. Barnes, Distributee. B123, Jacob Baron. B124, Minnie A. Baron. B125, Jacob Baron. A126, William J. Baron. B127, Mrs. Chamie W. Barr. B128, Frank W. Barr. B129, John W. Barr, Jr. B130, Mrs. Ellen R. Barrett. B131, James R. Barrett. B132, Mrs. Sue C. Barret. B133, Fidelity & Columbia Trust Company, Administrator with the will annexed of the Estate of Thomas L. Barrett, deceased. B134, Thomas H. Barringer. B135, John J.

Barry. B136, Mrs. Adeline Barth. B137, Miss Ellen C. Bartley. B138, George C. Bartman. A139, Kentucky Title Trust Company, Executor of the Estate of Henrietta W. Barton, deceased. A140, Kentucky Title Trust Company, Executor of the Estate of Charles P. Barton, deceased. B141, Mrs. Effie S. Basham. B142, Albert L. Bass. B143, Russell M. Bass. B144, Mrs. Lora Lee Bates Gibbs. B145, Rudolph H. Baude. B146, Bertha J. Bauer Kenealy. B147, Charles Baumgarten, Jr. B148, Harry E. Baumgarten. B149, Miss Margaret L. Baumgarten. B150, Mrs. Marie Baumgarten.

B151, Miss Mary V. Baumgarten. B152, Charles S. Baxter. B153, Edward J. Bayens. B154, Frank E. Bayens. B155, Miss Freda J. Bayens. B156, Miss Mary Bayens. B157, Raphael J. Bayens. B158, Kenneth Bayers. B159, Ethel N. Bayless. B160, Mrs. Sue S. Bayly. B161, Mrs. Alice M. Beattie. B162, Mark Beauchamp, Trustee, Jane C. Beauchamp. B163, Mark Beauchamp, Trustee, Mark Beauchamp, II. B164, Albert M. Beck. B165, Miss Anna Beck. B166, Mrs. Anna Fillion Beck. B167, Miss Emma T. Beck. B168, Gustav F. Beck. B169, Charles L. Becker. B170. Florence H. Becker. B171, Miss Gertrude Becker. B172, John Becker. B173, Mrs. Alice Beckham. B174, Lincoln Bank & Trust Company, Administrator with the will annexed of the Estate of J. Crepps Wickliffe Beckham, deceased. B175, Mrs. Nancy I. Beckley. B176, Richard Beckley. B177, Mrs. Beatrice F. Beeler. B178, J. Argyle Beeler. B179, Argyle J. Beeler, Guardian for Barbara Beeler. B180, Miss Clara L. Behrens. B181, Miss Katherine S. Behrens. B182, Miss Nora P. Behrens. A183, Joe Belker, Distributee. A184, Joe Belker; A185, Louis Shatz, Administrators of the Estate of Mrs. Rebecca Belker, deceased. B186, Junius W. Bell. B187, Lexis K. Bell. B188, Miss Ida M. Belle. A189, Mary A. Bellman, Administratrix with the will annexed of the Estate of John H. Bell-

man, deceased. A190, Mary A. Bellman, Distributee. B191, Richard C. Belshoff. B192, Miss Nina Benedict. B193, John C. Bennett. B194, Lasser Benovitz. B195, David Benovitz. A196, Blanche A. Bensinger; A197, J. Marshall Bensinger, Administrators of the Estate of Arthur B. Bensinger, deceased. B198, Thekla Berg. B199, Louis J. Bergenroth. B200, Mrs. Dora Berger.

B201, Peter C. Berger. B202, Peter Charles Berger. B203, Dennis Berman. B204, Mrs. Laura Berner. B205, Oscar W. Berner. B206, Frank D. Bernheim. B207, Franklin D. Berry. A208, The Louisville Trust Company, Administrator of the Estate of Mary McDonald Sherrill. B209, Miss Flora A. Betz. B210, Mrs. Georgia Beyer. B211, William F. Bierbaum. B212, Carroll C. Bigley. B213, James W. Bigley. A214, Lincoln Bank & Trust Company, Executor of the Estate of Mai Hill Bartlett, deceased. A215, Lillian Wabnitz Bills, Executrix of the Estate of Clifford P. Bills, deceased. B216, Ruth D. Birkel Fritsch. B217, John A. Bischof. B218, Miss Anna Bischoff. B219, Frieda Gudex, Administratrix of the Estate of Emily E. Bischoff, deceased. B220, Louis L. Bischoff. B221, Miss Margaret Bischoff. B222, Mrs. Carrie Bishop. B223, Kate Moore, Administratrix of the Estate of Joseph T. Bishop, deceased. B224, Mrs. Alice M. Bittner Eirk. B225, Mrs. Emma Bittner. B226, Miss Martha M. Bittner. B227, Mrs. Ruth D. Bittner Schneider. B228, William C. Bittner. B229, Mrs. Ethel Bitzer. B230, Mrs. Frances Bitzer. B231, Ray Bizot. B232, Mrs. Florence M. Black. A233, Charles W. Hibbitt, Executor of the Estate of Blanche H. Blake, deceased. A-B234, Charles A. Blake. B235, Elmer P. Blankenbaker. B236, John A. Blau. B237, Dr. Oscar E. Bloch. B238, John Herman Block. B239, Leo Block. B240, William M. Block. B241, Miss Agnes Bloemer. B242, Miss Lillian Bloemer. B243, Miss Lula M. Bloemer. B244, Miss Matilda Bloemer. B245, Miss Mayme Bloemer.

B246, Emanuel L. Bloom. B247, Mrs. Emma E. Blumer. B248, Milton Board. B249, Robert V. Board. B250, Mrs. Sarah M. Board.

B251, Neal B. Boblitt. B252, Charles Bobzien. B253, Clarence J. Bodemer. B254, Mrs. Louise F. Boden. B255, Mrs. Lucile A. Boden. B256, Samuel D. Boden. B257, Temple Bodley. B258, Herbert F. Boehl. B259, Mrs. Florence R. Bohlsen. B260, Alvin P. Bohmer. B261, Alvin P. Bohmer, Executor of the will of Charles H. Bohmer, deceased. B262, Henry Bohmer. B263, Miss Christine Bohon. B264, Thomas A. Bohon. B265, Louis P. Bohrman. B266, Clyde M. Bolt. B267, Bodley Booker. B268, W. Fred Booker. B269, George O. Boomer. B270, Boone Lodge, I. O. O. F. B271, Percy N. Booth. B272, David Bordorf. B273, Miss Angela J. Borgman. B274, Mrs. Marie A. Bornwasser. B275, Abraham Borowitz. B276, Mrs. Anna E. Bosler. B277, John N. Bosler. B278, Richard E. Bosler. B279, Miss Florence A. Bossmeyer. B280, Robert D. Bottomley. B281, Mrs. Mamie Morris Boulware. B282, John C. Bourne. B283, Mrs. Leora B. Bower. B284, Benton B. Bower. B285, James L. Bowie, Jr. B286, Miss Lotta H. Bowling. B287, Thomas W. Bowmer. B288, Berl Boyd. B289, Miss Alma Brabandt. B290, Mrs. Tillie Bertha Bradley. B291, Tillie Bertha Bradley, Executrix of the will of Thomas P. Bradley, deceased. B292, Nancy R. Bradsby, Executrix of the will of Frank W. Bradsby, deceased. B293, Eugene W. Braitling. B294, G. A. Brakmeier; B295, Gus W. Brakmeier, Jr., Partners trading and doing business as Brakmeier Bros. B296, Mrs. Ida M. Brakmeier. B297, Mrs. Elsie Harvey Brandeis. A298, United States Trust Company, Executor of the Estate of Gertrude A. Braun, deceased. B299, Miss Anna L. Breathitt. B300, Charles P. Brecher.

B301, Miss Elizabeth Breckinridge. B302, Lawrence W. Breed. B303, Miss Mary K. Breed. B304, Miss Persis M.

Breed. B305, Mrs. Lockie J. Breeding. B306, William M. Breidenthal. B307, Mrs. Minnie M. Brenckmann. B308, J. Arvid Brennan. B309, Mrs. Elizabeth B. Brewer. B310, Miss Annie G. Bridges. B311, Miss Elizabeth Bridges. B312, Miss Emma T. Bridges. A313, Fidelity & Columbia Trust Company, Executor of the Estate of Harry Bridges, deceased. A314, Bell Gordon Krebs, Distributee. A315, Annie Elizabeth Bridges, Distributee. A316, Fidelity & Columbia Trust Company, Trustee for Eleanor Bridges Sanders, Distributee. B317, George G. Bright. B318, Mrs. Claude C. Briney. B319, Mrs. Bonnie B. Bristow. A320, Fidelity & Columbia Trust Co., Trustee u/w of Eliza S. Broadus for Caroline Broadus. A321, Fidelity & Columbia Trust Co., Trustee u/w of Eliza S. Broadus for Annie Harwood Abraham. A322, Fidelity & Columbia Trust Co., Trustee u/w of Eliza S. Broadus for Lida Somerville Wilkinson. A323, A. T. Robertson, Executor of the Estate of Eliza S. Broadus. B324, Andrew Jas. Brodie. B325, John G. Brodie. A326, Robert Brodie, Distributee. A327, A. J. Brodie, Distributee. A328, J. G. Brodie, Distributee. A & B329, Reed Brodie, Distributee. A330, Reed Brodie, Executor of the Estate of Margaret Brodie, Deceased. A331, Janet Brodie Frank, Distributee. A332, Janet Brodie Hudson, Distributee. A333, Mary Brodie Hodge, Distributee. B334, Robert Brodie. B335, Miss Susie E. Brooke. B336, Harry King Brooking. B337, Mrs. Margaret S. Brooking. B338, Miss Corine V. Browinski. B339, R. V. Browinski. B340, Arthur W. Brown. B341, Claud Brown. A342, Adelaide Brown Snyder, Executrix of the estate of Frank H. Brown, deceased. A343, Adelaide Brown Snyder, Distributee. B344, George Brown. B345, Harry J. Brown. B346, Harry M. Brown. B347, J. Graham Brown. A348, James J. Brown, Jr. B349, Mrs. Jennie T. Brown. B350, Miss Margaret E. Brown.

B351, Mrs. Mary K. Brown. B352, William Brown. B353, William E. Brown. B354, Charles Brownstein. B355, Miss Elizabeth B. Bruce. B356, James W. Bruce. B357, Mrs. Sallie W. Bruce. B358, Charles J. Bruck. B359, Phillip Brueback. B360, Mrs. Anna Brumbaugh. B & A361, Mrs. Helen Floyd Bryan. A362, Hildagarde Ebernz. B363, Volney H. Bryan. B364, Miss Elizabeth Buchanan. A365, James N. Buck. B366, Hu. Kennedy Bullitt. B367, Hugh K. Bullitt, Tr. C. M. Bullitt, H. H. Bullitt and A. S. Bullitt. B368, Thomas B. Bullitt. B369, Francis M. Burch. B370, Henry L. Burch. B371, Roland B. Burch. B372, Edward W. Burdue. B373, John E. Burgan. A374, Edward S. Burge. B375, Joseph E. Burghard. A376, Mrs. Estella Burke. B377, Mrs. Marie M. Burke. B378, Mrs. Nancy H. Burke. B379, Miss Sallie Burke. B380, James R. Burkholder, Jr. B381, Thomas E. Burkholder. B382, William H. Burkholder. B383, A. Roy Burke. B384, George R. Burke. B385, Miss Edith M. Burn. B386, Lee H. Burns. A387-8, Minor C. Brooks and Neill S. Brooks, Executors of the will of Mrs. Mary M. Burton, deceased. B389, Mrs. Alice Davies Butler. A390, Thomas Langford Butler, Distributee and Executor of the Estate of Mrs. Fanny S. Butler, deceased. B391, Miss Maude Butler. B392, Fidelity & Columbia Trust Co., Executor of the will of Thomas L. Butler, deceased. A393, Miss Julia Buttimer. B394, Miss Corinne Byrne. B395, Walter Byrne. B396, John H. Cahill. B397, Nathan H. Cahn. B398, Callahan & Sons. B399, Miss Alberta Callahan. B400, Miss Frances L. Calveard.

B401, Samuel R. Calveard. A402-3, Emma D. Campbell and Louisville Trust Company, Executors of the Estate of Charles D. Campbell, deceased. B404, Mrs. Ella Brooks Campbell. B405, J. Wheeler Campbell. B406, Mrs. Virginia B. M. Campbell. B407, Mrs. Cecilia B. Cardwell. B408, Marion H. Cardwell. B409, H. St. George Tucker

Carmichael. B410, L. Sheldon Caron. B411, L. Sheldon Caron, Executor of the will of Sara Leight Caron, deceased. B412, Mrs. Lou A. Carpenter, for credit to a/c The Louisville Trust Company. B413, Miss M. Blanche Carr. B414, Anthony J. Carroll. B415, Anthony J. Carroll, Tr. B416, Tarlton C. Carroll. B417, Alexander M. Carson. B418, John M. Carson. B419, Allen R. Carter. B420, James G. Carter. A421, James Garland Carter, Executor of the estate of Mrs. Lou Ella Carter, deceased. B422, Roy L. Carter, A423, Lois C. Schauer, Administratrix of the estate of Susan O. Carter, deceased. A424, Stephen O. Carter, Distributee. B425, Mrs. Barbara R. Caspari. B426-7, Marvin Catlett and Anna Catlett. B428, Mrs. Eva B. Cawthon. B429, Miss Mary Gale Cawthon. B430, Harry P. Chamberlain. B431, Mrs. Mary Ellen Chandler. B432, Miss Mary Ellen Chandler. B433, Mrs. Ernestine W. Charlton. B434, Henry L. Charlton. B435, Arlie Chastain. B436, Mrs. Nellie M. Chawk. B437, William J. Chawk. B438, John W. Check. B439, Christopher C. Childers. B440, Mrs. Allen M. Choate. B441, Miss Frieda Christen. B442, Gus A. Christen. B443, City Bank & Trust Co., Trustee John P. Garnett Estate. B444, Mrs. Ray M. Claggett. A445, James Tranter Clark, Executor of the estate of Mrs. Ada T. Clark, deceased. A446, Kentucky Title Trust Co., Assignee of George M. Clark. B447, Mrs. Inda Helm Clark. A448, Lula Grover Clark, Executrix of the will of Morris C. Clark, deceased. B449, Walter S. Clark. A450, Lenora D. Clark, Executrix of the Estate of William K. Clark, deceased.

A451, Lenora D. Clark, Distributee. A452, Louisville Trust Company, Executor of the Estate of Mrs. Mattie A. Clark, deceased. A453, Louisville Trust Company, Trustee for Eugenia Love. A454, Louisville Trust Company, Trustee for Mrs. Mollie Gamble. A455, Eugenia Love. B456, Miss Harriet A. Clay. B457, Fred A. Clegg. B458, Mrs.

Margaret A. Clem. B459, John S. Clemons. A460, Blanche Clerget, Administratrix of the Estate of Augustina C. Clerget. B461, Stanton Z. Clore. B462, Mrs. Annie E. Cloud. B463, Louis D. Coady. B464, Miss Mary K. Coady. B465, T. Wilson Cochran. B466, Dudley B. Cocke. B467, Mrs. Sallie Cocke. B468, Wilbur B. Cogshall. B469, Armand E. Cohen. B470, Bernard Cohen. B471, Dan Cohen. B472, Harry N. Cohen. B473, Rufus R. Cohen. B474, Simon Cohen. B475, Adolph Cohn. B476, Joseph H. Cohn. B477, Maurice S. Cohn. B478, Monte G. Cohn. B479, Andrew E. Jack Cole. B480, Lewis W. Cole. B481, Mrs. Eliza R. Coleman. B482, Mrs. Lily Z. Coleman. B483, Mrs. Ruth Scott Coleman. B484, Thomas C. Coleman, Jr. A485, Kentucky Title Trust Company, Administrator of the Estate of Hilton Collins, deceased. A486, Grace G. Talbott, Distributee. A487, Mrs. Samantha Collins, Distributee. A488, W. H. Giltner, Distributee. B489, Miss Mary R. Collins. B490, Veasy T. Collins. B491, Caroline G. Collis. B492, Mrs. Harriet C. Collis. B493, John V. Collis. B494, Mark Collis. B495, Mary G. Collis. B496, Harry H. Combs. B497, Mrs. Carrie Conen. B498, Miss Sue G. Connaughton. B499, Mrs. Annie Connelly. B500, J. Joseph Connelly.

B501, Miss Adelia L. Conrad. B502, Adelia L. Conrad. B503, Mrs. Louise Conrad. B504, Miss Ricka Hartmetz. B505, Mrs. Tillie Conrad. B506, Mrs. Emma H. Coogle. B507, Edwin G. Cooke. B508, Cooks Benevolent Institute. B509, Miss Hallie L. Coombs. B510, Mrs. Lillie F. Coombs. B511, Clifford T. Coomes. B512, Alberta M. Coomes. B513, S. W. Coons. B514, Samuel W. Coons. B515, Mrs. Anna May Petrey Cooper. B516, Mrs. Mary O. Cooper. B517, James R. Corbett. A518, Marian W. Corcoran, Executrix of the Estate of Andrew J. Corcoran, deceased. A519, Marian W. Corcoran, Distributee. B520, Mrs. Mariam W. Corcoran. A521, Nettie E. Cornell, Ex-

ecutrix of the Estate of Burton Cornell, deceased. A522, Nettie E. Cornell, Distributee. B522, Mrs. Nettie E. Cornell. B523, Miss Mae Cornwell. B524, Mrs. Elizabeth Corrington. B525, Francis R. Cotton. B526, Courier-Journal Job Printing Co. B527, Mrs. Pearl C. Covington. B528, Annette B. Cowles. A529, Fidelity & Columbia Trust Company, Executor of the Estate of Attilla Cox, deceased. B530, Mrs. Carrie G. Cox. B531, Robert R. Cox. B532, John W. Craddock. A533, Lincoln Bank & Trust Company, as Executor of the Estate of Wood Crady, deceased. B534, Herbert C. Cralle. B535, Herbert C. Cralle, Jr. A536-7, Lee E. Cralle, Jr., and Louisville Trust Company, Executors of the Estate of Lee E. Cralle, deceased. B538, Lee E. Cralle, Jr. B539, Mrs. Mary E. Cralle. A540, Kentucky Title Trust Company, Executor of the Estate of Matt H. Crawford, deceased. A541, Kentucky Title Trust Company, Trustee of Estate of Matt H. Crawford, Trustee of Mary W. Crawford. A542, Mary W. Crawford. B543, James M. Crews. B544, Miss Charlotte F. Cromie. B545, Miss Amelia Grovo. B546, Albert B. Crush. A547, Josephine M. Crush, Executrix of the Estate of Florian A. Crush, deceased. A548, Josephine M. Crush, Distributee. B548, Mrs. Josephine L. Crush. A549, T. M. Crutcher. B550, T. M. Crutcher Dental Depot.

B551, Charles C. Culp. B552, Miss Margaret Cummins. B553, Miss Mary Cummins. B554, Mrs. Lizzie P. Cumnock. B555, Mrs. Sallie J. Cuneo. B556, L. Thurman Cunningham. B557, Mamie M. Curd. B558, Nat C. Cureton. B559, Arch H. Curran. B560, Miss Julia Curran. B561, Mrs. Rose J. Currie. B562, Lee Curry. B563, Lee Roy Curtis. B564, Miss Nettie Dahlen. B565, Mrs. Agnes H. Danhauer. A566-7, Lela H. Daniell, Distributee and Administratrix w/a of the estate of John P. Daniell, deceased. A568, Mae Daniel Warren, Distributee. B569, John P. Dant, Sr. B570, Joseph B. Dant. B571, Miss

Katie R. Dant. B572, Miss Louise Dant. B573, Raymond J. Daub. B574, Mrs. Ewing F. Daugherty. B575, Morris W. Davidson. A576, Kentucky Title Trust Company, Administrator of the Estate of Mrs. Addie O. Davis, deceased. B577, Mrs. Annie Davis. B578, Miss Ellen McD. Davis. B579, Mrs. Ellen McD. Davis. B580, Harry V. Davis. B581, Harry V. Davis, Sr. B582, John J. Davis. B583, Miss Margaret C. Davis. A584, Murray Davis. B585, Mrs. William Y. Davis. B586, Joseph M. Dawson. B587, Mrs. Cary Fink Deangulo. A588, Miss Ethel Degraw. B589, Jess D. Degraw. B590, Claude E. Dehart. B591, Mrs. Katie E. Dehler. B592, Mrs. Anna Deibel. B593, Esther Barth, Executrix of the will of Miss Elizabeth Deibel, deceased. A594, William F. Deiss. B595, DeMolay Commandery No. 12 Knight Templar. B596, William H. Dennes. A597, Cecelia A. Dennes, Executrix of the Estate of William H. Dennes. B598, Mrs. H. Edna Denson. A599, Mrs. Pearl Denson. B600, Claude M. Denton.

B601, Ida Mae Denzinger, Executrix of the will of John J. Denzinger, deceased. B602, Philip Weinberg, Executor of the will of Theodore J. Desse, deceased. A603, William L. Desse. A604, Liberty National Bank & Trust Company, Trustee u/w of Louise S. Detchen. B605, Miss Mayme Deuser. B606, Brents Dickinson. B607, Miss Agnes Dickson. B608, Mrs. Elgie Diebold. B609, Otto K. Dietrich. B610, Richard P. Dietzman. A611, Helen W. Dimmitt, Distributee. A612, Helen W. Dimmitt, Executrix of the Estate of Addison Dimmitt, deceased. B613, William H. Dinklacher. B614, Mrs. Marie W. Ditto. B615, Gaines S. Dobbins. B616, Allen P. Dodd. B617, Allen Dodd, Jr. B618, Kate C. Dodd, Administratrix w/a of the Estate of Charles Pearce Dodd, deceased. B619, Edward A. Dodd. B620, John L. Dodd. B621, Mrs. Bettie H. Dodge. B622, Miss Mary Lee Dodge. B623, Sidney E. Dodge. B624, Mrs. Josephine Doerting. B625, Walter J. Doerting. A626,

Miss Elizabeth G. Doherty. B627, William B. Doherty. B628, Mrs. Priscilla W. Dohoney. B629, Mrs. Katherine E. Dohrmann. A630, Miss Clarissa Doll. B631, Edward C. Doll. B632, Mrs. Ivy A. Doll. B633, Miss Grace Doncaster. B634, James Cardwell Dorman. B635, Mrs. Amelia E. Dorn. B636, Rudolph J. Dorn. B637, Mrs. Mary Dorsey. B638, Nat F. Dortch. B639, William T. Dotson. B640, Frank J. Dougherty. B641, Mrs. Helen J. Dravo. B642, Miss Sarah A. Dreher. B643, Mrs. Hortense Weis Dryfus. B644, Isidor Dreyfus. B645, William Drysdale. B646, Mrs. Margaret Strain Duane. B647, Frank C. Ducker. B648, Edward G. Duckwall. A649, United States Trust Company, Executor of the Estate of Ben J. Dudley, deceased. A650, John M. Scott, Executor of the Estate of Burton A. Duerson, deceased.

B651, Virgil O. Duffin. B652, James T. Duffy. A653, Miss Jennie A. Duffy. A654, Miss Margaret Duffy. A655, Martin J. Duffy. A656, Martin J. Duffy, Jr. B657, Frank I. Dugan. B658, Roy Duggins. B659, Andrew W. Duncan. B660, Mrs. Anna L. Duncan. A661, Miss Anne Stuart Duncan. B662, Miss Dorsey Duncan. B663, Miss Lucie M. Duncan. B664, Scott Duncan, Sr. B665, Scott Duncan, Sr., and Elizabeth S. Duncan, Executors of the will of Tom B. Duncan, deceased. B666, William G. Duncan, Jr. A667, N. W. Clarke; A668, A. P. Bohmer, Partners doing business under the firm name and style of John L. Dunlap & Co. A669, Miss Augusta Dunn. A670, Mrs. Ida M. Dunn. B671, Joseph H. Durham. B672, Richard A. Durham. B673, Mrs. Mollie M. Dusch. B674, Johanna Lampton. B675, Frank P. Duttlinger. B676, Mrs. Bethel H. Dycus. A677, Frank H. Dyer. B678, Robert L. Eads. B679, George M. Eady. B680, Charles W. Eaken. B681, Miss Anna L. Eames. A682, Alice Stone Eastwood, Distributee. A683, Harry W. Eastwood, Distributee. B684, Miss Catherine Eberlein. A685, Erwin G. Eberlein, Executor of the

Estate of Orien C. Eberlein, deceased. A686, Marie Eberlein. B687, Elmore J. Eckerle. B688, Claude S. Eddleman. A689, W. S. Hodgens, Executor of the Estate of Mrs. Belle J. Edelen, deceased. B690, Collins J. Edelen. B691, George L. Edelen. B692, Luvena E. Edelen. B693, Edward C. Edinger. B694, Cleland J. Edmonds. B695, Ernest C. Edmonds. B696, Mrs. Verna D. Edsall. B697, Bessie Byrne Edwards. B698, Davis W. Edwards. B699, Grover M. Edwards. B700, Retta S. Eggen, Executrix of the will of Arch M. Eggen, deceased.

B701, Mrs. Settie C. Ehrmann. B702, George Eichhorn. B703, Mary B. Eichhorn. A704, George E. Eichhorn, Administrator w/a of the Estate of Mrs. Mary B. Eichhorn, deceased. A705, Mrs. Catherine M. Eifler. B706, Charles H. Eifler. B707, Louisville Trust Company, Executor of the will of Charles H. Eifler, deceased. A708, John Eifler. A709, John B. Eifler. A710, Miss Mary O. Eldredge. B711, Theodore Eline. B712, Ray L. Ellars. B713, Thomas H. Elliott. B714, Mrs. Stanley H. Ellis. B715, Jacob M. Englert. B716, John G. Epping. A717, George Ernst. A718, George T. Ernst. A719, Mary E. Ernst. A720, Rose Shuter Escott, Guardian Frances Escott. B721, James J. Etheridge. B722, Charles S. Evans. B723, Mrs. Flora Annette Evans. A724, Louisville Trust Company, Administrator of the Estate of George L. Everbach, deceased. B725, Gerald L. Everbach. B726, Joseph B. Everhart. B727, Charles Ewing. B728, C. O. Ewing, II. B729, Charles O. Ewing, II. B730, Forest Ewing. B731, Tilford A. Ewing, Jr. B732, Mrs. Julia R. Fahey. B733, William B. Fahey. B734, William E. Fahey. A735, Miss Mary Fallon. B736, Family Credit Clothing Co., Inc. A737, Maria Eaton Farmer, Executrix of the Estate of Edward C. Farmer, deceased. B738, Eugene F. Farmer. B739, Mrs. Maria Farmer. B740, Alex T. Farnsley. B741, Miss Edith Farnsworth. A742, William D. Farrell. B743, Alden

L. Fawcett. B744, Lida S. Fawcett. A744, Lida S. Fawcett. B745, Fred Fedler. B746, Miss Norma K. Fegenbush. A747, Milton Feiler, Administrator of the Estate of Harry Feiler, deceased. B748, Milton E. Feiler. B749, Irvin Feldbaum. B750, Rudolph J. Felhoelter.

B751, Catherine Felhoelter. B752, Miss Eva Felsenthal. B753, Miss Annette H. Fenley. B & A754, Mary J. F. Kaye, Executrix of the will of Mary W. Fenley, deceased. A755, L. G. Kaye, Trustee of the Estate of Oscar Fenley, deceased. A756, John Marshall, Jr., Trustee of the Estate of Oscar Fenley, deceased. B757, George G. Fetter, Jr. B758, Fidelity & Columbia Trust Co. B759, Fidelity & Columbia Trust Co., Guardian of Clara Allen. B760, Fidelity & Columbia Trust Co., Guardian of Frances Allen. B761, Fidelity & Columbia Trust Co., Guardian for Katherine Allen. B762, Fidelity & Columbia Trust Co., Trustee for D. Barclay, Jr., et al. A763, D. Barclay, Jr. B764, Fidelity & Columbia Trust Co., Agent for Cary F. Baynes. B765, Fidelity & Columbia Trust Co., Agent for Morris B. Belknap. A766, Morris B. Belknap. A767, Walter K. Belknap. A768, Alvin H. Bornswasser. A769, Adolph T. Bradley. B770, Fidelity & Columbia Trust Co., Trustee for Church Home for Females and Infirm. B771, Fidelity & Columbia Trust Co., Trustee for Francis T. Cole. A772, Eliza R. Coleman. B773, Fidelity & Columbia Trust Co., Agent for Hannah B. Forman. B774, Fidelity & Columbia Trust Co., Agent for Ethel Allen Gage. A775, Fidelity & Columbia Trust Co., Agent for Irene H. Gathright. A776, Irene H. Gathright, Trustee for James R. Marshall. A777, Carrie G. Cox, Distributee. B778, Fidelity & Columbia Trust Co., Agent for Mary Potter Leigh. B779, Fidelity & Columbia Trust Co., Agent for Alfa Wakefield Martin. A780, Martha Messick. A781, Ferda Zorn Moren. B782, Fidelity & Columbia Trust Co., Trustee for Orphanage of Good Shepherd. B783, Fidelity & Columbia Trust Co.,

Agent for Fannie G. Rankin. A784, Fannie G. Rankin. A785, Fidelity & Columbia Trust Co., Agent for Anna C. Stewart. B786, Fidelity & Columbia Trust Co., Trustee for John D. Taggart. B787, Fidelity & Columbia Trust Co., Trustee for Eugene A. Taylor. A788, Fidelity & Columbia Trust Co., Agent for Mrs. Annie C. Thompson. A789, Frances P. Newman. A790, Mary P. Starks. A791, Fidelity & Columbia Trust Co., Agent for Edna B. Uphaus. A792, Carolyn Verhoeff. A793, Mary Verhoeff. A794, Fidelity & Columbia Trust Co., Trustee for Mary J. Verhoeff. A795, Edna Haupt Vogt. A796, Viola B. Von Siebenthal. B797, Fidelity & Columbia Trust Co., Trustee, Mary Lee Warren, et al. A798, Ethel R. Wood. A799, Fidelity & Columbia Trust Co., Agent for Henri Fink Zinno. B800, Mrs. Lizzie Field.

A801, Fidelity & Columbia Trust Co., Agent (Executor) Edward L. Warren. B802, Miss Mattie Field. B803, Emmet R. Field, Administrator w/a of the estate of Sue F. Field, deceased. B804, William H. Field. B805, John J. Fields. A806-7, Rosa R. Finck, Executrix and Distributee of the Estate of C. Rufer Finck. B808, Marcus Fine. B809, Mrs. Duck M. Fink. B810, Arthur W. Finley. A811, Miss Jessie Finney. A812, Miss Mary F. Finney. A813, Miss Pansy E. Finney. B814, Richard T. Finney. B815, Mrs. Charlotte P. Finzer. B816, First National Bank, Mayfield, Ky., Tr. for Mrs. Sue Newman Schoe. A817, Mrs. Mollie C. Fisher. B818, Thomas C. Fisher. A819, Mrs. Elizabeth S. Fiske. A820, Miss Ruth E. Fiske. B821, Simon Fitzpatrick. B822, Mrs. Margaret Fix. B823, Daniel J. Flanagan. B824, Arthur Fleischaker. A825, Miss Edna Mae Fleishher. B826, Minnie Fleischaker. B827, Albert W. Fleischmann. B828, Mrs. Milta B. Fleming. B829, Gustav Flexner. B830, Emily Flowers. B831, L. L. Fontaine. A832, Miss Bessie Fontana. B833, Marjorie Fontana. B834, Ben O. Ford. B835, Miss Della Ford.

A836, Miss Hallye R. Ford. B837, Mrs. Lucie R. Ford. B838, Elizabeth Fraas. A839, Charles F. Francke, Administrator of the estate of Mrs. Laura H. Francke. B840, Louis Franconia. B841, Mrs. Ida Frank. B842, Janet Brodie Frank. B843, Dr. Louis Frank. B844, Louis Frank. B845, L. Wallace Frank. A846, Rudolph Frank. B847, Franklin Printing Co. B848, Raymond Franklin. B849, Mrs. Grace J. Frantz. A850, Samuel D. Boden, Executor of the estate of Mrs. Francesca Franzmann.

A851, Raymond L. Hall, Distributee. A852, Robert L. Hall, Distributee. A853, Louise F. Boden. B854, George Franzmann. B855, Harry Franzmann. B856, Miss Louisa Franzmann. B857, Miss Matilda J. Frazee. B858, Miss Matilda J. Frazee, Tr. B859, Lincoln Bank & Trust Co., Executor of the will of Samuel E. Frazee, deceased. A860-1, Juliet C. Frazier, Executrix and distributee of Silas L. Frazier, deceased. B862, Mrs. Virginia S. Frazier. A863, Harry Frederick. B864, Mrs. Elizabeth C. Frehse. A865, Edward W. Fries. A866, Mrs. Elnora Fritz. B867, Joseph H. Fromholtz. A868-9, Arthur John Unglaub and Ida Helen Fromm, Executors of the Estate of Fred Fromm, deceased. A870, Louisville Trust Company, Administrator w/a of the estate of William Fronmiller, deceased. B871, Bernard A. Fueglein. A872, Miss Mary Ann Fueglein. B873, Isaac T. Fugate. B874, Bruce Funk. B875, John Furey. B876, Gilbert Gadjen. A877, Mary Christina Cottell, Administratrix de bonis non with the will annexed of Phillip A. Gaertner, deceased. A878, M. C. Cottell, Admx. of the Estate of Bettie Gaertner, deceased. A879, Mary Christina Cottell, Trustee for Phillip Gaertner Cottell. A880, Mary Christina Cottell. B881, Miss Alice Muriel Gagga. B882, Mrs. Alice H. Gaines. B883, Bernard M. Gallagher. B884, Miss Myra Galvin. B885, William P. Gambert. A886, Fidelity and Columbia Trust Co., Executor of the will of Annie J. Gamble, deceased. A887, Fidel-

ity and Columbia Trust Co., Administrator w/a of Thomas Hoyt Gamble, deceased, successor in interest to Rose Gamble, deceased. A888, Fidelity and Columbia Trust Co., Administrator w/a Thomas Hoyt Gamble, deceased. B889, Miss Wilma Gamble. B890, Albert J. Gans. B891, Mrs. Mary T. Gans. B892, Joseph H. Ganz. A893, Lena V. Garnett, Executrix of the will of James Garnett, deceased. B894, James Garnett, Jr. B895, Mrs. James Garnett. B896, Miss Jennie W. Garnett. B897, Mary Gunn Garnett. B898, Mrs. Mary T. Garrard. B899, Lewis L. Garrett. B900, Mrs. Phillippine A. Garretty.

B901, Mrs. Christine P. Gates. A902, Jessie Pierle Gates, Executrix of the will of Charles D. Gates, deceased. B903, Fred W. Gates. B904, Edward J. Gathof. B905, S. Nicholas Gathof. B906, Mrs. Irene H. Gathright. B907, Paul P. Gaylord. B908, Wilbur E. Geiser. B909, General Association of Baptist in Ky. B910, George A. Georgel. B911, Edward Gernert. B912, Miss Clara Gerst. B913, Walter F. Gerst. B914, Miss Carrie T. Gfroerer. B915, Samuel Gfroerer. B916, Anderson A. Gibson. A917, Marguerite Gifford, Executrix of the estate of Morris B. Gifford, deceased. B918, Mrs. Sallie E. Gilkerson. B919, Miss Aurena B. Gilliford. B920, Edward M. Gilligan. B921, Thomas J. Gilligan. B922, Herman Gimpel. B923, Walter H. Girdler. B924, John Guigliana, Executor of the estate of Miss Agnes Guigliano, deceased. B925-6, George A. Glass and Irene E. Glass. B927, George Glass, Jr. B928, Vernon Clyde Glass. B929, Mrs. Annie R. Glazebrook. A930, Fidelity & Columbia Trust Co., Executor of the will of James Glazebrook, deceased. B931, William A. Glazebrook. B932, Dennis J. Gleeson. B933, Mrs. Margie R. Gleeson. B934, Seldon R. Glenn. B935, Miss Anna C. Goby. B936, Francis J. Goby. B937, Martin S. Goby. B938, William E. Goepper. B939, Mrs. Katherine Goering. B940, Leonard C. Goering. B941, William H. Goering, Jr.

B942, William H. Goering, Sr. B943, Frank U. Gohman. B944, Charles G. Goitein. B945, Miss Carrie Goldbach. B946, Fred E. Goldbach. B947, John E. Goldbach. B948, Miss Lula Goldbach. B949, Morris Goldberg. B950, Mrs. Ollie Morris Goldsborough.

B951, Mrs. Willie F. Goldwaite. B952, John Gollar, Jr. B953, Miss Anna R. Gooch. B954, Miss Clara S. Gooch. B955, Miss Lucy C. Gooch. B956, Louis Goodfriend. B957, Hallie Dudley Goodloe. B958, Fleet H. Goodridge. B959, Mrs. Lillian E. Goodwin. B960, Angus W. Gordon. A961, Elizabeth C. Gordon, Executrix of the estate of Robert B. Gordon, deceased. B962, Miss Lila Gore. B963, James T. Gorley. B964-5, Albert C. Gorman & Aline Gorman. B966, Mrs. Anna C. Goss. B967, Mary Suretta Goss. B968, Miss Bridget Grace. B969, Harry Gradman. B970, Edward S. Graff. B971, Albert Grall. B972, Miss Elizabeth Gramig. B973, John Herman Gramig. B974, Anne Wood Grant. B975, Mrs. Eunice Tyler Grasch. B976, Frances C. Grauman. B977, Angereau Gray. B978, William Henry Gray, Executor of the estate of Henry O. Gray, deceased. A979, Kentucky Title Trust Company, Administrator with the will annexed of Henry S. Gray, deceased. B980, John E. Gray. A981-2, Georgia Tyler Greathouse, Executrix and distributee of the estate of Joseph W. Greathouse, deceased. B983, Miss Allan Lake Green. A984, United States Trust Company, Admr. w/a of the estate of Mrs. Annie Amis Green, deceased. A985, Marion A. Green. B986, United States Trust Co., Trustee for Marion A. Green. B987-8, Miss Dora Green and Elizabeth Green. B989, Lavelle B. Green. B990, Denton O. Green. A991, Fidelity & Columbia Trust Company, Executors of the Estate of Susa T. Green, deceased. B992, Thomas Green. B993, M. F. Greenstein. B994, Simon J. Greenstein. B995, Mrs. Mary McKee Greer. B996, Samuel P. Gresham. B997, Claude Gressman. B998, Henry J. Greive. B999, James H. Griffin.

A1000-1-2-3, Catherine Green and Estella Griffin Lord, Administratrices and distributees of the estate of Joseph T. Griffin, deceased. B1004, Annie H. Grinstead. B1005, R. Hewett Grinstead. A1006, Louisville Trust Company, Administrator of the estate of R. Hewett Grinstead, deceased. B1007, Alex V. Griswold. B1008, Mrs. Alex V. Griswold. B1009, Mrs. Emma N. Griswold. B1010, Howard G. Griswold. B1011, Mrs. Mary L. Griswold. B1012, Miss Carrie R. Gross. B1013, Mrs. Marie R. Grosvenor. B1014, Edward Groth. B1015, Miss Anna K. M. Grunder. B1016, Corinne E. Grunder. B1017, Fred Guembel. B1018, Gordon B. Guernsey. B1019, Miss Amelia B. Guetig. B1020, Nettie J. Guetig. B1021, Mrs. Lela Gunterman. B1022, Charles P. Gunther. B1023, George Gunther. B1024, Mrs. Margaret Gunther. B1025, Mrs. Amy Guntermann. B1026, Conrad H. Gutermuth. B1027, Mrs. Benita M. Guthrie. A1028-9, Nettie E. Gutig, Executrix and distributee of the estate of George Gutig, deceased. B1030, Shirley E. Haas. B1031, William A. Haas. B1032, Miss Carrie K. Hach. B1033, Mrs. Grace Goode Hackett. B1034, Miss Mary L. Hackett. B1035, Albert J. Hackman. B1036, Miss Sallie J. Haden. B1037, Robert J. Hafendorfer. B1038, Herbert Hart Hagan. B1039, Mrs. Charles H. Hagerty. B1040, Mrs. Lucy Hagerty. B1041, Earl D. Hale. B1042, Joseph G. Hale. B1043, Mrs. Lena B. Hale. B1044, Mrs. Gertrude Laib Hall. B1045, John A. Hall. B1046, Mrs. Rae Hall. B1047, Pearl May Hall, Executrix of the estate of William P. Hall, deceased. B1048, Annie A. Halleck. B1049, William V. Hambleton. B1050, Alexander G. Hamilton.

B1051, Arch L. Hamilton. B1052, Clifford R. Hamilton. B1053, Harry M. Hamilton. B1054, Mrs. Julia A. Hamilton. B1055, William H. Hamilton. B1056, Earl Hammann. B1057, George Hammann, Jr. B1058, George W. Hammann, Sr. B1059, Miss Adelle W. Hammill. B1060, Mrs. Mary S. Hammill. B1061, William A. Hammill.

B1062-3, Mary Hammill, Executor and individually, of the estate of William B. Hammill, deceased. B1064, Henry S. Hammond. B1065, J. Duffy Hancock. B1066, Miss Josephine Hancock. B1067, Bernard Handmaker. B1068, Mrs. Ethel B. Handmaker. B1069, Ethel B. Handmaker, Extx. of the Estate of Sidney B. Handmaker, deceased. B1070, Granville S. Hanes. B1071, Robert G. Haney. B1072-3-4, Gus Hank, Sr., Gus Hank, Jr., Harry Hank, Partners trading and doing business as Hank Bros. B1075, Oscar C. Hank. B1076, Mrs. Anna R. Hanks. B1077, J. Robert Hanks. B1078, Mrs. Mary H. Hanly. B1079, Miss Bezzie Hannan. B1080, William G. Hannan. B1081, Edward G. Hannon. B1082, Miss Mary F. Hannon. B1083, Richard C. F. Hansen. B1084, A. Moorman Hardaway. B1085, Mrs. Olla Mae C. Hardaway. B1086-7, Marion and Lee P. Hardesty, doing business as Hardesty Pharmacy. B1088, Richard W. Hardesty. B1089, Mrs. Viola R. Hardesty. A1090, Emma Graham Geiger, Administratrix of the estate of G. W. Hardin, deceased. B1091, Preston W. Hardin. B1092, Kate McGeher Hardy. B1093, Mrs. Ida L. Harlan. B1094, Marion B. Harlan. B1095, Mrs. Addie T. Harmon. B1096, Augusta Willey Harris. B1097, Mrs. Bessie Harris. B1098, George E. Harris, Jr. B1099, Mrs. Georgia W. Harris. B1100, Mrs. Laura L. Harris.

B1101, Sam Harris. B1102, Mrs. Sam Harris. B1103, Mrs. Sammie E. Harris. B1104, John H. Harrison. B1105, William B. Harrison. B1106, Mrs. Ruth W. Hart. B1107, Miss Josephine Hartlauf. B1108, Isaac S. Hartley. B1109, William F. Hartmetz. B1110, Allen P. Harvey. B1111, Barney M. Harwood. B1112, Miss Margaret M. Hassan. A1113, Thomas Hastings, Executor of the estate of Mrs. Anna B. Hastings, deceased. B1114-5, F. L. Hausman and H. H. Hausman, Partners doing business as Hausman Bros. B1116, Edgar B. Hawes. B1117, Mrs. Elsie S. Hawes. B1118, George Bright Hawes. B1119, George B. Hawes.

B1120, Mrs. Hettie S. Hawes. B1121, Mrs. Laura B. Hawes. B1122, R. Leo Hawes. B1123, William H. Hawes. B1124, Miss Ophelia Hay. B1125, H. Chester Haycraft. B1126, Josephine Hayes. B1127, Mrs. Etta Hast Hays. B1128, Thomas Graham; B1129, M. M. Hays; B1130, Dunlap Wakefield, Partners trading and doing business as E. W. Hays & Co. B1131, F. S. Hays. A1132, Alexander Bate, Executor of the estate of John Edwin Hays, deceased. A1133, Mrs. Etta Hast Hays, Distributee. B1134, Louise B. Hays. B1135, Miss Marguerite A. Hays. B1136, Mrs. Maria M. Hays. B1137, Mrs. Belle Hazzard. B1138, Oliver P. Hazzard. B1139, C. Bruce Head. B1140, Miss Maude Head. B1141, Harry M. Heath. A1142, Mrs. Amelia Hebel, Life Tenant, Chas. M. S. Hebel Estate. A1143, Amelia Hebel, Executrix of the will of Charles M. S. Habel, deceased. B1144, Mrs. Mollie Hebel. B1145, Louis C. Heck. B1146, George C. Heckel. B1147, Ray Heer. B1148, James E. Heffernan. B1149, E. Lee Heflin. B1150, William S. Heidenberg.

B1151, Fred F. Heidroske. B1152, Mrs. Melvina Heidroske. B1153, Edward J. Heimerdinger. B1154, L. Allen Heine. B1155, William B. Heller. B1156, Clarence J. Hellman. B1157, Mrs. Adelaide Stoll Helm. B1158, Mrs. Margaret S. Helm. A1159-60, Nelson Helm and Elizabeth Nelson Helm, Executors of the Estate of T. K. Helm, deceased. B1161, Edward E. Hemp. B1162, Elmer L. Henderson. B1163, George A. Hendon. B1164, Mrs. Dorothy A. Hendricks. B1165, Miss Hattie B. Henn. B1166, Harrison Hunter; B1167, O. T. Hunter; B1168, Louis Van Overbeke; B1169, Henning Chambers, Partners trading and doing business under the name of Henning Chambers & Co. B1170, Charles E. Henriett, Jr. B1171, Dr. M. Joseph Henry. B1172, Miss Violet F. Henry. B1173, Mrs. Lillian N. Henshaw. B1174, August Hepp. B1175, William F. Herberger. B1176, Miss Alberta Herman.

B1177, Mrs. Carrie E. Herr. B1178, Miss Elizabeth B. Herr. B1179, George Herrmann. B1180, Gilbert J. Hertel. B1181-2, Irwin Hertzman and Aaron Hertzman. B1183, Albert Hess. A1184-5, Julius P. Krieger and Milton Conrad, Executors of the will of Mrs. Catherine W. Hess, deceased. B1186, James R. Hess. B1187, John H. Hess. B1188, Mrs. Minnie Hesse. B1189, Mrs. Joan Hester. A1190, Ainslee Hewett. A1191, Nettie May Hewett. A1192, United States Trust Company, Trustee for Nettie M. Hewett, Distributee. A1193, Nettie May Hewett. A1194, George Ainslee Hewett, Distributee. B1195, Mrs. Margaret Fink Hewett. B1196, Mrs. Julia B. Heyburn. A1197, Fidelity & Columbia Trust Company, Executor of the Estate of Alice W. Heyman, deceased. B1198, Mrs. Etta E. Heymann. B1199, Charles W. Hibbitt. B1200, Robert F. Hibbitt.

B1201, Michael J. Hickey. B1202, Lindley A. Hickman. B1203, R. Baylor Hickman. B1204, Elmer H. Hicks. B1205, John Higgins. B1206, John W. Hikes. A1207, Verna Ray Hikes, Executrix of the will of Samuel L. Hikes, deceased. B1208, Verna Ray Hikes. B1209, Miss Florence Hildebrand. B1210, Charles V. Hill. B1211, Fred P. Hill. B1212, Howard M. Hill. B1213-14, Gerrit Hillebrand and Mattie Hillebrand. A1215, Isaac Hilliard; A1216, Edward H. Hilliard; A1217, Andrew J. Howard; A1218, Andrew P. Gies; A1219, Robert J. Theobald; A1220, Harold W. Walton; A1221, Marion H. Cardwell, Partners, trading and doing business under the firm name and style of J. J. B. Hilliard & Son. B1222, Dennis J. Hines. B1223, John O. Hines. B1224, Edward W. Hinkle. B1225, Walter D. Hitch. B1226, Harry L. Hoagland. A1227, Mrs. Lucy G. Hobbs. B1228, Lucy Gilmer Hobbs. B1229, Mrs. Jetta E. Hobson. B1230, Joseph T. Hodapp. B1231, Louis A. Hodapp. B1232, Mary Brodie Hodge. B1233, Clyde C. Hodges. B1234, Mrs. Margaret R. Hodges. B1235, Louis

F. Hoehle. B1236, Thatcher Hoertz. B1237, Walter J. Hoffman. B1238, Wm. L. Hoge. A1239, Hildegarde D. Hohler. A1240, Margaret B. Hohler. A1241, Miss Matilda R. Hohler. B1242, Mrs. Esther K. Hokenson. B1243, Miss Fanny Holladay. B1244, William G. Holladay. B1245, Clarence R. Hollcroft. A1246, Alice Hollcroft, Executrix of the estate of Rice Hollcroft, deceased. B1247, Louis J. Hollenbach. B1248, Phil. G. Hollenbach. B1249, Miss Mary Hollenkamp. A1250, Annie Holman, Executrix of the estate of Paul W. Holman, deceased.

A1251, Miss Gertrude Holmes. B1252, Harry B. Holmes. B1253, Miss Elizabeth Holte. A1254-5, Katherine S. Holtevert, Executrix and distributee of the estate of Henry B. Holtevert, deceased. B1256, Raymond L. Holtzclaw. B1257, Rutherford R. Hoppe. B1258, Edwin Horn. A1259-60, Edith A. Horn, Executrix and distributee of the estate of Jacob H. Horn, deceased. B1261, Mrs. Julia B. Horn. B1262, Mrs. Lorraine G. Horn. B1263, McDowell Horn. B1264, William J. Horn. B1265, W. McDowell Horn. B1266, Mrs. Olga Horner. B1207, Robert C. Hoskins. B1268, William O. Hoskins. B1269, James J. Hougland. B1270-71, Roscoe S. Houghland and Mayme Houghland. B1272, Ben C. Howard. B1273, Edward E. Howard. B1274, William Porter Howard. A1275, Katherine P. Howe, Administratrix with the will annexed of the estate of Thomas M. Howe, deceased. B1276, Frank B. Hower. B1277, Mrs. Edyth W. Howry. B1278, Frank Huber. B1279, Joseph Huber. B1280, Allen K. Hudson. B1281, Jane Brodie Hudson. B1282, Mrs. Lillie H. Hudson. B1283, Walter E. Huffaker. A1284-85, United States Trust Co. and Ethel L. Hughes, Trustees u/w of Frank C. Hughes, deceased. A1286-7, United States Trust Company and Ethel L. Hughes, Executors of the Estate of Frank C. Hughes, deceased. A1288, Ethel L. Hughes, distributee. A1289, Anne E. Hughes, distributee. A1290, Janet E.

Hughes, distributee. A1291, Frank C. Hughes, Jr., distributee. B1292, Mrs. Maria C. Hughes. A1293, Fidelity & Columbia Trust Company, Executor of the will of Chas. F. Hughlein, deceased. A1294-5, Louisville Trust Company and Caroline Hume, Executors of the estate of William G. Hume, deceased. B1296, Mrs. Emmajen Y. Hummel. B1297, Harry K. Hummel. B1298, Heman Humphrey. B1299, Mrs. Wilhelmina Humphrey. B1300, J. Phillips Hundley.

B1301, Mrs. Sarah B. Hundley. B1302, Polk Hunter. B1303, Ray B. Hunter. B1304, Luther B. Hurst. B1305, Miss Elizabeth L. Husman. B1306, Mrs. Mary L. Hutcheson. B1307, Kentucky Title Trust Co., Administrator de bonis non with the will annexed of the estate of Caroline E. Hutchings, deceased. B1308, Eleanor T. Hutchings, Guardian Eleanor Hutchings. B1309, Eleanor F. Hutchings, Guardian William E. Hutchings. A1310, Kentucky Title Trust Company, Admr. de bonis non w/w/a of the Estate of Wm. E. Hutchings, deceased. B1311 Miss Winifred Hutchings. B1312, Mrs. Ben Louie Straus Hutchins. B1313, Mrs. Elizabeth Hutchison. B1314, Miss Margaret S. Hutchison. A1315, Sarah Scott Hutchison, Administratrix of the estate of William R Hutchison, deceased. B1316, Isadore Hyman. B1317, Robert C. Ilg. A1318, Henry W. Imorde, Executor u/w of Ben H. Imorde, deceased. B1319, Mrs. Mary Hinkle Imorde. A1320, Ernest Ioos. A1321, Miss Jennie Ireland. B1322, J. Wiley Irvine. A1323-4, M. Evelyn Irving, individually, and M Evelyn Irving, Executrix of the estate of Lee D. Irving, deceased. B1325, Jacob L. Isaacs. A1326, Mrs. Agnes Ising. A1327, Henry Ising. B1328, Fidelity & Columbia Trust Co., Executor of the will of Albert Ivison. B1329, Miss Edna Jacke. B1330, Dora Jacke, Executrix of the will of William Jacke, deceased. B1331, Wm. A. Jackman. A1332, Mrs. Dorothy H. Jackson. B1333, Levi C. Jackson. A1334, Roy Jack-

son. A1335, Miss Rosanna Jacobs. A1336, Miss Fannie Jacobson. A1337, Zack Jacoby. B1338, Miss Margaret McMillan James. B1339, Mrs. Margaret Vance Jarvis. B1340, Mrs. M. Eunice Jean. A1341, Helen Herr Jefferson, Executrix estate of Chas. D. Jefferson. A1341, Helen Herr Jefferson, Executrix estate of Chas. D. Jefferson. A1342, Elizabeth Myer. B1343 Lewis S. Jefferson. B1344, Mrs. Sallie G. Jefferson. B1345, Miss Carrie U. Janne. B1346, Henry Jenne. A1347, Joseph Jenne. B1348, Mrs. Marie L. Jesse. A1349, Mrs. Amelia Johnson. B1350, Mrs. Amy Kohlhepp Johnson.

B1351, Charles A. Johnson. B1352, Mrs. Dora G. Johnson. B1353, Frank H. Johnson. A1354, Miss Golda W. Johnson. B1355, Henry M. Johnson. B1356, Agnes Johnson, Executrix of the will of John Hobart Johnson, deceased. B1357, Mrs. Mary B. Johnson. B1358, Mrs. Thos. J. Johnson. B1359, Wm. O. Johnson. B1360, Edward A. Jonas. B1361, Mrs. Margaret D. Jonas. A1362, Alice L. Jones. B1362, Alice L. Jones. B1363, Hugh R. Jones. B1364, James W. Jones. B1365, Mrs. Jennie Jean Jones. B1366, Mrs. Loulie W. Jones. B1367, Mrs. Mamie K. Jones. B1368, Samuel D. Jones. B1369, William E. Jones. A1370, Miss Ray Jordan. B1371, Alfred S. Joseph. B1372, Mrs. Dorothy L. Joseph. B1373, Mrs. Hannah Joseph. B1374, Oscar G. Joseph. B1375, Oscar G. Joseph, Jr. B1376, Mrs. Nancy Otter Joyce. B1377, Preston P. Joyes. B1378, Max Judah. A1379, Mrs. Sarah Kahn. B1380, Raymond G. Kaleher. B1381, Louis J. Kammerer. A1382, Miss Olivia Kaninberg. B1383, Louis F Kanzler. B1384, Harry M. Kaplan. B1385, Charles W. Karraker. B1386, Davis Kasdan. B1387, Louis R. Kassenbrock. B1388, Mrs. Cora Kaufman. B1389, Mrs. Estelle C. Kaufman. B1390, Leo P. Kaufman. B1391, Miss Orlena A. Kaufman. B1392, Jere J. Kavanaugh. B1393, Miss Lilla S. Kavanaugh. B1394, John M. Keaney. A1395, John H. Kearns. A1396,

Leo G. Kearns. B1397, Charles E. Kebsch. B1398, Mrs. Lucille A. Koene. B1399, Mrs. Eugenie Hail Keeney. A1400, Mrs. M. Lillian Kegler.

A1401, Albert A. Keidel. A1402, David Y. Keith. B1403, Ernest Keller. B1404, Henry Keller. B1405, Mrs. Rosa Keller. B1406, Brown W. Kelley. A1407, Louisville Trust Company, Executor of the will of Milburn P. Kelly, deceased. B1408, Elizabeth Kelley, Distributee. A1409, Vinnie Valeria Kelley, Distributee. A1410, Ambie Milburn Kelley Hutcherson, Distributee. A1411, Ina Julia Lieber, Distributee. B1412, George E. Kelley. B1413, Mrs. Helen M. Kemnitz. B1414, Theodor Kemnitz. B1415, Robert L. Kemper. B1416, Walker W. Kemper. B1417, Richard M. Kendall. B1418, Miss Fannie Kennedy. A1419, Archibald D. Kennedy, Executor of the will of Samuel B. Kennedy, deceased. A1420, Archibald D. Kennedy. A1421, Fidelity & Columbia Trust Co., Executor of Estate of W. L. Kennett. B1422, Mrs. Olive B. Kenney. B1423, Kentucky Book Mfg. Co., Inc. B1424, Kentucky Title Trust Co. B1425, Mrs. Cornelia S. Kern. B1426, Mrs. Mary A. Kern. B1427, Phil G. Kern. B1428, Robert M. Kerr. B1429, Mrs. Annie Kersting. B1430, Henry A. Kersting. B1431, Joseph A. Kersting. B1432, John Kesselring. B1433, Miss Lula Kessler. B1434, Arthur S. Key. B1435, Albert S. Kiefer. A1436, J. Edward Kilgus, Executor of the Estate of J. George Kilgus. A1437, J. Edward Kilgus. B1438, Jacob E. Kilgus. B1439, James L. Killoran. B1440, John L. Kilroy. B1441, Marguerite K. Clark, Executrix of the estate of Miss Ida Kilvington. B1442, Joseph J. Kimbel. A1443-4, Fred and Anabel Kimmel. B1445, Mrs. Lyrtie Lindsay Kimmons. B1446, Matthew Wakefield King. B1447, Mrs. Susan F. King. A148, Ralph D. Kinnaird. A1448, Ralph D. Kinnaird. B1449, George T. Kinnarney. B1450, Jas. W. Kinnarney.

B1451, Mrs. Mary S. Kinnarney. A1452, Mrs. Mayme S. Kinnarney. A1453, Edward N. Kippes. B1454, Mrs.

Elizabeth F. Kirkpatrick. B1455, E. Emmett Kirwan. B1456, James G. Kirwan. B1457, Mrs. Josephine S. Kirwan. A1458, Miss Ida May Kistner. B1459, John L. Klapheke. B1460, Fred J. Klausing. B1461, Miss Katherine M. Klausing. B1462, Mrs. Margaret Klefot. B1463, Harry J. Klein. A1464, John Edmond Klein, Executor estate Mrs. Clothilde Mouth Klein. B1465, Nathan Klein. B1466, Sam Klein. B1467, Mrs. Barbara Klein. B1468, Edward G. Klemm. B1469, Benjamin W. Kling. A1470, Harry F. Klingman. A1471, Mrs. Sara Klingman. B1472, Mrs. Lullie L. Klunder. B1473, Stella Klusmeyer, Executrix of the will of William F. Klusmeyer, deceased. B1474, Miss Hadley B. Knighton. B1475, Edward C. Knoop. B1476, Peter C. Knopf. B1477, John F. Knue. B1478, Benjamin Koby. B1479, Clifford H. Koch. A1480, Miss Elsie M. Koenig. B1481, Miss Florence C. Koenig. A1482, Frew W. Koestel. B1483, Eugene B. Kohlhepp. A1484, Elmer H. Kohlhorst. A1485, William T. Kohlhorst. B1486, Celia Kohn, Administratrix of estate Ben J. Kohn, deceased. B1487, Jean Kohn. B1488, Walter I. Kohn. B1489, George C. C. Kolb. B1490, Louis F. Kolb. B1491, Miss Rosa Kolb. A1492, Edward A. Koop. B1493, Mrs. Jane M. Koop. B1494, William Kopmeier. A1495, Miss Eleanor B. Kopp. A1496, Miss Rose Kopp. B1497, Louis Korb. B1498, Miss Marie Korb. B1499, William L. Korb. A1500, Miss Louise M. Korfhage.

B1501, Louis C. Kosse. B1502, Fred Kostrzewa. A1503, Edward A. Kraft, Jr. B1504, H. Nellis Kraft. B1505, Robert P. Kraft. B1506, Henry C. Kraher. B1507, Fred A. Kratch. A1508, Thelma Krausgill. B1509, Mrs. Belle Gordon B. Krebs. B1510, Charles C. Krebs. B1511, Miss Agnes V. Kremer. B1512, Miss Blanche Kremer. A1513, John Kremer. B1514, Miss Loraine Kremer. B1515, Miss Katherine D. Kress. B1516, William Krieger. A1517, Miss Marie L. Kronenberg. B1518, Henry Krusenklaus. B1519,

Walter B. Kuersteiner. B1520, Miss Alma Kuhn. B1521, Martin L. Kuhn. A1522, Miss Margaret Kummritz. B1523, Edward A. Kunz. B1524, John J. Kunz. B1525, W. F. Edwin Kunz. B1526, A. V. Kurowiski. B1527, Herman F. Kurz. B1528-9, Mrs. Amelia and Eugene C. Kuttner. A1530, Mrs. Mary Kyne. B1531-2, Edmund S. and Mary LaFollette. B1533, Mrs. Jeannette Lehman. B1534, Miss Ida Lampe. B1535, Mrs. Johanna K. Lampton. B1536, Mrs. Helena Land. A1537, Sara Landau, as Administratrix d b n-c t a of the Estate of Fred Landau, deceased. A1538, Mrs. Adrienne Lane. A1539, Mrs. Mary C. Lane. B1540, Miss Caroline E. Lang. B1541, Joseph Lang. A1542, Otto C. Lang. A1543, Otto & Robert Lang. B1544, Theodore A. Lang. B1545, George W. Langford. B1546, Mrs. Mary Gilbert Langford. A1547, Miss Hazel Languell. B1548, Frank H. Lanham. B1549, Ruth B. Lapointe. B1550, Hans C. Larsen.

B1551, John W. Latham. B1552, Jacob Laub. A1553-4, Fidelity & Columbia Trust Co. and W. R. R. LaVielle, Executors of the Estate of Isabel Ray LaVielle. B1555, Mrs. Vaden B. Lawrence. B1556, Miss Christine Layer. B1557, Charles F. Leathers. B1558, John Allen Leathers. A1559, Frank J. Lechleiter. B1560, Mrs. Estelle Lee. B1561, Mrs. Estelle K. Lee, Executrix of the will of John J. Lee, deceased. B1562, Mrs. Louise B. Lee. B1563, Mrs. Mary L. Lee. A1564-5, Caroline Apperson Leech, Executrix and distributee of the estate of Caroline A. Leech. B1566, Miss Carolyn Apperson Leech. B1567, Jennie B. Leedom. B1568, Walter V. Leedom. B1569, Frank J. Lefevre. A1570, Fidelity & Columbia Trust Co., Executor of the estate of Louis Leib, deceased. A1571, Miss Lillian Leibold. A1572, Miss Ophelia Leibold. B1573, Charles F. Leis. B1574, George F. Leonard. B1575, Mrs. Lillie K. Leonhart. B1576, Mrs. Rose Leonhart. B1577, Lawrence S. Leopold. B1578, Miss Willie D. Lepping. B1579, Mrs.

Lottie M. Letterle. B1580, Mrs. Alma B. Letzler. B1581, Max Levi. A1582-3-4, Simon Cohen, Executor of the Estate of Samuel Levine, and Tony Levine, and Sarah Levine. A1583, Tony Levine. B1585, Fred Levy. B1586, James S. Levy. B1587, Louis M. Levy. B1588, L. M. Levy. B1589, Markham Levy. B1590, Mrs. Ada Obryan Lewis. A1591, Edward M. Lewis, Executor of the estate of Esmeralda B. Lewis, deceased. A1592, Edward M. Lewis, Executor of the estate of Mrs. Esmeralda B. Lewis, deceased. B1593, Mrs. Frances Reed Lewis. A1594, Percy N. Booth, Administrator of the estate of H. Hamilton Lewis, deceased. B1595, Mrs. Mayme K. Lewis. A1596, Orand B. Lewis. B1597, Lewis & Culp, Inc. B1598, Jacob B. Lewman. B1599, Miss Mary H. Lewman. B1600, Mrs. Mary V. Lewman.

B1601, Miss Bessie M. Lichten. B1602, Mrs. Carrie Lichten. B1603, Mrs. Emma Lieber. B1604, Fred H. Lieber. A1605, H. Daniel Sabel, Executor and Trustee of the Estate of Henry Lieberman, deceased. B1606, Campbell E. Lindsey. B1607, H. Watson Lindsey. B1608, John B. Lindsey, Jr. A1609, Thomas N. Lindsey, Executor of the estate of Joseph W. Lindsey, deceased. A1610, Joseph W. Lindsey, Jr., Distributee. A1611, H. Watson Lindsey, Distributee. A1612, Thomas N. Lindsey, Distributee. A1613, Eliza L. Williams, Distributee. A1614, Marie L. Rogers, Distributee. B1615, Julia B. Lindsey. B1616, Alvin Linker. B1617, Barnet Linker. B1618, Harry Linker. B1619, Ernest R. Lips. B1620, Miss Angela Liston. B1621, Miss Nellie Liston. B1622, Mrs. Cora G. Littlepage. B1623, Miss Fannie Loewenstein. B1624, Wells C. Logan. B1625, Latimer H. Long. B1626, Lewis R. Long. B1627, Victor M. Lorch. B1628, Mrs. Pearl M. Loughridge. A1629, Kentucky Title Trust Company, Trustee under the will of Amelia W. Anderson. A1630, Lucinda Morris. A1631, Emma W. Anderson. A1632, Stephen E. Baird.

A1633, Kentucky Title Trust Co., Trustee u/w of Mary B. Brown. A1634, Kentucky Title Trust Co., Trustee u/w of Mary Barclay Brown. B1635, Louisville Trust Co., Trustee for Laura R. Bashaw, deceased. A1636, Fidelity & Columbia Trust Co., Trustee u/w of Clara K. Bullitt. A1637, Anne Bullitt Brewer, Distributee under the will of Clara K. Bullitt, deceased. A1638, Kentucky Title Trust Company, Trustee u/w of Kate W. Crawford, deceased. A1639, Liberty National Bank & Trust Company, Trustee for Minnie Detchen. A1640, Liberty National Bank & Trust Company, Trustee u/w of George W. Detchen, deceased. A1641, Liberty National Bank & Trust Company, Trustee u/w of Louisa S. Detchen. A1642, Fidelity & Columbia Trust Company, Trustee u/w of W. W. Drummond. A1643, Kentucky Title Trust Company, Trustee u/w of B. F. Guthrie, deceased. B1644, United States Trust Company, Trustee u/w of Joseph Hahn, Sr. A1645, Isabel Haldeman. A1646, Kentucky Title Trust Company, Trustee u/w of Jennie C. Hanks. B1647, Louisville Trust Company, Trustee u/w of Theodore Harris. B1648, Louisville Trust Company, Trustee for William Hastings. A1649, Fidelity & Columbia Trust Company, Trustee under the will of Frank Heck. A1650, Fidelity & Columbia Trust Company, Executor of the estate of Mary B. Heck.

A1651, Kentucky Title Trust Company, as Trustee for Francis Griffiths Hogan. B1652, Louisville Trust Company, Trustee u/w of J. Price Hudson. B1653, Louisville Trust Company, Trustee for Rose Anna Hughes. B1654, Louisville Trust Company, Trustee for John F. Kellner. A1655, Annie Leathers Duncan, Distributee. A1656, Stuart Robinson Leathers, Distributee. B1657, Louisville Trust Company, Trustee u/w of J. Lewis Letterle. A1658, Kentucky Title Trust Company, Trustee u/w of G. H. Lindenberger, deceased. A1659, James W. McGrath. A1660, Robert E. McGrath. A1661, Helen F. McGrath Griffin.

A1662, Mary Louise McGrath. A1663, Fidelity & Columbia Trust Company, Trustee of Frank A. Menne. A1664, Fidelity & Columbia Trust Company, as Trustee for Lucy Elizabeth Moorman. A1665, First Owensboro Bank & Trust Co., Trustee u/w of C. L. Moorhead for C. J. Moorhead. A1666, First Owensboro Bank & Trust Co., Trustee u/w of C. L. Moorhead for Fannie Morgan. A1667, First Owensboro Bank & Trust Co., Trustee u/w of C. L. Moorhead for Clara Blocher. B1668, Louisville Trust Company, Trustee for G. H. Mourning. A1669, Kentucky Title Trust Co., Trustee for Caldwell Norton. A1670, Effie L. Powers. A1671, Kentucky Title Trust Co., Trustee u/w of A. H. Robinson. A1672, Kentucky Title Trust Co., Trustee u/w of Warren A. Smith. B1673, Louisville Trust Co., Trustee u/w of Henry Strater. B1674, Mrs. Henrietta B. Loventhal. B1675, Miss Emma Loving. B1676, Robert H. Lowenthal. B1677, Philip B. Lowich. B1678, Albert R. Lucas. B1679, Alberta Lucas. B1680, Alberta T. Lucas. B1681, Mrs. Josephine T. Lucas. B1682, Gracey H. Luckett. B1683, Clem Luken. B1684, Clifford Lussky. B1685, Mrs. Edith Gast Lussky. B1686, William Gast Lussky. B1687, Mrs. Lily Nolen Luten. B1688, Miss Maude Lutes. B1689, James S. Lutz. B1690, Mrs. Perry F. Lynn. B1691, Abe Lyon. A1692, Albert P. Lyon, Amdr. c. t. a estate of Mrs. Ada Lewis Lyon. A1693, Albert P. Lyon, Distributee. B1693, Albert P. Lyon. B1694, H. Guy Lyon. B1695, Mrs. Kathleen Kelly Lyon. B1696, S. C. Lyons; B1697, M. G. Lyons; B1698, J. M. Warden; B1699, B. C. Lyons; B1700, W. L. Lyons; B1701, Baylor Landrum; B1702, F. P. Kemp; B1703, V. L. Shallcross, Partners doing business under the firm name and style of W. L. Lyons & Co. B1704, Walter J. Lyter. B1705, Clinton J. McAfee. A1706, Henry Berryman McAfee. B1707, George H. McAlister. B1708, Miss Grace C. McBride. B1709, Grace C. McBride, Executrix of the Will of Howard S. McBride, de-

ceased. B1710, A Clayton McCarthy. B1711, Miss Mary McCarty. B1712, William J. McCarthy. B1713, Joseph N. McClellan. B1714-5, Leonard B. McClellan and Sarah McClellan. A1716, Mrs. Helen G. McCloud. B1717, Joseph F. McCloud. B1718, John H. McClure. B1719, Miss Mary E. McClure. B1720, Richard L. McCready. B1721, Miss Catherine McCrone. B1722, Mrs. Ida M. McCulloch. A1723, C. Clarke McCulloch, Executor of the will of Manie C. McCulloch, deceased. B1724, Mrs. Mary M. McDevitt. B1725, Charles H. McDonald. A1726, Edward McDonald. B1727-8, John D. McDonogh and Georgia R. McDonogh. B1729, Mrs. Elise B. McDowell. B1730, Alfred R. McFarland. B1731, John B. McFerran, Jr. B1732, James F. McGee. B1733, Martin A. McGee. B1734, Mrs. Marie D. McGoodwin. B1735, Mrs. Grace McGowan. B1736, Michael W. McGrath. B1737, James S. McKenna. A1738, James S. McKenna, Executor of the estate of Stafford E. McKenna, deceased. B1739, Mrs. Evelyn B. McKenzie. B1740, Mrs. Stella McKiernan. B1741, Mrs. Rosa H. McLennan. B1742, Elmer L. McMillan. B1743, Allen McNally. B1744, Miss Mary McNamara. A1745, Mrs. Bessie McNaughton. A1746, Thomas F. McNaughton. A1747, Mrs. Catherine McNerney. A1748, Edward A. McNerney. A1749, Edward A. McNerney, Jr. B1750, Mrs. Daisy L. McQuary.

B1751, Hugh J. McShane. B1752, Thomas McShane. B1753, J. Ross McWilliams. B1754, Mrs. Leila Duncan McWilliams. B1755, Mrs. Susie W. McWilliams. B1756, Warren E. MacGregor. A1757, Mrs. Rose G. MacNeal. B1758, Albert B. Madlon. B1759, Clyde D. Magruder. A1760, Mrs. Rose Shea Maier. B1761, Adolph R. Maier. B1762, Charles Maier. B1763, John P. Mallett. B1764, Mrs. Mary C. Malone. B1765, James J. Maloney. B1766, Miss Julia Maloney. B1767, Miss Margaret L. Maloney. B1768, Miss Nellie Maloney. A1769, Thomas J. Maloney.

B1770, Charles H. Manion. B1771, Henry B. Manly. B1772, Irvin Mann. B1773, Walter S. Mansfield. A1774, Miss Ada May Maple. B1775, Mrs. Elizabeth Marion. B1776, M. C. Marion. B1777, Arthur P. Markendorf. B1778, Mrs. Elizabeth Marks. B1779, Mrs. Esther Marks. B1780, Alphonse M. Marret. B1781, Mrs. Varina Davis Marret. A1782, John Marshall, Jr., as Trustee of Elizabeth M. Barrett Estate. B1783, George E. Martin. B1784, Lyman C. Martin. B1785, Mrs. Mamie M. Martin. B1786, Robert S. Martin. A1787-8, Fred M. Matthews and Mrs. Agnes J. Matthews. B1789, Allen Mattingly. A1790, Miss Alma Mattingly. B1791, Mrs. Lela Elkin Mattingly. B1792, Louis J. Mattingly. B1793, Martin E. Mattingly. A1794, M. E. Mattingly. B1795, Thomas J. Mattingly. B1796, Marcellus G. Mature. B1797, Mrs. Hannah Maurer. A1798, Mrs. Catherine May. A1799, Charles M. May. B1800, Charles W. May.

B1801, Milton D. May. B1802, Edward S. Mayer. A1803, Mrs. Fannie S. Mayer. B1804, J. Edward Mayle. A1805, Miss Virgie Maynard. B1806, John A. Mazzoni. B1807, James A. Means, Jr. B1808, Edward Meglemry. B1809, William Mehler. A1810, Joseph S. Meixel. A1811, Mary B. Mell. B1812, Mrs. Florence S. Melton. B1813, Ernest N. Menar. B1814, Mary Castleman Mengel, Extx. of the will of Clarence R. Mengel, deceased. B1815, Charles D. Mercke, Admr. c t a estate of Clarence C. Mercke. B1816, Geo. Mercke. A1817, Miss Martha Merrifield. B1818, Mrs. Maude L. Merriman. B1819, Ben J. Metcalfe. B1820, Mrs. Elizabeth Metcalfe. B1821, Mrs. Katherine M. Metcalfe. A1822, Henry J. P. Metz. B1823, Luella F. Metz, Extx. of the estate of Louis F. Metz, deceased. B1824, Fred G. B. Metzner. B1825, Fred Meuter. B1826, Miss Anita Meyer. B1827, Berent A Mayer. B1828, Miss Elizabeth Ball Meyer. A1829, Miss Elsie Meyer. B1830, Peter H. Meyer, Jr. B1831, Max Miehl. B1832, Rudolph V. Miersch.

B1833, J. Fred Miles. B1834, Mrs. Alice Miller. A1835, Mrs. Anna Baird Miller. B1836, Mrs. Alice L. Miller. B1837-8, Francis W. Carpenter and Nancy M. Miller, Co-executors of the will of Ben M. Miller, deceased. B1839, Mrs. Ben M. Miller. B1840, Mrs. Bettie H. Miller. B1841-2, Charles H Miller and Mary B. Miller. B1843, Christian C. Miller. B1844, Emil F. Miller. A1845, John A. Miller, Executor of the will of Edmund D. Miller, deceased. A1846, John A. Miller, Distributee. B1847, Frank H. Miller. B1848, George M. Miller. B1849, Gordon Miller. A1850, Miss Hettie L. Miller.

A1851, James R. Miller. B1852, John Amos Miller. B1853, J. S. Miller. A1854, Louisville Trust Company, Exor. of the estate of J. William Miller, deceased. B1855, Mrs. Lottie C. Miller. B1856, Mrs. Mary Floyd Miller. B1857, Mrs. Mary L. Miller. B1858, Neville Miller. B1859-60, Camelle R. Miller and Henry Miller, joint Executrix and Executor of the will of Perry B. Miller, deceased. B1861, Mrs. Viola McK. Miller. B1862, Will B. Miller. B1863, William S. Miller. B1864, Zeno A. Miller. B1865, Mrs. Jennie E. C. Mills. B1866-7, Thomas H. Minary, Jr., and Georgia S. Minary, Executors of the will of Thomas H. Minary, Sr. A1868-9-70, Louisville Trust Company, Thomas H. Minary and Howard B. Lee, Executors of the estate of Thomas J. Minary. A1871, Charles W. Minrath. A1872, Louis Misback. B1873, Mary E. Mitchell, Executrix of the will of Charles C. Mitchell, deceased. B1874, J. Hascall Mitchell. B1875, Miss Katherine Mitchell. A1876, J. H. Mitchell, Executor of the estate of Robert Mitchell, Sr. A1877-8, Lizzie Mitchell and J. H. Mitchell. B1879, A. Frank Mock. B1880, Model Home Construction Company. A1881-2-3, Mattie A. Moeller and Freda Moeller Krause, and Rudolph Moeller. A1884, Miss Edna Mohlenkamp. A1885, Miss Florence Mohlenkamp. B1886, Edward L. Moll. A1887, Stephen F. Mongan. A1888, Ken-

tucky Title Trust Company, Admr. D.B.N. w/a Mrs. Clara V. Montz. B1889, Mrs. Florence M. Montz. B1890, Scott W. Moore. B1891, Mrs. Dorothy Moorhatch. B1892, The Charles P. Moorman Home for Women. B1893, Miss Emma Lee Moorman. B1894, Frank J. Morat. B1895, Mrs. Rose Morath. B1896, John J. Moren. B1897, Miss Anne Moriarty. B1898, Miss Catherine Moriarty. A1899, Miss Eleanor C. Moritz. A1900, John J. Moritz.

B1901, Mrs. Florence Morris. A1902, Fannie Newton Knight, Executor of the estate of John Mason Morris, deceased. B1903, Jos. W. Morris. A1904, Mrs. Mary D. Morris. B1905, Miss Ellen W. Morrison. B1906, Mrs. Mary H. Morriss. B1907, Miss Hildred Morrow. B1908, William E. Morrow. A1909, David C. Morton. B1910, Edward D. Morton. B1911, Mrs. Mary M. Morton. B1912, Rogers C. B. Morton. B1913, Thruston Ballard Morton. B1914, Gustav A. Moser. B1915, Mrs. Marie B. Moses. A 1916, Mrs. Minnie A. Mosher. B1917, William L. Mosier. B1918, Mrs. Agnes R. Mossbarger. A1919, Mary B. Ament, Executrix of the estate of Miss Margaret Mossbarger, deceased. B1920, Miss Gussie Mae Mudwilder. B1921, Miss Gretchen Mueller. A1922, Rudolph Mueller. A1923, W. T. Beckham, Executor of estate of Anna B. Muir, deceased. B1924, Joseph Sloan Muir. B1925, William F. Mullally. A1926, Miss Lois A. Mullin. B1927, Mrs. Celia Murphy. B1928, Chester R. Murphy. B1929, Miss Della G. Murphy. B1930, 1931, 1932, 1933-4, Louisville Trust Co. and Mary Sue Murphy, Co-executors u/w of James C. Murphy, deceased, and Peter J. Murphy and Robert T. Burke, Executors and Mary Sue Murphy, Administratrix with the will annexed of the estate of D. X. Murphy, deceased. B1935-6-7, Peter J. Murphy and Robert T. Burke, Executors and Mary Sue Murphy, Admx. w/a of the estate of Dennis X. Murphy, deceased. B1938, Mrs. Eva C. Murphy. B1939, Miss Honor Murphy. B1940-1, Louisville Trust Company

and Mary Sue Murphy, Executors of the estate of James C. Murphy, deceased. B1942, Miss Katherine Murphy. B1943, Miss Mary Denis Murphy. B1944, Mrs. Mary Sue Murphy. B1945, Miss Anna B. Murray. B1946, Henry H. Murray. A1947, Martin M. Murray. B1948, Mrs. Elizabeth J. Myer. B1949, Sam P. Meyer. B1950, Melvin Myers.

B1951, Eleanor J. Naber, Executrix of the will of George H. Naber, deceased. B1952, Geo. H. Naber, Jr. B1953, Mrs. Louise M. Nachand. B1954, Helen Vogt Nagel, Executrix will of Mrs. Mary Nagel, deceased. B1955, W. Rudolph Nagel. B1956-7, Kentucky Title Trust Company, Trustee for Ferda Zorn Moren, and Ferda Zorn Moren. B1958, Lamar W. Neblett. B1959, Clarence H. Neel. B1960, Geo. C. Neel. B1961, Harrell H. Neel. B1962, Martin R. Neel. B1963, Charles O. Neff. B1964, Van B. Nelson. B1965, Mrs. Cleo Nettleroth. A1966, Christopher L. Neu. A1967, Herman D. Newcomb. B1968, Miss Martha C. Newman. A1969, Fidelity & Columbia Trust Co., Executor of estate of Martha Frances Newman. B1970, Mrs. Emma H. Nichols. B1971, Mrs. Anne F. Nicholson. A1972, Miss Amelia Niehaus. A1973, Jos. A. Nightingale. B1974, Walter J. Nisbet. B1975, Elmer J. Nitzken. A1976, Kentucky Title Trust Co., Admr. de bonis non with will annexed estate of G. Douglas Nock, deceased. B1977, Alphonse L. Noe. B1978, Mrs. Hattie Lee Noe. A1979, Mrs. Willie H. Nold. B1980, Emil F. Nolte. B1981, Edward Nord. A1982, Chas. B. Nordeman. B1983, Mrs. Ella T. Norton. B1984, Mrs. Nannie S. Norton. B1985, Eugene M. Nourse. B1986, Mrs. Estelle Nudyke. B1987, Fidelity & Columbia Trust Co., Executor will of Katherine E. Nugent. B1988, Mrs. Mattie Nugent. B1989, Thos. L. Nugent. B1990, Wm. F. Nugent. B1991, Mrs. Jennie L. Nunn. B1992, Carl Nussbaum, Jr. B1993, Sam Nuttall. B1994, Mrs. Ida M. Eich Nuxol. B1995, Mrs. Julia Obermeier. B1996, Edward J. O'Brien, Jr. B1997, Edwin J. O'Brien, Jr. B1998, Edwin J. O'Brien, III.

B1999-2000, 2001, 2002, E. J. O'Brien, Jr., Elizabeth G. O'Brien, J. B. O'Brien and J. G. O'Brien, Partners trading and doing business under the firm name and style of E. J. O'Brien & Co. B2003-4-5, Edwin J. O'Brien, Jr., Joseph B. O'Brien and Richard J. Whelan, Executors of the will of Elizabeth G. O'Brien, deceased. B2006, Arthur H. Ochs. B2007, Emil Ochsner. B2008, Miss Ella O'Conner. B2009, William O'Dea. B2010, Mrs. Kathleen O'Doherty. B2011, Joseph O'Donnell. A2012, Peter J. O'Donnell. A2013-4-5, John F. Oertel, Jr., Karl H. Lang, and the Liberty National Bank and Trust Co., as Trustees for John F. Oertel, Jr., Mary Louise Oertel and Josephine Oertel. A2013-4-5, Liberty National Bank & Trust Company, John Oertel, Karl H. Lang, Liberty National Bank & Trust Company, Acting Agent, Executors of the Estate of John H. Oertel, deceased. A2016, Mrs. Elizabeth B. O'Gara. B2017, Jacob B. Ohligschlager. B2018, Mrs. Mary L. Ohligschlager. B2019, Mrs. Clara Oliver. B2020, Matthias R. Oliver. B2021, William A. Onderdonk. A2022, Kentucky Title Trust Co., Executor Estate Henry D. Ormsby. B2023, D. B. Osborne. B2024, Mrs. Katherine G. Osborne. B2025, Paul S. Osborne. A2026, Miss Nell Osbourn. B2027, Robert W. Osborn. B2028, Daniel E. O'Sullivan. B2029, H. E. Ottenheimer. A2030-1, William M. Otter and Nancy Otter Joyce, Executors of the will of Miss Jessie Dell Otter, deceased. A2032-3, William M. Otter and Nancy Otter Joyce, distributees. B2034, Miss Nell Otter. B2035, J. Albert Paradis. B2036, Miss Annie Mary Parker. B2037, Geo. H. Parker. A2038, Fidelity & Columbia Trust Company, Executor of the will of James C. Parker, deceased. B2039, Mrs. Minnie White Parker. B2040, Parrs Rest. B2041, Edgar M. Parsons. B2042, Mrs. Katherine M. Partee. B2043, Mrs. Jennie M. Patterson. B2044, Mrs. Lena Paull. B2045, Mrs. Rena W. Paull. B2046, Geo. L. Peabody. B2047, James R. Peabody, Jr. B2048, Mrs. Emma R. Peak.

B2049, Mrs. Mary McIntyre Pearce. B2050, Dr. Chas. S. Pearcy.

B2051, Chas. S. Pearcy. B2052, Miss Ruby L. Peery. B2053, Miss Mary E. Pell. B2054, Miss Anna F. Pendleton. B2055, W. O. Penick. B2056, Mrs. Ella O. Pepper. B2057-8-9, F. M. Perkins, D. B. Perkins, and F. M. Perkins, Jr., partners doing business under the firm name and style of F. M. Perkins and Sons. B2060, D. B. Perkins and F. M. Perkins, Jr., Executor of the will of F. M. Perkins, deceased. B2061, Roy T. Pernell. B2062-3, Roy T. Pernell and Hallie Pernell. B2064, Arthur Peter. B2065, Emil Peter. B2066, Mrs. Emelia Peters. B2067-8, Miss Mary A. Pettet and Margaret Pettet. B2069, Miss Sherley Gill Pettus. B2070, Mrs. Catherine Pfeiffer. B2071, Mrs. Margaret Hill Pfeiffer. B2072, Henry C. Pfingst. B2073, Henry C. Pfingst. B2074, Wm. Cook Pfingst. B2075, Alexander J. Pharr. A2076-7, Maud Phelps, Executrix and individually of the estate of George W. Phelps, deceased. B2078, Richard F. Piatt. B2079, Dr. Alice N. Pickett. B2080, W. J. Pierce. B2081-2, Chas. A. Pinnell and Dorothy Pinnell. B2083, Abbott B. Pinney, Jr. B2084, Miss Anne Pinney. A2085, Louisville Trust Company, Executor under the will of John B. Pirtle, deceased. B2086, Wm. B. Pirtle. B2087, Planters Bank and Trust Co., Agent for Grace T. Eubank. B2088, Planters Bank and Trust Co., Agent Bettie Lynes Estate. B2089, Wm. H. Plenge. B2090, Miss Lena Plouvier. B2091, Mrs. Genevieve D. Pogue. B2092, Genevieve D. Pogue, Executrix of the estate of Philip S. Pogue, deceased. A2093, Genevieve D. Pogue. B2094, August S. Pohl, Sr. A2095, Liberty National Bank and Trust Company, Administrator of the Estate of William C. H. Pohlman, deceased. B2096, Mrs. Cleo Seifrit Pollei. B2097, Mrs. Frances Polsgrove. B2098, Miss Mary Polsgrove. B2099, Miss Mary Elizabeth Polsgrove. B2100, Miss Nellie Polsgrove, now Nellie P. Maddox.

B2101, Winfred O. Polsgrove. B2102, Carlos A. Poole. B2103, Marns J. Pope. B2104, Robert E. Porter. B2105, Miss Martha Poston. B2106, Mrs. Georgia Poteet. B2107, Wm. O. Poteet. B2108, W. Otis Poteet. B2109, James V. Potter. B2110, Miss Josephine G. Potter. B2111, Mrs. Bertha C. Pottinger. B2112, Samuel C. Pottinger. B2113, Mrs. Alice Pound. B2114, Mrs. Elsie G. Powell. B2115, Mrs. Effie L. Powers. B2116, Hugh Powers. B2117, Charles H. Pratt. B2118, Miss Mary B. Pratt. B2119, Geo. C. Prell. B2120, Charles B. Price. B2121, Mrs. Florence H. Price. A2122-3, Dr. John W. Price, Jr., and Chas. B. Price, Executors of the estate of John W. Price, deceased. A2124, Charles Price, distributee. A2125, John W. Price, Jr., distributee. A2126, Violet B. Price, distributee. B2127, Melvin L. Price. B2128, James W. Proctor. B2129, Purchase Security Co., Inc. B2130, Hugo F. Quade. B2131, Mrs. Edna E. Quest. B2132, Miss Agnes Quick. B2133, Whayne S. Quin. B2134, Miss Mary L. Quinlan. B2135, Mrs. Cora E. Quinn. B2136, Philip F. Quinn. B2137, W. Embry Quinn. B2138, Irwin W. Quinsenberry. A2139, Harry W. Rabenecker. A2140, Norbert J. Rademaker. B2141, Edward C. Langan, Administrator with the will annexed of George T. Ragsdale, deceased. B2142, Aris B. Rains, Jr. B2143, J. Russell Ramage. A2144, Charles K. Ramp. A2145, Mrs. Florence Ramp. A2146, Camille M. Ramser. B2147, George Ramser. A2148, Herbert A. Ramser. B2149, Vivian G. Ramsey. B2150, Robert W. Ramsier.

B2151, Marcus W. Randall. B2152, Mrs. Josephine Reed Randolph. B2153, Fidelity & Columbia Trust Co., Admr. w/a of estate of Fannie G. Rankin, deceased. B2154, Lallah M. Rapp. B2155, Fernand M. Rassinier. B2156, John B. Ratterman. A2157, Louis Rausch. B2158, Mrs. Marie Ray. B2159, Harry P. Reager. B2160, Edward I. Redding. A2161-2, Ida W. Redmon, Executrix of will of Clarence A.

Redmon, deceased, and Ida W. Redmon, Distributee. A2163-4, 2165-6-7, Guy Hardy Redmon, Andrew W. Redmon, Bennie S. Redmon, Katherine White Redmon, James E. Redmon, Distributees. B2168, James R. Redmon. B2169, Edgar W. Reed. B2170, Mrs. Frances Jones Reed. B2171, George Robert Reed. B2172, Mrs. Jennie Reed. B2173, Fidelity & Columbia Trust Company, Executor of the will of Mrs. Mary E. Reed, deceased. B2174, Herman B. & Barbara Reiling. B2175, John Reinhard. B2176, Miss Louise Reis. B2177, William A. Reisert. B2178, William A. Reisert, Exor. u/w Henry Besten. B2179, Alexander M. Reitzel. B2180, Kenneth H. Renau. B2181, W. Irwin Renau. A2182, Alva C. Renfrow. B2183, Thomas W. Retherford. A2184, Miss Margaret M. Reuter. B2185, Miss Mary Reuter. B2186, Adolph Reutlinger. B2187, Mrs. Myra O. Rice. B2188, Mrs. Alice A. Rich. A2189, Mrs. Gertrude K. Richard. B2190-1, Louisville Trust Company and Frank S. West, Executors of the will of Anne A. Richardson, deceased. B2192, Cleves Richardson. B2193, Daniel S. Richardson, Admr. of the estate of E. A. Richardson, Jr., deceased. B2194, Herbert L. Richardson. A2195, Mrs. Laura D. Richardson. B2196, Robert H. Rickert. B2197, Mrs. Mary Taylor Ricketts. B2198, J. Elliott Riddell. A2199, Ray Rider. A2200, John Riehl.

A2201, John Riehl. B2202, Stuart Riehl. B2203, William H. Rieke. A2204, Marguerite Riley. B2205, Peter J. Riley. A2206, Miss Viola Riley. B2207, Walter M. Riley. B2208, Fred H. Rink. B2209, Mrs. Addie H. Riplinger. B2210, James B. Ripy. A2211, Mrs. William Victor Ritcher. A2212, Liberty National Bank & Trust Company, Executor & Trustee of the will of William Ritcher. A2213-4, 2215-6-7, Minnie L. Ritcher, Alonzo H. Ross, Jr., William Victor Ritcher, Jr., William Ritcher Ross, and Charlotte Ritcher Ross, Distributees. B2218, Eva A. Ritman. B2219, William J. Ritman. B2220,

Walter D. Roach. B2221, Jenny L. Robbins. A2222, Mrs. Barbara R. Roberts. A2223, Charles J. Roberts. B2224, Joseph A. Roberts. B2225, Alla May Roberts, Executrix of the will of D. Yandell Roberts, deceased. B2226, Mrs. Anna C. Robertson. B2227, Mrs. Anne C. Robertson. B2228, Mrs. Ella D. Robertson. B2229, Eugene B. Robertson. B2230, George A. Robertson. A2231-2, Eugene D. Hill and Helen P. Robinson, Executors of the will of A. Lee Robinson, deceased. A2233-4, Helen P. Robinson, and Lila Robinson Hill, Distributees. A2235, Fidelity & Columbia Trust Company, Executor of the Estate of Charles P. Robinson, deceased. A2236, Mrs. Ida E. Robinson. B2237, Joseph M. Robinson. B2238, Charles F. Rockwood. B2239, Irvin M. Rodde. A2240, John B. Rodes, Executor under the will of the Estate of Henry Clifton Rodes, deceased. A2241-2, 2243-4-5, John B. Rodes, Robert E. Rodes, Sallie Rodes, W. O. Rodes, and Helen Rodes, Distributees. B2246, Hugh Rodman, U. S. N., Admr. & Tr. B. B. Sayre, deceased. B2247, Joe A. Roehrig. A2248, Louisville Trust Company, Executor of the estate of Mayme A. Roehrig, deceased. B2249, Mrs. Lelia W. Roemele. B2250, Marie L. Rogers.

B2251, George J. Romiser. B2252-3, Dan Rommel and John M. Scott, Executors of the will of Edward D. Rommel, deceased. B2254, Daniel Rommel. B2252-3, Dan Rommel and John M. Scott, Executors of the will of Edward D. Rommel, deceased. B2255, Richard Rondi. B2256, Margaret Roper. B2257, Mrs. Elsa G. Ropke. B2258, Frank Ropke. B2259, Benjamin Rosenbaum. B2260, Mrs. Golda Rosenbaum. B2261, Harry Rosenbaum. B2262, Jesse Rosenbaum. B2263, Leon I. Rosenbaum. B2264, Samuel Rosenbaum. B2265, Mrs. Caroline Rosenberger. B2266, Mrs. Erma M. Rosenblum. B2267, Herman Rosenblum. B2268, Jacob Rosenheim. A2269, Jacob L. Rosenthal. B2270, Lafayette W. Ross. B2271, L. W. Ross. B2272,

Mrs. Matty H. Ross. B2273, Miss Anna C. Roth. B2274, Delphine Rothchild. B2275, Emanuel A. Rothschild. B2276, Mrs. Sadie Williams Rousseau. B2277, Anna M. Rowlett. B2278, Louis Rubel. B2279, Rudolph C. Ruff. B2280, William H. Ruff. A2281, Elizabeth Russell. B2282, Mrs. Ellie Russell. B2283, Fred A. Russell. B2284, George W. Russell. B2285-6, Harry W. & Rebecca R. Russell. B2287, Reuben Ruthenburg. B2288, Mrs. Susan B. Rutherford. B2289, Mrs. Rosalie W. Rutledge. A2290, Mrs. Rosalie W. Rutledge, Admx. of the estate of Arthur M. Rutledge, deceased. A2291, Joseph John Ryan, Executor of the Estate of Charles J. Ryan, deceased. A & B2292, Joseph J. Ryan. B2293, D. A. Sachs, Jr. B2294, Mrs. Esther S. Sachs. B2295, Fred M. Sackett. B2296, Mrs. Olive S. Sackett. B2297, Clarence H. Sadtler. B2298, Frank Sagalowsky. B2299, Miss Harriet B. Salin. B2300, Sam L. Salomon, Administrator of the Estate of Mrs. Jennie S. Salomon, deceased.

B2301, Sam L. Salomon. B2302, Elbert G. Samuel. B2303, Meyer Samuel. A2304, Elsie V. Samuell Glass, Administratrix of the estate of Foushe W. Samuel, deceased. B2305, Theodore O'Hara Samuels. B2306, Mrs. Anne Sanders. B2307, Cecil F. Sanders. A2308, Mrs. Eleanor B. Sanders. B2309, Hershel E. Sanders. A2310, Lillard Sanders as Guardian for Lillard D. Sanders, Jr., and David Sanders. B2311, Mrs. Winnie Graves Sanders. A2312, Laura G. Satterwhite, as Executrix of the estate of George G. Satterwhite. B2313, Susan Barr Satterwhite. B2314, William J. Sauer. B2315, Miss Elizabeth Sauter. B2316, Leroy P. Sauter. B2317, John L. Saylor. B2318, Joseph H. Scales. B2319, Amy G. Scanland. B2320, Mrs. Mary W. Schachner. B2321, Joseph S. Schaedler. A2322, William J. Schaedler. B2323, Mrs. Searphine M. Schaefer. B2324, George W. Schafer. B2325, F. S. Schardein & Sons, Inc. B2326, William F. Scharfenberger. B2327, Miss

Alexine Schaulie. B2328, Mrs. Cora B. Scheffer. B2329, Ida E. Scheffer, Executrix of will of Edward B. Scheffer, deceased. B2330, Albert Scheik. B2331, Mrs. Louise P. Scheik. B2332, Joseph J. Schene. B2333, William E. Schick. B2334, Soloman Schickli. B2335, Joseph Schildt. B2336, Miss Theodora Schildt. B2337-A & B, Catherine Schlachter Iredale and Margaret Schlachter McMahon, Executrices of the will of Mrs. Lorena Schlachter, deceased. A2338, Miss Lou Schlachter. B2339, Fidelity & Columbia Trust Company, Executor of the will of Mrs. Carrie F. Schlegel, deceased. B2340, Miss Margaret L. Schleeter. B2341, Mrs. Matilda Schlegel. B2342, William A. Schlenk. B2343, Robert C. Schmalz. B2344, Miss Louise Schmalzried. A2345, Miss Mary P. Schmalzried. B2346, George P. Schmid, Executor of will of Annie E. Schmid, deceased. B2347, Mrs. Flossie L. Schmidt. B2348, Lillie M. Schmidt. B2349, Werner W. Schmidt. B2350, Andrew S. Schmitt. B2351, Flossie L. Schmitt. B2352, Mrs. Helen C. Schmitt. B2353, Miss Magdalen Schmitt. A2354, Jacob J. Schnabel. B2355, Andrew Schneider. B2356, Chris J. Schneider. B2357, Catherine Strohm and Anna Bohon, Administratrices with the will annexed of the estate of Edward Schneider, deceased. B2358, Edward Schneider, Jr. B2359, Gilbert Schneider. B2360, John L. Schneider. B2361, Gilbert Schneider, Administrator with the will annexed of the Estate of Mrs. Ruby Schneider, deceased. B2362, Samuel J. Schneider. B2363, William Schneider. A2364, William C. Schneider. B2365, Mrs. Katie R. Schneiderhan. B2366, Max J. Schneiderhan. B2367, William Schnell. B2368, Alfred Schoen. B2369, Luther F. Scholl. B2370, William J. Schopp. B2371, Edw. Schoppenhorst. B2372, Mrs. Flora Schoppenhorst. B2373, Joseph J. Schrecker. B2374, Arthur T. Schreiber. A2375, Arthur T. Schreiber, Jr. B2376, Carl W. Schreiber. B2377, Miss Leah Schreiber. B2378, Mrs. Lulu Schreiber. B2379, William E. Schreiber.

B2380, Edwin A. Schroering. A2381, Miss Ada L. Schuberth. B2382, Margie Schubnell. B2383, Mrs. Bertha Schuhmann. B2384, Mrs. Lillian Schuler. B2385, William Schulman. B2386, Charles W. Schulz. A2387, Francis Schulz. B2388, Miss Loraine C. Schulz. A2389, Louis N. Schuster. A2390, Mrs. Emma Schwab. A2391, Irvin Schwab. B2392-3, Kentucky Title Trust Company, and Dora P. Schwab, Executors of the will of Joseph Schwab, deceased. B2394, Julius J. Schwab. B2395, Alex Schwabenton. B2396, Gregory Schweri. B2397, Walter A. Scott. B2398, Mrs. Fannie G. Scruggs. B2399, Millard J. Searcy. B2400, Mrs. Cornelia Seay.

B2401, Horace H. Seay. B2402, Theodore O. Secrest. B2403, Otto E. Seelbach. B2404, Miss Gertrude Seestadt. B2405, William R. Seestadt. B2406, Michael E. Segal. B2407, John F. Seger. B2408, George L. Sehon. A2409, Sarah Wingfield Selby, Administratrix with the will annexed of the estate of Robert Carr Selby, deceased. A2410, Jennie K. Selligman, Executrix of the estate of Alfred Selligman, deceased. B2411, Bernard Selligman. B2412, Mrs. Florinne M. Selligman. B2413, Mrs. Jennie K. Selligman. B2414, Joseph Selligman. A2415, Francis T. Byars. A2416, Mrs. Emmett R. Fields. A2417, Lillian Truman. A2418-9, David O. Byars and Orville Truman, Executors of the estate of George C. Semple, deceased. B2420, Mrs. Lottie D. Semple. B2421, Mrs. Anna H. Settle. A2422, Robert Sewell. A2423, Walker W. Shadburne. B2424, Harry T. Shanks. B2425, Louis Shatz. B2426, Thos. J. Shaughnessy. B2427, Everett F. Shawler. A2428, Wm. M. Shawler. B2429, Cornell D. Shea. B2430, Jesse W. Shea. B2431, Miss Marguerite Sheehan. B2432, Miss Mary F. Sheehan. B2433, Mrs. Pearl G. Sheppard. B2434, Mrs. Bertha C. Sheridan. B2435, Elmore Sherman. B2436, Miss Alice Shinnick. B2437, Mrs. Kate Shinnick. B2438, Fred A. Shonkwiler. B2439, John Shores. B2440, Fidelity

& Columbia Trust Company, Executor of the will of Mary C. Short, deceased. A2441, Thomas L. Butler, Executor of the estate of Fannie S. Butler, deceased. A2442, Thomas L. Butler, Administrator de bonis non with the will annexed of the estate of William Short, deceased. A2443, Mary C. Short, Distributee. A2444, Lillian P. Shrader, Executrix of the estate of C. R. Shrader, deceased. B2445, H. U. Shrader. B2446, Leslie B. Shropshire. B2447, Warren P. Sights. A2448, Mrs. Louise B. Silliman. A2449, Charles Silliman. A2450, Samuel H. Simcoe.

A2451, Stella B. Simon, as Trustee under the will of Henry S. Simon, deceased. B2452, Jessie H. Simpson. B2453, Mrs. Mary F. Simpson. B2454, Sam H. Simpson. B2455, Dr. Virgil E. Simpson. B2456, Lester F. Sisloff. B2457, Mrs. Mary Gilmour Skillman. B2458, Orville T. Skillman. B2459, Mrs. Ethel R. Skinner. B2460, Miss Lina Skinner. B2461, Mrs. Sallie Slack. B2462, Miss Fanny Sleadd. A2463, John W. Smart. B2464, Clarence R. Smith & Co., Inc. A2465, Fred W. Smith. B2466, Guy B. Smith. B2467, H. Stanley Smith. B2468, Mrs. Lenore C. Smith. B2469, Mrs. Mamie W. Smith. B2470, Nellie E. Smith. A2471, Miss Nettie L. Smith. A2472, Torrens A. Smith. B2473, Uly H. Smith. B2474, William E. Smith. B2475, Mrs. Mary T. Smock. B2476, Mrs. Isabella Smyser. B2477, Thomas S. Snead. A-B2478, Ambrose J. Snider. B2479, Theodore C. Snively. A2480, Miss Mary Lynn Snodgrass. B2481, Horace B. Sowell. B2482, Miss Susanna Spada. B2483, Joe Spalding. B2484, Peter E. Spalding. B2485, Peter E. Spalding, Jr. B2486, H. H. Spangler. B2487, Joseph R. Spaninger. B2488, Joseph V. Spaninger. B2489, Henry P. Spatz. B2490, Harry T. Spaulding. B2491, Kimble E. Spears. A2492, H. Joe Specht. B2493, Ernest H. Speckman. B2494, Lawrence F. Speckman. B2495, William S. Speed. A2496, William S. Speed, Trustee for Virginia H. Speed. A2497, Virginia H.

Speed, Beneficiary. A2498, William S. Speed, Trustee for Alice Speed Stoll. B2499, Dr. Edward Speidel. B2500, Lemuel C. Spillman.

B2501, Louisville Trust Company, Executor of the will of Frank L. Spurgin, deceased. B2502, Mrs. Olive Spurling. B2503, Miss Jennie M. Staadeker. B-A2504, Jennie M. Staadaker, Executrix of the estate of Leon Staadeker, deceased. B-A2505, Jennie M. Staadeker. A2506, Louis A. Stack. B2507, Thomas J. Stahl. B2508, Miss Edith Stark. B2509, Mrs. Helen B. Stark. B2510, Isaac F. Starks. B2511, Millicent Starks. A2512, Aljean Starr Mendel, Administratrix of the estate of Emma G. Sachs Starr. A2513, Aljean Starr Mendel, Distributee of estate of Emma G. Sachs Starr, deceased. A2514, Mrs. Bertha Stebler. B2515, George W. Stege. B2516, Joseph C. Steidle. B2517, Frank Steier. A2518, Miss Lillie Steier. A2519, William J. Steier. B2520, Stein Bros. & Boyce (Milton S. Trost, Resident Mgr.). A2520, Milton S. Trost. B2521, Mrs. Hannah Steinau. B2522, Jerome L. Steiner. A2523, Aloysius J. Steltenpohl. B2524, Miss Anna Steltenpohl. B2525, Joseph C. Steltenpohl. A2526, Miss Catherine Stengell. B2527, William L. Stephan. A2528, Mrs. Ella Sterrett. B2529, Lester P. Stiebling. A2530, Carl M. Steeneker. A2531, Miss Evelyn Stieneker. B2532, Miss Mabel Stiles. B2533, Van A. Stilley. A2534, Mrs. Ann Stilz. B2535, Edward H. Stilz. B2536, William A. Stilz, Sr. B2537, Miss Elizabeth Stites. B2538, Jarrett Stites. B2539, John Stites. A2540, Oscar Stocker. A2541, Kentucky Title Trust Company, Executor of the estate of Amelia Stockhoff, deceased. A2542, Mildred Meschendorf. A2543, Helen Buckner. A2544, Armistead M. Leigh, Executor of the will of Henrietta A. Leigh, deceased. A2545, Elsie Bader. B2546, Arthur B. Stockhoff. B2547, G. William Stockhoff. A2548-9, Arthur B. Stockhoff and the Kentucky Title Trust Company, Executors of the estate of

Herman H. Stockhoff, deceased. B2550, Mrs. Lucy Ann Stockhoff.

B2551, Mrs. Rosa Adelle Stockhoff. B2552, Mrs. Alvina Burg Stoecker. A2553, Louis Stoke, Jr. B2554, Earl M. Stokes. B2555, Mrs. Alice Speed Stoll. B2556, Miss Ella E. Stoll. B2557, Stanley W. Stopher. A2558, Miss Elizabeth P. Stouffer. A2559, Walter W. Stouffer. B2560, Harvey Stout. A2561, Mrs. Marion L. Stout. B2562, Morris Stout. B2563, Warden Stout. B2564, Harry K. Strassel. B2565, Harry A. Strater. B2566, Bertram H. Straus. A2567-8-9, Fannie S. Straus, Samuel L. Straus and Ludwig Frank, Trustees under the will of Ben Straus for Samuel L. Straus. B2570, Mrs. Fannie B. Straus. B2571, John L. Street, Executor of the will of Mary G. Street, deceased. B2572, Mrs. Fannie Henley Streng. B2573, Henry J. Streng. B2574, Jesse F. Streng. A2575, Eleanor Carter Strickler. B2576, Mrs. Anna Strobel. B2577, Mrs. Amelia R. Stroud. B2578, Arthur J. Strube. B2579, Charles Strull. B2580, Bishop M. Stuart. B2581, Mrs. Mary Bell Stuart. B2582, Mary Prewitt Stucky, Executrix of the will of Lane P. Stucky, deceased. B2583, Miss Clara E. Stuecker. A2584, Mrs. Florence Stultz. B2585, Arthur T. Sturgeon. B2586, James E. Sturgis. B2587, James L. Sublett. B2588, Miss Mayme Sullivan. B2589, Mrs. Margaret H. Surgener. A2590, Mrs. Louella N. Sutton. B2591, Mrs. Annie D. Swain. B2592, Miss Mary Lane Sweeney. B2593, Miss Eunice Sweets. A2594, Mrs. Anna Swift. A2595, Jeanette Payne Tabb, Executrix of the Estate of George Cary Tabb, deceased. B2596, Mrs. Jeannette P. Tabb. A2597, J. Preston Tabb. B2598, Mrs. Mary K. Tafel. A2599-2600, Louise Tafel and the Louisville Trust Co., Executors of the estate of William F. Tafel, deceased.

B2601, Carl G. Taffel. A2602, K. A. Tashgian, Executor of the will of Herbert Tashgian, deceased. A2603, K. A. Tashgian, Distributee. B2604, Billie N. Taylor. B2605,

Charles C. Taylor. A2606, E. Leland Taylor, Executor of the estate of Frances B. Taylor, deceased. B2607, Horace A. Taylor. B2608, Leonard W. Taylor. B2609, Mrs. Maggie H. Taylor. B2610, Major Taylor. B2611, Mrs. Pauline E. Taylor. B2612, T. Guthrie Taylor. B2613, Mrs. Susie E. Tellman. B2614, Adam Temple, Jr. B2615, Mrs. Bette Bright Tepe. B2616-7, Frank and Elsie W. Terhune. B2618, Mrs. Mayme P. Terry. B2619, Thomas Terry. B2620, Joe B. Tharp. B2621, Miss Mamie Theisen. B2622, Miss Norma Theisen. A2623, Albert C. Thiemann. B2624, Edward C. Thirwell. B2625, Frank J. Thoma. A2626, Fidelity & Columbia Trust Company, Administrator, Emily Thomas, deceased. A2627, Mrs. Ethel S. Thomas. B2628, Frank P. Thomas. B2629, Alexander B. Thompson. B2630, Calvin M. Thompson. B2631, Frank W. Thompson. B2632, Miss Helen Thompson. B2633, John C. Thompson. B2634, John C. Thompson, Admr. Nannie G. Thompson. B2635, Joseph W. Thompson. A2636, Mrs. Millie F. Thompson. B2637, Robert P. Thompson. B2638, Mrs. Sarah C. Thompson. B2639, Mrs. Alleene Thornberry. B2640, Mrs. Gertrude S. Thornberry. B2641, Murray H. Thornberry. B2642, C. O. Tice. B2643, Bert M. Tiffany. B2644, Mrs. Catherine Tighe. B2645, Edward V. Timmel. B2646, Eugene H. Timmel. B2647, Francis J. Timoney. B2648, Edward J. Tobe. B2649, Miss Elsie Tobe. B2650, Vincent G. Tobe.

B2651, Mrs. Josephine M. Toohey. B2652, Mrs. Frances E. Torian. B2653, Edward J. Tracy. B2654, Graham Davies, Executor of the will of Mrs. Launa Davies Trammell, deceased. B2655, Fidelity & Columbia Trust Company, Administrator of the estate of Thomas Trammell, deceased. B2656, John H. Trent, Jr. B2657, Mrs. Sarah R. Trent. B2658, H. L. Trimble. A2659, H. L. Trimble, Executor of the estate of Julia P. Trimble, deceased. B2660, Robert M. Trimble, Jr. B2661, Selden Y. Trimble. B2662, Selden

Trimble, Sr. B2663, John F. Trompeter. B2664, Harvey B. Troxler. B2665, Miss Carrie Trueheart. B2666, Charles T. Trueheart. A2667-8, Charles R. Trueheart and Carrie Trueheart, Co-executors of the estate of Mallie R. Trueheart, deceased. A2669-70, Orville Truman and Emmett R. Field, Executors of the estate of Harriet Semple Truman, deceased. B2671, Orville Truman. B2672, Jesse W. Tuley. B2673, Lawrence K. Tuley. B2674, Philip S. Tuley. B2675, Mrs. Floss O. Tully. B2676, Lee W. Tuney. B2677, Henry R. Turner. B2678, John N. Turner. B2679, Marshall Turner. B2680, Mrs. Mary L. Turner. B2681, Robert C. Tway. B2682, Clyde F. Twyman. B2683, Virginia W. Tyler. B2684, Fred W. Tyree. B2685, Miss Lillian M. Uhl. B2686, Wm. Ummethun. B2687, United States Trust Co. A2688, Ellen McDowell Davis, a distributee under the guardianship. B2689, U. S. Trust Co., Trustee for Anna C. Cowan. A2690-1, U. S. Trust Co. and David C. Morton, Trustees u/w of Mary B. Morton. B2692, Miss Emma Uri. B2693, Frayvol W. Urton. B2694, Robert L. Utterback. B2695, Mrs. Mary O. Utterback. A2696, Mrs. Susan VanArsdale. B2697, John VanAart. B2698, Donald P. Vandivier. B2699, Miss Frances VanNatta. B2700, Chas. VanOverbeke.

B2701, Miss Louise Van Overbeke. B2702, Julian P. VanWinkle. B2703, Benjamin Vaughan. B2704, J. Wallace Vaughan. B2705, Miss Cary M. Veach. B2706, C. Edward Veeneman. B2707, Mrs. Emma Veeneman. B2708, Carolyn Verhoeff. B2709, Mary Verhoeff. A2710, Edward H. Viglini, Administrator of the estate of Albert L. Viglini, deceased. A2711, John A. Viglini, Distributee. A2712, Edward H. Viglini, Distributee. A2713, Louis V. Viglini, Distributee. A2714, George J. Viglini, Distributee. A2715, Minnie D. Viglini, Distributee. A2716, Marcia V. Robertson, Distributee. A2717, Muriel Viglini, Distributee. A2718, Muriel Viglini, Executrix of the will of John A.

Viglini, deceased. B2719, Charles A. Villier. B2720, Miss Helen Vincent. A2721-2, H. Fred Vissman and Robert E. Vissman, Executors of estate of Mrs. Annie F. Vissman. B2723, Mrs. Catherine E. Vissman. B2724, J. Matt Chilton, Admr. of the estate of Louis Vissman, deceased. B2725, Hunter A. Vittitoe. B2726, Albert R. Vogel. B2727, F. Sherman Vogt. B2728, Harry A. Volz, Jr. B2729, Harry A. Volz, Sr. B2730, Mrs. Louise W. VonAllman. B2731, Mrs. Dena Vonderhaar. B2732, Miss Mary E. Vonderhaar. A2733, W. Oscar Votteler, Executor of the estate of William Votteler, deceased. A2734, Miss Lillian B. Wabnitz. B2735, Noble Waddy. B2736, Millard Waggoner. B2737, Anton Wagner. B2738, Frederick W. Wagner, Jr. A2739, Jemmie Wagner. B2740, Joseph C. Wagner. B2741, Mrs. Lola M. Wagner. B2742, William Wagner. B2743, Edward H. Wahking. A2744, Henry C. Wahking, Executor of the Estate of Elizabeth Wahking, deceased. A2745, Henry C. Wahking. B2746, E. H. Wahking, Administrator of the Estate of Mrs. Lillie Wahking, deceased. B2747, Robert C. Wahking. B2748, Henry P. Wahl. B2749, Joseph T. Wahl. B2750, Dunlap Wakefield.

B2751, Dunlap Wakefield & Co., Inc. B2752, Isaac N. Wakefield. B2753, Dr. J. J. Wakefield. B2754, Herman M. Waldman. B2755, Mrs. Herman Waldman. B2756, Mrs. Pearl Waldman. B2757, Mrs. Carrie L. Waldrop. B2758, Mrs. Florence W. Walker. B2759, H. Wallace. B2760, P. M. Wallace. B2761, James K. Waller. B2762, Mrs. Ruth M. Walling. B2763, Joe H. Wallingford. A2764, John Walsh, Jr. B2765, Maurice W. Walsh. B2766, John S. Walston. A2767, Miss Mary M. Walter. B2768, Ossian P. Ward. B2769, Mrs. Lula C. Warden. B2770, Mrs. Blanche C. Ware. B2771, Mrs. Henrietta M. Warfield. A2772, Mrs. Henrietta M. Warfield, Executrix of the Estate of R. F. Warfield, deceased. B2773, Clinton G. Warren. A2774, Fidelity & Columbia Trust Company,

Executor of the Estate of Edward L. Warren, deceased. B2775, Mrs. Elizabeth C. T. Warren. B2776, Harley H. Warren. B2777, Mrs. Idell G. Warren. B2778, Levi L. Warren. B2779, Ben F. Washer. B2780, Phillip Wasserman. B2781, Philip Wasserman. B2782, Miss Virginia H. Waters. B2783, Richard E. Wathen. B2784, George A. Weatherford. B2785, Harvey E. Weatherton. B2786, Miss Daisy E. Weaver. B2787, Louis K. Webb. B2788, Ben Weber. B2789, Franklin P. Weber. B2790, George A. Weber. B2791, William E. Webet. B2792, William V. Weber, Jr. 2793, Fidelity & Columbia Trust Co., Administrator of the Estate of George G. Wedding, deceased. B2794, Mrs. Dorothy Wedekind. B2795, Miss Edith Wedekind. B2796, Elmer H. Wedekind. B2797-8, Ruth Wedekind and Elmer H. Wedekind, Executors of the will of Mrs. Louise D. Wedekind, deceased. B2799, Ruth Wedekind. B2800, Henry Wehmhoff.

A2801, Mrs. Catherine Wehrley. A2802, Miss Alma Weikel. B2803, Mrs. Belle M. Weil. B2804, Jesse Weil. B2805, Mrs. Vivien R. Weil. B2806, Charles L. Weille. B2907, Mrs. Laura Weille. B2808, Philip Weinberg. B2809, George W. Weingardner. B2810-11, George Weingardner and Ida K. Weingardner. A2812, Mary A. Weinman, Executrix of the Estate of Edwin J. Weinman. A2813, Mary A. Weinman. B2814, Emanuel Weinstock. A2815, Rupert Weir, Executor of the Estate of William Weir, deceased. B2816, Fred B. Weis. B2817-8-9, Jacob F. Marx, Milton Grabfelder and Kentucky Title Trust Company, Executors of the will of Isaac A. Weis, deceased. B2820, Mrs. Carrie Weiss. B2821, Coleman G. Weiss. B2822, George A. Weiss. B2823, Mrs. Mary Weissman. B2824, Joseph Weissmueller. B2825, Frank J. Wellkamp. B2826, Mrs. Matilda Wellkamp. B2827, Darrell H. Wells. B2828, Fidelity & Columbia Trust Company, Executor of the will of Prince Wells, deceased. B2829, Miss Catherine M. Welsh. B2830, Miss Elsa Welsh. B2831, Herman,

Welsh. B2832, John H. Welsh. B2833, Bert F. Wempe. A2834, Elizabeth Wesch, Executrix of the Estate of Gustave A. Wesch, and A2835, Elizabeth Wesch, Distributee. B2836, Edmund P. Wesley. B2837, Mrs. Anna S. Wessel. B2838, Frank S. West. B2839, Mrs. Addie M. Wetherby. B2840, Whayne Company, Inc. B2841, Louisville Trust Company, Executor of the will of Miss Dora Wheat, deceased. B2842, Mary Wheat. B2843, Mrs. Georgia B. Wheeler. B2844, Mrs. Minnie M. Wheeler. B2845, Mrs. Nettie K. Whelan. B2846, Richard J. Whelan. B2847, Richard J. Whelan. B2848, Richard J. Whelan, Jr. B2849, Clarence White. B2850, Miss Dora White.

B2851, Mrs. Ella E. White. B2852, Miss Etta H. White. B2853, Miss Mattie White. A2854, Mrs. Pearl Carter White. B2855, William C. White. B2856, Fred A. Whitehead. B2857, Mrs. Janet H. Whiteside. B2858, Kentucky Title Trust Company, Maurice Graham Whitley and Eugene W. Bright, Co-Executors of the Will of Andrew G. Whitley, deceased. B2859, Mrs. Mabel R. Whitley. B2860, John C. Wickliffe, Jr. B2861, John J. Wickstead. B2862, George F. Wiegandt. B2863, Walter G. Wiesman. A2864, Miss Mary L. Wiest. B2865, Mrs. Bessie L. Wigginton. B2866, Mrs. Bessie L. Wigginton. B2867, J Stoner Wigginton. B2868, Benedict J. Wight. B2869, Dow Wilcox. B2870, Benjamin F. Wilhoit. B2871, Frank L. Wilkerson. B2872, Edward Wille, B2873, Miss Elizabeth Wille. B2874, James S. Willett. B2875, Laura M. Willey. B2876, A Gilmore Williams. B2877, Mrs. Anna C. Williams. A2878, Mrs. Caroline M. Williams. B2879, Mrs. Elise L. Williams. B2880, Mrs. Ella C. Williams. B2881, Franklin P. Williams. B2882, M. Cartledge Williams. B2883, Richard G. Williams. B2884, Richard R. Williams. B2885, Mrs. Julia A. Willis. B2886, Mrs. Margaret Willis. B2887, Thomas N. Willis. B2888-9, 2890-1, James C. Wilson, Robert McBride, Henry T. Short, Otto C. Ruth, Jr., Partners doing business under the firm name and style of James C. Wilson.

& Co. B2892, Clarence R. Wilson. A2893-4, Thomas C. Wilson and B. Lester Wilson, Administrators of the Estate of George C. Wilson, deceased. B2895, Mrs. Kate R. Wilson. B2896, T. Bert Wilson. B2897, Tom C. Wilson. B2898, Wallace N. Wilson. A2899, Baruch Weinberg. B2900, Mrs. Lily R. Windell.

A2901-2, W. Edward Winkler and George Schmid, Executors of the estate of Fred W. Winkler, deceased. A2903, Kentucky Title Trust Company, Executor of the estate of Mary E. Winston, deceased. A2904, Nancy Hite Winston. A2905, Henrietta B. Winston. A2906, Joseph Bond Winston. B2907, Tom M. Wintersmith. A2908, Karl H. Lang, Administrator of the estate of Miss Clara May Wirth, deceased. A 2909, Emma C. Wirth, Distributee. B2910, Karl F. Wirth. B2911, Mrs. Emma C. Wirth. B2912, Louis K. Wirth. B2913, Mrs. Mary Wirth. B2914, Louis P. Wiseman. B2915, L. Frank Withers. B2916, Mrs. Elnora M. Witting. B2917, Mrs. Heloise Wolf. B2918, Joseph C. Wolf. B2919, Claude T. Wolfe. B2920, George M. Wolff. B2921, Michael B. Segal, Administrator of the estate of Gustave B. Wolff, deceased. A2922, Miss Ida May Wolff. B2923, Leander E. Wolff. B2924, Allen W. Wolpert. B2925, A. W. Wolpert. B2926, Miss Annie B. Wood. B2927, Lucie Poucher Wood, Executrix of the will of Edwin D. Wood, deceased. B2928, Mrs. Ellen B. Wood. B2929, Fidelity & Columbia Trust Company, Administrator with the will annexed of the estate of George R. Wood, deceased. A2930, Thomas J. Wood, Executor of the estate of Lizzie B. Wood, deceased. A2931-2, Thomas J. Wood and Helen L. Wood, Distributees. B2933, Walter E. Wood. B2934, Harry C. Woodard. B2935, Charles E. Woodcock. B2936, Woodford Bank & Trust Company, Trustee under the will of Katherine Rout McCord. A2937, Gray Maxwell Woodruff, Executrix of the estate of Alex M. Woodruff, deceased. B2938, George E. Woodruff. B2939-40-1, The Louisville Trust Company; Richard Priest Dietzman and

Clara E. Woodson, joint Executors and Executrix of the will of Isaac T. Woodson, deceased. B2942, Fidelity & Columbia Trust Company, Executor of the estate of Urey Woodson, deceased. B2943, Woodson and Kratch Monument Company, Inc. A2944, John Marshall, Jr., Executor of the estate of Clementine V. Woodward, deceased. B2945, Harry C. Woodard. B2946, Mrs. Margaret L. Woody. B2947, William C. Woolridge, Sr. A2948, Matalea Mourning Bickel, Executrix of the estate of Mrs. Fanny Owen Woolfolk. B2949, George G. Worland. B2950, Rowan B. Wornall.

B2951, Harry A. Wortham. B2952, Charles C. Wren. B2953, Wright & Taylor. B2954, Mrs. Clara H. Wulf. B2955, Mrs. Lavinia Wurtele. B2956, Ira B. Wyatt. B2957, Joseph J. Wynn. B2958, Mrs. Virginia Quarrier Wynn. B2959, T. Grayson Yancey. B2960, Geo. A. Yenner. B2961, Mrs. Carrie B. Young. B2962, Mrs. Eliza S. Young. B2963, Mrs. Irene Taggart Young. B2964, James B. Young. B2965, Miss Mildred E. Young. B2966, Mrs. Utley B. Young. B2967, William Blue Young, Executor of the will of William B. Young, deceased. B2968, Mrs. Emma Youngblood. B2969. Theo. L. Zabel. B2970, Mrs. Lucille Zell. A2971, Carl W. Zellner, Executor estate Belle W. Zellner, deceased, and 2972-3, Carl W. Zellner, individually, and Henrietta Zellner Nairin. B2974, Theodore Zervos. A2975, Miss Mary Irene Zinninger. B2976, Andrew C. Zoeller. A2977-8, 9-80, John Zoll, Executor estate Helen A. Zoll, deceased, and Mary E. Goebel and John Zoll, and Carl A. Zoll. B2981, Mrs. Amelia Zutt. B2982, Mrs. Mary M. Dockweiler, Administratrix with the will annexed of the estate of John S. Dockweiler, deceased. B2983, Lula Adams Mackin, Executrix of the will of William Leonard Mackin, deceased. B2984, Govriel L. Rosenthal, Executor of the will of Mrs. Lucille W. Rosenthal, deceased. B2985, Elizabeth Shepherd Will, Executrix of the will of William Will, deceased.

Appellees.

RECORD OF PROCEEDINGS
IN THE
DISTRICT COURT OF THE UNITED STATES
FOR THE
WESTERN DISTRICT OF KENTUCKY
IN THE ABOVE ENTITLED CAUSE

BILL OF COMPLAINT

(Filed February 17, 1936)

The caption, listing all defendants, and "Exhibit A," listing their shareholdings and alleged assessments, are omitted.

I

The National Bank of Kentucky is a national banking association organized under the laws of the United States, commonly known as the National Bank Act, and is domiciled at Louisville, Jefferson County, in the Western District of Kentucky.

II

Said Bank was closed by resolution of its Board of Directors on the 16th day of November, 1930.

III

Thereafter on November 17, 1930, the Comptroller of the Currency of the United States, being satisfied from information on file in his bureau, that said National Bank of Kentucky located in the City of Louisville, County of Jefferson and State of Kentucky, was insolvent and unable to pay its just and legal debts, and in pursuance of the power and authority vested in him by law and under the provisions of Section 1 of the Acts of Congress,—"An act authorizing the appointment of receivers for national banks

and other purposes," approved June 30, 1876, appointed Paul C. Keyes Receiver of said National Bank of Kentucky with all the powers, duties and responsibilities given to or imposed upon a Receiver under the provisions of the Revised Statutes of the United States which authorize the appointment of a receiver. Said Paul C. Keyes thereupon duly qualified and entered upon the duties of his office as such receiver and took possession of all of the books, records and assets of said Bank and continued in the possession and control thereof as such Receiver until December 15, 1932, on which date he resigned. Thereafter on December 15, 1932, F. G. Awalt, then acting Comptroller of the Currency pursuant to the power and authority vested in him by law as aforesaid, appointed the plaintiff, A. M. Anderson, Receiver of said National Bank of Kentucky with all the powers, duties and responsibilities given to or imposed upon a receiver under the provisions of the Revised Statutes of the United States which authorize the appointment of a receiver, and the said plaintiff forthwith qualified and thereupon entered upon the duties of his office as such Receiver, took possession of all of the books, records and assets of said Bank. Plaintiff still is in the possession and control thereof as such Receiver and is still the duly appointed, qualified and acting Receiver of said The National Bank of Kentucky.

IV

This is a suit of a civil nature in equity brought by the plaintiff as receiver of an insolvent national bank. As such receiver he is an officer of the United States. This suit arises under the constitution and laws of the United States for the enforcement of a liability imposed by the laws of the United States and is brought in performance of his official duties. This is a case for winding up the affairs of a national banking association.

This suit is brought in equity for the reason that the plaintiff does not have an adequate remedy at law because an accounting is necessary and prayed for herein to determine the proportionate part of the aggregate liability claimed against the defendants named herein for which each individual is severally liable and to determine the credit to which the defendants may be entitled, if any, by reason of the collections made by the plaintiff on account of the statutory liability hereinafter set forth. The matters set forth herein involve complicated interests and degrees of interest among approximately six thousand stockholders of BancoKentucky Company hereinafter described and to require the plaintiff to proceed at law would involve several thousand independent actions in which the defendants and all of said stockholders have a common interest. The equitable determination in one action of the questions of common interest will avoid a multiplicity of suits and circuity of actions and the unreasonable expense of thousands of separate suits which would dissipate the trust fund herein sought to be recovered for the benefit of creditors of said Bank, and unless the plaintiff is granted the relief in equity as prayed for herein, he will suffer irreparable damage and injury.

On account of all of which the plaintiff has no adequate remedy at law and this court has jurisdiction of this suit.

V

The defendants are named in the caption hereof and the names of said defendants are incorporated in the body of this complaint by reference to the caption hereof, the same as if fully set forth herein and are not repeated to prevent unduly encumbering the record.

The individual defendants are citizens and residents of the State of Kentucky and the Western District of Kentucky.

The corporate defendants are either corporations organized and existing under the laws of the State of Kentucky or are corporations organized and existing under the laws of other states which have qualified to do business in the State of Kentucky and are engaged in business therein.

Certain defendants are sued in a representative capacity, as fully set forth in the caption incorporated herein by reference thereto, and as such are residents of the Western District of Kentucky and said defendants are acting in said representative capacity at the present time and proof of claim properly verified for the amounts due him, as hereinafter set out, have been filed with each of said representatives and payment of same has been demanded of each of said defendants and plaintiff states that the claims herein sued on are a just demand against said respective estates, and have never been paid and that there is no offset or discount against same or any usury therein.

VI

On or about the 20th day of February, 1931, J. W. Pole, as the Comptroller of the Currency of the United States, upon an accounting by Paul C. Keyes as Receiver of the National Bank of Kentucky, and upon a valuation of the uncollected assets of said Bank remaining in the hands of Paul C. Keyes as Receiver, found to the satisfaction of the Comptroller of the Currency that in order to pay the debts of the National Bank of Kentucky, it was necessary to enforce the individual liability of the stockholders thereof to the extent hereinafter mentioned as prescribed by Sections 5151 and 5234 of the Revised Statutes of the United States, Section 1c156, Act of June 30, 1876 and Section 23, Act approved December 23, 1913 known as the Federal Reserve Act, and said Comptroller of the Currency, by virtue of the authority vested in him by law, did therefore

levy and make an assessment and requisition upon the shareholders of said The National Bank of Kentucky for $4,000,000.00, to be paid by them on or before the First day of April, 1931, and did make demand upon each and every one of them for the par value of each and every share of the capital stock of said association held or owned by them respectively, at the time of its failure; and said Comptroller of the Currency did thereupon direct the Receiver of the National Bank of Kentucky to take all necessary proceedings by suit or otherwise to enforce the individual liability of said shareholders.

VII

At the time of the closing of the National Bank of Kentucky, it had issued and outstanding 40,000 shares of capital stock of the par value of $100 each, and 39,820 of said shares were held by Henry Vogt, Thomas J. Minary, Stewart E. Duncan, Allen P. Dodd, Charles H. Bohmer and Ben J. Metcalfe, as Trustees under a certain trust agreement dated April 22, 1927, entered into between the owners and holders of the capital stock of the National Bank of Kentucky and the owners and holders of the capital stock of the Louisville Trust Company. At the time of the closing of the National Bank of Kentucky, in addition to the stock of the National Bank of Kentucky, the above mentioned Trustees held under the same trust agreement 17,235 shares of the capital stock of the Louisville Trust Company.

VIII

Pursuant to the terms of said trust agreement, the above mentioned trustees issued to each stockholder of the National Bank of Kentucky and to each stockholder of the Louisville Trust Company whose stock was deposited with said trustees, a transferable Trustees Participation Certifi-

cate having a par value of $100 in lieu of each share of stock of the bank or trust company having a par value of $100. Said Trustees Participation Certificate certified that the holder was the owner of shares of stock of the par value of $100 each, of the indivisible trust estate consisting of the shares of the capital stock of the National Bank of Kentucky and the Louisville Trust Company and of any other corporation acquired by the trustees under the agreement between the stockholders of said institutions previously described. This certificate was issued under the terms of the aforesaid agreement and the holder thereof, by accepting the same, consented to and adopted the terms of the certificate and the terms of the agreement, as if fully written in said certificate.

Subsequent to April 22, 1927, each share of the trust estate having a par value of $100 per share, was divided into ten shares of the trust estate, each having a par value of $10.00 per share but except for the change in par value, said Trustees Participation Certificates remained unchanged and were issued under and subject to the trust agreement dated April 22, 1927.

Each Trustees Participation Certificate having a par value of $10.00 represented .0697923 of a share of the capital stock of the National Bank of Kentucky, having a par value of $100 per share.

IX

Each and every Trustees Participation Certificate contained on the face thereof a statement that it was issued pursuant to the trust agreement of April 22, 1927 which was recited to be on file with said National Bank of Kentucky and each and every Trustees Participation Certificate contained on its face the further agreement assented to by the holder thereof and reading as follows:

"This certificate is issued under the terms of the aforesaid agreement and the holder hereof by accepting same, consents to and adopts said terms as if fully written herein."

One of the terms of said trust agreement of April 22, 1927 to which the above assent was given by the holders of Trustees Participation Certificates, read as follows: -

"(1) The Trustees shall not be responsible for any acts done by them as Trustees in good faith and in the exercise of an honest judgment. No Trustee shall be liable for the act or omission of another Trustee.

"(2) They shall not be liable, except as Trustees to the extent of the Trust funds held by them by reason of the ownership of stock in any corporation. They shall be indemnified against any such liability by each holder of Trustees' Participation Certificates to the extent hereinafter set forth.

"(3) Each owner of a Trustees' Participation Certificate issued hereunder shall be subject to the same liability thereon as he would have been subject to in case he had been the owner of record of such proportionate part of the shares held by the Trustees in any corporation as the number of shares called for by his Trustees' Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Certificates; and to such extent he shall indemnify and hold harmless the Trustees owning such stock from any loss or liability on account of being the holders or owners thereof. The measure of liability assumed hereunder shall be the same as that provided by law with reference to the holders of stock in any particular corporation in which the Trustees may hold stock as is provided by law with reference to the holders of such stock, and no more."

X

At the time of the closing of the National Bank of Kentucky as aforesaid, there were issued and outstanding

570,550 shares of the trust estate having a par value of $10.00 per share, and said shares represented 39,820 shares of the capital stock of the National Bank of Kentucky having a par value of $100 per share.

XI

On or about July 19, 1929 the officers and directors of the National Bank of Kentucky and the officers and directors of the Louisville Trust Company and the Trustees under the trust agreement of April 22, 1927, proposed to the holders of said Trustees Participation shares of the National Bank of Kentucky and the Louisville Trust Company, that the two banks and the business conducted by them should be reorganized by adding to this group a third corporation which said officers, directors and trustees represented would make the operations of these banking institutions more profitable, and expand their facilities for the profit of the shareholders of said banks. The plan of reorganization proposed by the officers and directors of the two banks and approved by formal resolutions of the trustees under the trust agreement of April 22, 1927 was to organize under the laws of the State of Delaware, a holding corporation to be known as the BancoKentucky Company, with an authorized capital of 2,000,000 shares having a par value of $10 each and to exchange the stock of this holding corporation for stock of the bank, represented by the Trustees Participation Certificates on the basis of two shares of the stock of said holding corporation, the BancoKentucky Company, for each Participation share.

The Trustees Participation shareholders were advised that it was an essential part of the plan that the shares of this holding corporation, the BancoKentucky Company (or at least a substantial majority thereof) be owned by the Trustees Participation shareholders and that it be man-

aged and operated by the boards of directors and officers of the two banks. The holders of 570,550 shares of the trust estate approved and adopted the plan above described and the holders of 540,384 shares of the trust estate representing 37714.6422 shares of stock of the National Bank of Kentucky exchanged their Trustees Participation Certificates which represented the stock of National Bank of Kentucky and the Louisville Trust Company, for 1,080,768 shares of the holding company, BancoKentucky, which shares continued thereafter to represent the holders' interest in said bank stock,

XII

Pursuant to the above described plan, the holders of the Trustees Participation shares representing approximately 95% of the stock of the National Bank of Kentucky and the Louisville Trust Company, caused said holding corporation to be organized as their agency and instrumentality, for their own use and enrichment and in furtherance of a scheme to engage in unlawful acts and to enable them through said corporate agency and instrumentality unlawfully to acquire, own, hold, control and operate a group of state and national banks and trust companies contrary to and in defiance of the meaning, spirit and intent of the laws of the United States and of the Commonwealth of Kentucky and other states relating to the ownership, operation and supervision of banks and trust companies.

Accordingly said holding corporation, the BancoKentucky Company was incorporated under the laws of the State of Delaware on July 16, 1929 with an authorized capital of 2,000,000 shares of common stock of the par value of $10 each for the alleged purposes set forth in its articles of incorporation as follows:

"The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any state of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds, of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation.

"The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.

"The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge, deed of trust or otherwise. The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock, provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would

cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

"The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety therefor and to become joint maker, endorser or acceptor of any such obligations and to charge fees and commissions for such services.

"The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

"In general, the corporation shall have full power to carry on any other business in connection with the foregoing whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

"The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to that limit or restrict in any manner the powers of this corporation."

XIII

The defendants and other shareholders of said banks in carrying out the plan and scheme aforesaid through the agency and instrumentality of their holding corporation, the BancoKentucky Company, proceeded unlawfully to acquire, own, hold, control and operate a group of state and national banks and trust companies contrary to and

in defiance of the meaning, spirit and intent of the laws of the United States and of the Commonwealth of Kentucky and of other states relating to the ownership, operation and supervision of banks and trust companies and unlawfully to use the assets of said banks and trust companies in speculative financial transactions prohibited by law, and unlawfully to use the assets and property of one or more of said banks in making loans on the security of the holding company stock in violation of law.

XIV

After the aforesaid exchange of Trustees Participation Certificates for stock of the holding corporation, the Banco-Kentucky Company, the holders of the stock of the Banco-Kentucky Company continued to be the actual, real and beneficial holders of approximately 95% of the stock of the National Bank of Kentucky and continued after the organization of the holding company, to receive all of the benefits and advantages incident to the ownership of stock in said National Bank.

XV

At the time of the organization of the BancoKentucky Company and at all times thereafter, the persons who appeared as stockholders of the said company exercised all the rights and privileges of shareholders of the National Bank of Kentucky and of the other banks and trust companies whose capital stock, was held by BancoKentucky. Said persons who appeared as stockholders of BancoKentucky secured and retained to their own use and enrichment all the benefits and advantages of shareholders of the National Bank of Kentucky and were from the time of the organization of the BancoKentucky Company up to the time of the closing of the National Bank of Kentucky the

real, actual and beneficial owners of the Trustees Participation Certificates which represented shares of stock of the National Bank of Kentucky.

From the time of its organization to the date of the closing of the National Bank of Kentucky, the BancoKentucky Company acted as a corporate agency and instrumentality for the persons whose names appeared as stockholders of said company and as such corporate agency and instrumentality for said owners of the said BancoKentucky Company stock it held the Trustees Participation Certificates which represented the shares of stock in the National Bank of Kentucky and the persons whose names appeared as stockholders of the BancoKentucky Company were the actual, real and beneficial owners of the stock of the National Bank of Kentucky.

XVI

The holders of the Trustees Participation Certificates who organized the BancoKentucky Company as a holding corporation for their bank stock, well knowing that said bank stock was subject to the individual liability of shareholders of national banks, imposed by the Acts of Congress, Sections 5151 and 5234 of the Revised Statutes of the United States and knowing that bank stock of state banking institutions was subject to individual liability imposed by state laws, nevertheless, in the organization of the said BancoKentucky Company, intentionally undertook to evade the provisions of said sections of the Acts of Congress by deliberately omitting from the Articles of Incorporation any provision for the payment of the liability upon national and state bank stocks provided by the laws of the United States, the Commonwealth of Kentucky and other states, and deliberately and intentionally sought to evade said liability by including the Articles of Incorporation of BancoKentucky Company the following language:

"VIII. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever,"

and by printing in its certificates of stock the words "full paid and non-assessable," and in so attempting to evade such assessment liability perpetrated a fraud upon the depositors and creditors of the National Bank of Kentucky for whose benefit this action is brought.

XVII

By reason of all of the foregoing, the defendants are not entitled in equity and good conscience to the immunity recognized by law which stockholders of a bona fide lawfully formed and conducted corporation ordinarily have and defendants are not entitled in equity and good conscience to shield themselves from the assessment imposed upon them by law with said corporate form the Banco-Kentucky Company. By reason of the foregoing, the defendants are the real, true and beneficial shareholders of the National Bank of Kentucky and have promised to pay said assessment and are stopped to deny said assessment liability, and are the owners of shares of stock of the National Bank of Kentucky and each of the defendants appearing to be stockholders of the BancoKentucky Company is liable for the payment of the assessment levied by the Comptroller of the Currency hereinbefore referred to, individually, ratably and proportionately to the extent that the number of shares of stock held by him bears to the total number of shares issued and outstanding.

XVIII

Acting pursuant to the authority and direction of the Comptroller of the Currency, the Receiver of the National Bank of Kentucky, on or about March 20th, 1931, sent and

served upon each of the defendants and all the other shareholders of the BancoKentucky Company, the following assessment notice:

"Office of The Receiver
THE NATIONAL BANK OF KENTUCKY
Louisville, Kentucky

Louisville, Ky., March 20, 1931

"As a stockholder in The BancoKentucky Company, you will please take notice, that the Comptroller of the Currency has on February 20, 1931, levied an assessment upon the stockholders of The National Bank of Kentucky, Louisville, Ky., on the par value of each and every share, payable at the Office of the Receiver, on or before April 1, 1931. A notice of such assessment and a demand for payment of the same has been served upon the Receiver of The BancoKentucky Company as the holder of 540,484 trustees' participation certificates, issued under a certain trust agreement of April 22, 1927, which trustees' participation certificates represent the ownership of 37,721.624 shares of stock in The National Bank of Kentucky. You will, therefore, take notice that it is the intention of the undersigned, as Receiver of The National Bank of Kentucky, to proceed against you for the collection of the aforesaid assessment liability represented by the said trustees' participation certificates held by said BancoKentucky Company, to the extent that the undersigned, as Receiver of the National Bank of Kentucky, is unable to collect said assessment from The BancoKentucky Company or its Receiver.

Paul C. Keyes
Receiver of The National Bank of Kentucky
Louisville, Kentucky

Registered Letter
Return Receipt Requested."

Enclosed therewith and attached thereto was a copy of the order of assessment upon shareholders made by the Comptroller of the Currency of the United States hereinabove described.

XIX

Thereafter, the receiver of the National Bank of Kentucky secured leave of the Jefferson County Circuit Court, which had previously appointed a receiver for the Banco-Kentucky Company, to file an action against the receiver of the BancoKentucky Company to collect said assessment and leave having been secured, the receiver, on October 31, 1931, filed an action in this court against Joseph S. Laurent, Receiver of the BancoKentucky Company, praying for judgment by reason of the assessment in the amount of $3,772,162.40. Said cause being docketed in the United States District Court for the Western District of Kentucky as No. 1383. Thereafter, the cause was heard and on September 14, 1932, the Receiver of the National Bank of Kentucky recovered judgment for the full amount of the assessment, plus interest at the rate of six per cent (6%) per annum. Said judgment was entered September 14, 1932. Said judgment has been affirmed by the United States Circuit Court of Appeals and said judgment has become final and except for a credit of $90,745.17 hereafter described is wholly unpaid and unsatisfied.

XX

On December 18th, 1934, the Receiver of the BancoKentucky Company paid to the plaintiff, as Receiver of the National Bank of Kentucky, the sum of $90,745.17, said payment being made to plaintiff as a creditor of Banco-Kentucky Company by reason of the judgment mentioned above and said payment is the only money paid to the

plaintiff on account of the judgment for stock assessment up to the present time. The plaintiff says that there are other moneys which he may collect from the Receiver of the BancoKentucky Company, before the assets in the hands of said Receiver are completely exhausted, but plaintiff says that there are numerous controversies with respect to the distribution of the assets of the BancoKentucky Company and says that for this reason he is unable to state at the present time what if any further sum may eventually be paid by the Receiver of the BancoKentucky Company on account of said judgment, but plaintiff alleges that BancoKentucky Company is hopelessly insolvent and any payment that might be made will be relatively small and that said judgment will remain substantially unsatisfied.

XXI

Plaintiff says that the depositors and creditors of the National Bank of Kentucky have only been paid up to the present time, sixty-seven (67%) per cent of the face amount of their deposits and claims.

XXII

Plaintiff further says that there is due him as Receiver of the National Bank of Kentucky by reason of the stock assessment on the 37,714.6422 shares of National Bank of Kentucky stock held by the BancoKentucky Company as the agency and instrumentality of the defendants and other shareholders of said company, and in accordance with their plan adopted as aforesaid, the sum of $3,771,464.22, less $90,745.17 paid on December 18th, 1934.

XXIII

On January 14th, 1930, the Articles of the BancoKentucky Company were amended and the authorized capital stock in said company was increased from 2,000,000 to

5,000,000 shares, each share having a par value of $10.00. At the time of the closing of the National Bank of Kentucky, there were issued and outstanding 2,072,468 shares of the capital stock of the BancoKentucky Company.

XXIV

Each of the defendants and each stockholder of the BancoKentucky Company not named a defendant herein is individually liable to pay said assessment in the proportion that his shares of stock of the BancoKentucky Company bears to the total number of shares of the BancoKentucky Company issued and outstanding at the date of the closing of the National Bank of Kentucky. The plaintiff is informed and believes that the sum due from each stockholder of BancoKentucky Company, including interest to the date of the filing of this petition, amounts to approximately $2.304909 for each share of stock of the BancoKentucky Company registered in his name or owned by him at the time of the closing of the National Bank of Kentucky.

XXV

The several defendants named herein are holders of the number of shares of BancoKentucky Company stock set opposite their respective names on the schedule and list hereto attached, made a part hereof, and marked "Exhibit A," and are each indebted to the plaintiff as Receiver of the National Bank of Kentucky in the estimated amounts set opposite their respective names on said Schedule A, in the column thereof designated "Amount of Assessment," together with interest at the rate of six per cent (6%) per annum.

XXVI

Plaintiff therefore prays:

1. That a subpoena be issued according to the course and practice of this court, requiring the defendants to appear

and answer this Bill of Complaint, but not under oath, answer under oath being hereby expressly waived according to the rules and practice of this court.

2. That an accounting be made and stated to determine the number of shares of the stock of BancoKentucky Company that were issued and outstanding at the date of the failure of the National Bank of Kentucky; to determine the number of shares of the capital stock of the National Bank of Kentucky that were represented by the Trustees Participation Certificates held by the BancoKentucky Company as the agency and instrumentality of the defendants and the other stockholders of the BancoKentucky Company; to determine the proportionate part of a share of stock of the National Bank of Kentucky which was represented by a share of stock in BancoKentucky Company; to determine the proportionate amount of the assessment for which each holder of the stock of the BancoKentucky Company is liable giving due and proper credit to said defendants and the other stockholders of BancoKentucky Company for such part of the assessment that the Receiver has collected, or may hereafter collect, and for which said defendants and other shareholders are entitled to credit.

3. That the court fix and determine the number of shares of National Bank of Kentucky stock of which the several defendants were the real and beneficial owners, and the assessment liability thereon, and that upon such accounting, the plaintiff be awarded a judgment and decree against the several defendants for the amount, by said accounting found to be due from each of them.

4. That plaintiff may have such further, other and different relief in the premises to which he may be entitled, and as shall be agreeable to equity and good conscience.

[Verification omitted]

AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT

(Filed March 28, 1936)

The allegations of the original Bill and "Exhibit B," attached to the Amended Bill and listing defendants therein named, their BancoKentucky shareholdings and their alleged assessments, are omitted.

Said amendment sets forth 195 separate paragraphs each alleging that the person or company therein named had been appointed the personal representative of some person who had appeared as record owner of BancoKentucky Company stock at the time of the closing of the Bank, that distribution of such shareholder's estate had been made to named distributees and that liability was asserted against such personal representative and such distributees.

The following are typical paragraphs from said Amended and Supplemental Bill of Complaint:

"PARAGRAPH 2

Plaintiff states that at the time of the closing of the National Bank of Kentucky, as hereinbefore stated, Charles C. Mengel was the owner and holder of 5,760 shares of stock of BancoKentucky Company; since that time said Charles C. Mengel died and Arthur D. Allen was appointed Executor of his estate and proof of claim has been filed with said Executor. Plaintiff states that by reason of the foregoing, the defendant, Arthur D. Allen, Executor, is indebted to the plaintiff in the amount set out in Item 25 of Exhibit 'A' of the original Bill of Complaint." (Amended and Supplemental Bill of Complaint.)

"PARAGRAPH 32

Plaintiff states that at the time of the closing of the National Bank of Kentucky, as hereinbefore stated, Addi-

son Dimmitt was the owner and holder of 500 shares of stock of BancoKentucky Company; that since that time said Addison Dimmitt died and Helen W. Dimmitt was appointed Executrix of his estate. Proof of claim has been filed with said Executrix. Said estate has been settled and distributed and Helen W. Dimmitt was the heir, devisee and/or distributee. By reason of the foregoing, the defendant, Helen W. Dimmitt, Executrix and distributee, is indebted to the plaintiff in the amount set out in Item 596 of Exhibit 'A' of the original Bill of Complaint." (Amended and Supplemental Bill of Complaint).

"PARAGRAPH 66

Plaintiff states that at the time of the closing of the National Bank of Kentucky, as hereinbefore stated, George M. Clark was the owner and holder of 11,410 shares of stock of the BancoKentucky Company, and that he made an assignment for the benefit of creditors to the Kentucky Title Trust Company as assignee. Proof of claim has been filed with said assignee. Plaintiff states that by reason of the foregoing the defendant, Kentucky Title Trust Company, assignee of George M. Clark, is indebted to the plaintiff in the amount set out in Item 1399 of Exhibit 'A' of the the original Bill of Complaint." (Amended and Supplemental Bill of Complaint.)

"PARAGRAPH 122

Plaintiff states that at the time of the closing of the National Bank of Kentucky, as hereinbefore stated, Herbert Tashgian was the owner and holder of 1,000 shares of stock of BancoKentucky Company; that since that time said Herbert Tashgian died and K. A. Tashgian was appointed Executor of his estate. Proof of claim has been filed with said Executor. Said estate has been settled and distributed

and K. A. Tashgian is the heir, devisee and/or distributee. By reason of the foregoing the defendants, K. A. Tashgian, Executor, and K. A. Tashgian, distributee are indebted to the plaintiff in the amount set out in Item 2559 of Exhibit 'A' of the original Bill of Complaint." (Amended and Supplemental Bill of Complaint.)

"PARAGRAPH 130

Plaintiff states that at the time of the closing of the National Bank of Kentucky, as hereinbefore stated, Gustave A. Wesch was the owner and holder of 500 shares of stock of BancoKentucky Company; that since that time said Gustave A. Wesch died and Elizabeth Wesch was appointed Executrix of his estate. Proof of claim has been filed with said Executrix. Said estate has been settled and distributed and Elizabeth Wesch is the heir, devisee and/or distributee. By reason of the foregoing, the defendants, Elizabeth Wesch, Executrix, and Elizabeth Wesch, distributee, are indebted to the plaintiff in the amount set out in Item 2817 of Exhibit 'A' of the original Bill of Complaint." (Amended and Supplemental Bill of Complaint.)

"PARAGRAPH 135

Plaintiff states that at the time of the closing of the National Bank of Kentucky, as hereinbefore stated, John B. Pirtle was the owner and holder of 7,920 shares of stock of BancoKentucky Company; that since that time said John B. Pirtle died and the Louisville Trust Company was appointed Executor of his estate and proof of claim has been filed with said Executor. Plaintiff states that by reason of the foregoing, the defendant, the Louisville Trust Company, Executor of the Estate of John B. Pirtle, deceased, is indebted to the plaintiff in the amount set out in Item 2978 of Exhibit 'A' of the original Bill of Complaint." (Amended and Supplemental Bill of Complaint.)

SECOND AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT

(Filed March 30, 1936)

All of said Second Amended and Supplemental Bill of Complaint, except the following typical paragraph, is omitted.

"PARAGRAPH 76

Plaintiff states that at the time of the closing of the National Bank of Kentucky, as hereinbefore stated, Belle W. Zellner was the owner and holder of 1,980 shares of stock of the BancoKentucky Company. Thereafter said Belle W. Zellner died, and Carl W. Zellner was appointed Executor of her Estate, and claim has been filed with said Executor. Said estate has been closed and settled, and Carl W. Zellner, Henrietta Zellner Nairin, were the heirs, devisees, and/or distributees thereof. By reason of the foregoing, the defendants, Carl W. Zellner, Executor of the Estate of Belle W. Zellner, deceased, and Carl W. Zellner, individually, and Henrietta Zellner Nairin, are indebted to the plaintiff in the amount set out in Item 2968 of Exhibit 'A' attached to the original Bill of Complaint." (Second Amended and Supplemental Bill of Complaint.)

THIRD AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT

(Filed April 11, 1936)

All except following two paragraphs omitted.

"PARAGRAPH I

Now comes A. M. Anderson, Receiver of the National Bank of Kentucky, an insolvent national banking association, organized under the laws of the United States, Louis-

ville, Kentucky, and by way of further amendment to his original Bill of Complaint, amends Item 1627 of Exhibit 'A' attached to the original Bill of Complaint, so that it will read '1627, Kentucky Title Trust Company, Trustee under the Will of B. F. Guthrie, 500 Shares, $1,152.45.'

Plaintiff further amends his Bill of Complaint by stating that at the time of the closing of the National Bank of Kentucky, the Louisville Trust Company, as Trustee under the Will of B. F. Guthrie, was the holder of 500 shares of stock of BancoKentucky Company. Thereafter the Kentucky Title Trust Company succeeded the Louisville Trust Company as Trustee. By reason thereof, the defendant, Kentucky Title Trust Company, Trustee under the Will of B. F. Guthrie, is indebted to the plaintiff in the sum of $1,152.45, with interest, as set out in the original Bill of Complaint." (Third Amended and Supplemental Bill of Complaint.)

"PARAGRAPH II

Plaintiff states that at the time of the closing of the National Bank of Kentucky, Mrs. Sallie S. Withers was the owner and holder of 192 shares of stock of the Banco-Kentucky Company. Since that time, Mrs. Sallie S. Withers died and Spence S. Carrick was appointed either Administrator or Executor of her estate and proof of claim has been filed with said Administrator or Executor. Plaintiff states that by reason of the foregoing, the defendant, Spence S. Carrick, as personal representative of the estate of Mrs. Sallie S. Withers, is indebted to the plaintiff in the sum of $442.54 with interest as set forth in the original and amended Bills of Complaint." (Third Amended and Supplemental Bill of Complaint.)

FOURTH AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT

(Filed June 9, 1936)

All except following paragraph, amending Paragraph V of the original Bill of Complaint, is omitted.

SUB-PARAGRAPH 5—PARAGRAPH I

"5. Plaintiff states that at the time of the closing of the National Bank of Kentucky, Charles Kobert was the owner and holder of 2084 shares of stock of BancoKentucky Company, that since that time said Charles Kobert died and that on August 5, 1935 the will of said Charles Kobert was admitted to probate in the County Court of Marion County, Kentucky, and that on said date the defendants, Charles B. Kobert, Lula K. Steeman and C. J. Edmonds qualified in said court as the executors of the will of said Charles Kobert, deceased, and that said Charles B. Kobert, Lula K. Steeman and C. J. Edmonds are now and ever since said date have been acting as such executors.

Plaintiff states that said defendants are residents of the State of Kentucky and the Western District of Kentucky, and that proofs of claim properly verified for the amounts due him, as hereinafter set out, have been filed with said executors and payment of same has been demanded of them; and plaintiff states that the claims herein sued on are a just demand against said estate and have never been paid, and that there is no offset or discount against same or any usury therein." (Fourth Amended and Supplemental Bill of Complaint.)

Amendment to Bill of Complaint

FIFTH AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT

(Filed January 5, 1937)

Alleges that Fannie Owen Woolfolk, listed as a defendant in the original Bill of Complaint, died testate February 18, 1936, prior to service, that Matalea Mourning Bickel was appointed executrix of her estate on March 26, 1936, and that claim is made against the executrix.

AMENDMENT TO BILL OF COMPLAINT

(Made part of record August 2, 1939)

All, except following paragraph, omitted.

"Now comes the plaintiff, A. M. Anderson, Receiver of the National Bank of Kentucky, an insolvent national banking association, organized under the laws of the United States, Louisville, Kentucky and amends his Bill of Complaint and the previous amendments thereto, and for such amendment realleges all of the allegations contained in his Bill filed herein and amendments thereto and in addition thereto states, with respect to the defendants named in the Bill of Complaint and the amendments thereto as distributees and heirs of various persons who owned stock in the BancoKentucky Company, that such defendants received, as legatees, devisees and distributees, from the estate of persons owning BancoKentucky stock, as listed in the Bill of Complaint and amendments thereto, cash and personal and/or real property in the amounts set out in the Exhibit hereto attached and made a part hereof.

Plaintiff states that said defendants named as legatees, devisees and distributees are liable for the payment of the claim against the person from whom they received such assets as hereinbefore set out.

WHEREFORE: Plaintiff, A. M. Anderson, Receiver of the National Bank of Kentucky, an insolvent national banking association, organized under the laws of the United States, Louisville, Kentucky, prays as in his original Bill of Complaint and the amendments thereto."

The exhibit attached to this amendment, listing the ancestor who held the stock, the distributee, the amount claimed from the distributees and the amount received by each distributee as shown by the records of the county court, is omitted with the exception of the information with respect to the estate of Addison Dimmitt, deceased. Information with respect to other estates is of substantially the same nature. The exhibit with respect to Addison Dimmitt, deceased, is as follows:

(Excerpt from Exhibit attached to Amendment to Bill of Complaint, made part of the record on August 2, 1939.)

ANCESTOR WHO HELD STOCK	DISTRIBUTEE	AMOUNT CLAIMED FROM DISTRIBUTEE	AMOUNT RECEIVED BY DISTRIBUTEE
Dimmitt, Addison	Helen W. Dimmitt	$1,152.54	$111,763.56

There was attached certified copy of final settlement of Helen W. Dimmitt as executrix of Addison Dimmitt, deceased, which is set out as follows:

No. 20306

JEFFERSON COUNTY COURT

In re: FINAL SETTLEMENT of Helen W. Dimmitt, Executrix under the will of Addison Dimmitt, deceased

RECEIPTS

Cash—Liberty Bank & Trust Company	$ 2,908.24
200 shares stock Devilius Pfd.	1,700.00
20 shares stock Devilius Com.	80.00
180 shares stock Vick Finance Co.	900.00
25 shares stock Morris Plan Industrial Bank	2,500.00
35 shares stock Drug Inc.	2,047.50

200 shares stock Standard Oil of Kentucky	3,325.00
300 shares stock Standard Oil of Indiana	6,487.50
25 shares stock Frankfort Dist. pfd. / 25 shares stock Frankfort Dist. com.	2,500.00
77½ shares stock Goodwin Laboratories	775.00
Note—J. J. Goodwin	24,400.00
Interest on J. J. Goodwin note to November 13th	174.88
Note—Thos. A. and Wm. R. Tate—no value ($250.00)	0
Note—Thos. A. and Wm. R. Tate $50.00—no value	0
Mortgage—J. J. Goodwin—balance with interest to date	11,270.00
87½ shares stock Valley Improvement Company —no value	0
50 shares stock Consumers Tobacco Company— no value	0
5 shares stock American Insurance Corporation —no value	0
3 shares stock Newman Drug Company	600.00
½ interest in partnership with Elizabeth Wesch in Newman Drug Company	60,000.00
Total	$119,668.12

DISBURSEMENTS

Note—Liberty Bank & Trust Company	$ 7,000.00
Interest to November 13th	51.33
L. D. Pearson & Son, Undertaker	660.00
Dr. Virgil Simpson—services	25.00
Peter & Burghard—Monument	125.00
Virginia Hicks, nurse	13.10
Lillian Williams, nurse	27.50
Cost inheritance tax proceedings	150.00
Newman Drug Company	21.68
R. L. Haag, Evergreen	67.95
Marret & Miller—flowers	55.00
Besten & Langen	57.75
Standard Auto Company	51.15
Women's Auxiliary to Kentucky Medical Journal—donation	58.80

Funk & Wagnall Co.	18.00
Harcourt & Company	42.50
Stewart Dry Goods Co.	189.28
Suwanee Military Institute	17.10
Byck & Co.	31.65
Williamson Tree Co.	225.00
Collector of Internal Revenue—income tax	481.77
Ed Bloomfield, Attorney—services	2,500.00
Commissioner and Clerk's fees	35.00
Total	$ 11,904.56
Residue	$111,763.56

MOTION TO DISMISS

(Filed April 15, 1936)

Come the defendants whose names are signed hereto by their respective counsel and severally move the court to dismiss the bill of complaint herein as amended upon the following grounds:

(1) Because it appears from the bill of complaint as amended herein that there is an insufficiency of facts to constitute a valid cause of action in equity against these defendants, or any of them;

(2) Because it appears from the bill of complaint herein as amended that there is a misjoinder of parties defendant;

(3) Because it appears from the bill of complaint herein as amended that this suit should have been brought as an action on the law side of the court; that the plaintiff has an adequate remedy at law and that there is a want of jurisdiction in equity;

(4) Because it affirmatively appears from the averments of the bill of complaint herein as amended that plaintiff in this action did heretofore, with full knowledge of the facts relied on herein, institute an action in this court against the Receiver of the BancoKentucky Company, a corpora-

tion, and that in said action plaintiff recovered a judgment against said Receiver and that on this judgment the plaintiff in this action has collected the sum of $90,745.17 from said Receiver, and it further appears that said judgment was secured by plaintiff's alleging and establishing by proof in said action that BancoKentucky Company was the real, true and beneficial owner of 540,484 Trustees Participation Certificates representing the ownership of 37,721,624 shares of stock of the National Bank of Kentucky, and that said Participation Certificates and shares of stock in the National Bank of Kentucky were and are the same, identical Trustees Participation Certificates and shares of stock of the National Bank of Kentucky as are mentioned and referred to in plaintiff's bill in this action, and that plaintiff's action and conduct in asserting that BancoKentucky Company was the real, true and beneficial owner and holder of said Participation Certificates and said shares of stock in the National Bank of Kentucky, and his prosecution of said claim against the Receiver of the BancoKentucky Company to a judgment, and the collection, in part, of said judgment from said Receiver, constituted an election on the part of the plaintiff herein, and said election now constitutes a bar to plaintiff's asserting in this action that the defendants herein, or any of them, are the real owners or holders of said Participation Certificates or the real owners or holders of any part of said stock in the National Bank of Kentucky, and a bar to plaintiff's asserting or claiming any right to recover any sum from defendants, upon the grounds asserted in plaintiff's bill of complaint herein as amended;

(5) Because it appears from the bill of complaint herein as amended that plaintiff, in the prior suit which he instituted in this court against the Receiver of the Banco-Kentucky Company, procured the entry of a judgment in

said action in this court, in which said judgment it was by this court adjudged that the BancoKentucky Company was the real, true and beneficial owner of the Trustees Participation Certificates of the shares of stock of the National Bank of Kentucky mentioned and described in the complaint herein as amended; and it further appears from said bill of complaint as amended that said judgment so holding said BancoKentucky Company to be and to have been the real, true and beneficial holder of said Certificates and said Bank stock, was affirmed by the Circuit Court of Appeals for the Sixth Circuit, and that said judgment has become final and binding and is now in full force and effect, and that plaintiff has collected on said judgment the sum of $90,745.17, and plaintiff herein is by said judgment entered in this court and affirmed by said Circuit Court of Appeals, and by his collection, in part, of said judgment estopped from asserting or maintaining in this action that these defendants, or any of them, were or are the real, true or beneficial owners of the shares of stock or Trustees Participation Certificates mentioned and referred to in the bill of complaint herein as amended.

WHEREFORE, the defendants pray that the bill of complaint herein as amended may be dismissed, and that each of these defendants be dismissed hence with his or her costs, and for such other relief as to the court may seem just.

This motion was filed on behalf of approximately 500 defendants. Similar motions were filed by other defendants who adopted it by reference or set out motions similar in substance. By an order of the court, agreed to by plaintiff, all general defenses set up by any one defendant were available to all others.

Answer of Katherine Kirkpatrick Abbott

(Filed August 30, 1938)

Answer was filed on behalf of David J. Abbott on September 28, 1936. This was adopted as a typical answer by other defendants and was incorporated by reference in their answers. This answer was amended on October 27, 1936. Plaintiff's reply to said answer was filed on February 16, 1937. Abbott died and his widow, who was appointed administratrix of his estate, was made a party by order of revivor entered on June 24, 1938. Thereafter this Substituted Answer was filed on her behalf on August 30, 1938.

SUBSTITUTED ANSWER OF DEFENDANT, KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX OF DAVID J. ABBOTT, DECEASED

The defendant, Katherine Kirkpatrick Abbott, Administratrix of David J. Abbott, deceased, for answer to the Bill of Complaint herein, (in referring to the Bill of Complaint the references are to the paragraphs marked in Roman numerals by the plaintiff) admits the allegations of Paragraph 1, page 3, Paragraph II., page 3, and so much of Paragraph III., page 3, as is contained on page 3 of the printed Bill.

Defendant denies the following portions of Paragraph IV., page 4, that the plaintiff has not an adequate remedy at law, or that an accounting is necessary to determine the proportionate part of the aggregate liability claimed against this defendant, or any of the defendants, or to determine the credit to which defendant may be entitled.

Defendant denies that the matters set forth herein involve complicated interests or degrees of interest among approximately six thousand stockholders, or any stock-

holder, of Banco Kentucky Company, other than between the plaintiff and himself.

Defendant denies that equitable determination in one action of the questions of common interest will avoid a multiplicity of suits and circuity of actions, or the unreasonable expense of thousands of separate suits, or that the trust fund will be dissipated, or that the plaintiff has any ground in equity, or that plaintiff will suffer irreparable or any damage or injury by reason of separate suits, as required by law; denies that the plaintiff has no adequate remedy at law, or that this court, sitting in equity, has any jurisdiction of this suit.

As to Paragraph V., page 4, this defendant has no knowledge or information sufficient to form a belief as to whether the other defendants are residents of the State of Kentucky, or the Western District of Kentucky, nor whether the corporate defendants were organized or existing under the laws of the State of Kentucky, or were doing business within said state.

Defendant admits the allegations of Paragraph VI., page 4, of the Bill.

Defendant admits the allegations of Paragraph VII., page 5, of the Bill.

Defendant admits the allegations of Paragraph VIII., page 5, of the Bill.

Defendant admits the allegations of Paragraph IX., page 5, of the Bill.

Defendant admits the allegations of Paragraph X., page 6, of the Bill.

Defendant admits the allegations of Paragraph XI., page 6, of the Bill, except in the following particulars: defendant denies that the plan proposed on July 19th, 1929, to the then holders of Trustees Participation Certificates, or to prospective purchasers of Banco stock was that a

corporation would be organized. Defendant says that the Banco Kentucky Company was organized prior to July 19, 1929. Defendant denies that it was proposed that such Banco Kentucky Company should be a holding company. Defendant says that said corporation was to be an active corporation, doing business as provided in its Charter, as will be fully shown hereafter.

In regard to Paragraph XII., pages 6 and 7 of the Bill, defendant denies that the holders of 95 per cent of the stock of the National Bank of Kentucky and the Louisville Trust Company caused said Banco Kentucky Company to be organized; admits that it was organized at the instance of persons who were officers and members of the National Bank of Kentucky and the Louisville Trust Company; denies that said Banco Kentucky Company was organized as a holding company, or as the agency or the instrumentality for the use of enrichment or furtherance of a scheme to engage in unlawful acts to enable the trustees to unlawfully acquire any property whatsoever, or in defiance of the meaning, or spirit or intent of the laws of the United States or the Commonwealth of Kentucky, or any other state, relating to the ownership or operation or supervision of banks or trust companies. The defendant denies that the Banco Kentucky Company was organized by any one as an agency or instrumentality, or for any other purpose, than as a bona fide corporation to conduct the business provided for in its Charter. The defendant admits that the capital stock of Banco Kentucky Company was as set out in Paragraph XII., and that the Articles of Incorporation of said company contained the provisions quoted in Paragraph XII.

For answer to Paragraph XIII., pages 7 and 8 of the Bill, defendant denies that the incorporators or stockholders of Banco Kentucky Company had formulated any

unlawful plan, or proceeded to unlawfully acquire, or own, or hold, or operate a group of state or national banks and trust companies contrary to or in defiance of the meaning, or spirit, or intent of the laws of the United States, or of the Commonwealth of Kentucky, or of other states, relating to the ownership or operation or supervision of banks or trust companies, or unlawfully to use the assets of said banks or trust companies in speculative financial transactions prohibited by law, or to unlawfully use the assets or property of one or more of said banks in making loans on the security of the holding company stock in violation of law.

In answer to Paragraph XIV., page 8 of the Bill, defendant denies that after the exchange of trustees participation certificates for stock of the Banco Kentucky Company, the holders of the stock of the Banco Kentucky Company continued to be the actual or real or beneficial holders of approximately 95 per cent of stock of the National Bank of Kentucky, or any of said stock, or that the stockholders of Banco Kentucky Company had any interest in the stock of the National Bank of Kentucky per se, or any other interest in Banco Kentucky Company other than that of stockholder.

Defendant denies that, after the organization of Banco-Kentucky Company and after the acquisition by the stockholders of Banco Kentucky Company of their stock in that corporation, such stockholders continued to receive all or any of the benefits or advantages incident to the ownership of stock in the National Bank of Kentucky.

In answer to Paragraph XV., page 8 of the Bill, defendant denies that at the time of the organization of the Banco Kentucky Company, or at any or all times thereafter, the persons who appeared as stockholders of said Banco Kentucky Company exercised all or any of the

privileges of shareholders of the National Bank of Kentucky, or of other banks or trust companies, whose capital stock was held by Banco-Kentucky; denies that the persons who appeared as shareholders of the Banco-Kentucky Company secured or retained to their own use or enrichment all the benefits or advantages of shareholders of the National Bank of Kentucky, or were from the time of the organization of the Banco-Kentucky Company up to the time of the closing of the National Bank of Kentucky, or at any time, the real or actual or beneficial owners of the Trustees Participation Certificates, which represented shares of the stock of the National Bank of Kentucky. Defendant denies that from the time of the organization of Banco-Kentucky Company to the date of the closing of the National Bank of Kentucky, or at all, the Banco-Kentucky Company acted as a corporate agency or instrumentality for the persons, or any of them, whose names appeared as stockholders of said company, or as such corporate agency or instrumentality for said owners of said Banco-Kentucky Company it held Trustees Participation Certificates, or that the persons whose names appeared as stockholders of the Banco-Kentucky Company were the actual, or real, or beneficial owners of the stock of the National Bank of Kentucky.

Defendant denies the following allegations of Paragraph XVI., page 8 of the Bill, that the holders of Trustees Participation Certificates, or any of them, organized the Banco-Kentucky Company as a holding corporation for their bank stock, or at all; denies that the organizers of said Banco-Kentucky Company intentionally, or at all, undertook to evade the provisions of Sections 5151 and 5234 of the Revised Statutes by omitting from the Articles of Incorporation any provision for the payment of liability of national or state banks, provided by the Laws of the

United States, as against the stockholders of Banco, or in providing that the private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever, or inserting in the Banco-Kentucky certificates of stock the words, "fully paid and nonassessable"; denies that they attempted to evade any assessment liability, or denies that they perpetrated a fraud upon the depositors or creditors of the National Bank of Kentucky.

In answer to Paragraph XVII., page 9 of the Bill, defendant denies that by reason of anything theretofore alleged in the Bill, the defendants, or any of them, or this defendant, are not entitled in equity or good conscience to the immunity recognized by law which stockholders of a bona fide lawfully formed or conducted corporation ordinarily have, or that defendants, or any of them, or this defendant, are not entitled in equity or good conscience to shield themselves from the assessment imposed upon them by law with said corporate form of the Banco-Kentucky Company.

Defendant denies that there was any assessment imposed upon them, or any of them, by law.

This defendant denies that the defendants, or any of them, or this particular defendant, was, or is, the real, or true, or beneficial stockholder or shareholder of the National Bank of Kentucky, or had promised to pay said assessment, or was estopped to deny said assessment liability, or are the owners of the shares of stock of the National Bank of Kentucky, or that this defendant, or any defendant appearing to be stockholders of the Banco-Kentucky Company is liable for the payment of the assessment levied by the Comptroller of the Currency thereinbefore referred to in the Bill of Complaint, individually, or ratably, or proportionately to the extent that the number of shares held by him bears to the total number of

shares issued and outstanding of Banco-Kentucky stock, or at all.

Defendant admits the allegations of Paragraph XVIII., page 9, of the Bill.

Defendant admits the allegations of Paragraph XIX., pages 9 and 10, of the Bill.

Defendant has no knowledge or information as to the allegations of Paragraph XX., page 10, of the Bill.

Defendant admits the allegations of Paragraph XXI., page 10, of the Bill.

Defendant has no knowledge or information sufficient to form a belief as to the allegations of Paragraph XXII., page 10, of the Bill.

Defendant admits the allegations of Paragraph XXIII., page 10, of the Bill.

In answer to Paragraph XXIV., page 10, of the Bill, defendant denies that this defendant, or each of the defendants, or each stockholder of Banco-Kentucky Company not named a defendant herein, is individually liable to pay said assessment referred to in the Bill of Complaint in the proportion that his shares of Banco-Kentucky stock bears to the total number of shares issued and outstanding at the date of the closing of the National Bank of Kentucky, or at all.

Defendant denies that there is due from him, or from each stockholder of Banco-Kentucky Company the sum of $2,304,909, or any sum, per share of stock of Banco-Kentucky Company held or registered in his name or owned by him at the time of the closing of the National Bank of Kentucky.

In answer to Paragraph XXV., page 11 of the Bill, defendant admits that at the time of the closing of National Bank of Kentucky he owned the number of shares of Banco-Kentucky stock listed in the Exhibit, but denies that he is

indebted to the Receiver of the National Bank of Kentucky in the amount set opposite his name, or in any amount whatsoever, either with or without interest.

PARAGRAPH II.

The defendant, Katherine Kirkpatrick Abbott, Administratrix of David J. Abbott, deceased, says that the Banco-Kentucky Company was incorporated under the laws of Delaware on July 16th, 1929.

Defendant says that said Banco-Kentucky Company was not incorporated as a holding company, but was incorporated to do the business set out in its Articles of Incorporation.

Paragraph 3 of the Articles of Incorporation of said company provided that said company had the following powers:

> "Third: The nature of the business or objects or purposes proposed to be transacted, promoted or carried on are:
>
> The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidence of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, deben-

tures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association, or corporation, acquiring and paying for in cash, stocks or bonds of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation.

The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.

The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge deed of trust or otherwise. The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety therefor and to become joint maker, endorser or acceptor of any such obligations and to charge fees and commissions for such services.

The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

In general, the corporation shall have full power to carry on any other business in connection with the foregoing whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The foregoing clauses shall be construed both as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation."

Said corporation had an authorized capital stock of $20,000,000, divided into shares of $10.00 each.

Paragraph 8 of the Articles of Incorporation provided:

"Eighth: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever."

Defendant says that said paragraph of the Articles of Incorporation of said company was not peculiar to the Banco-Kentucky Company, but was the usual and customary provision placed in Articles of Incorporation of Delaware corporations, and was not placed therein by the organizers of the Banco-Kentucky Company for any unlawful purpose.

Defendant says that her intestate at no time owned any stock of the National Bank of Kentucky, or any Trustees' Certificates, representing any portion of any stock of the National Bank of Kentucky.

Defendant says that her intestate became a stockholder of the Banco-Kentucky Company by subscribing for and paying for the shares obtained by him at the rate of $25.00

per share. Said payment was called for as of October 1st, 1929.

Defendant further says that it was the plan and intention of the incorporators of said Banco-Kentucky Company to not only acquire Trustees' Certificates of stock, evidencing ownership in the National Bank of Kentucky and the Louisville Trust Company, but to also purchase other property with its stock or with cash, and in addition to sell a large portion of its capital stock for cash. In pursuance of this plan said Banco-Kentucky Company had prior to October 1st, 1929, secured bona fide subscriptions for approximately 400,000 shares of Banco-Kentucky stock at $25.00 per share, and thereafter collected upon said subscriptions exceeding $9,869,650.

Defendant further says that from October 1st, 1929, said Banco-Kentucky Company, through its officers and Board of Directors, functioned as a separate, distinct and independent corporation and continued to do so until after the closing of the National Bank of Kentucky, when said Banco-Kentucky Company was placed in receivership by the Jefferson Circuit Court, of Jefferson County, Kentucky, a Court of original and general jurisdiction in the State of Kentucky.

Joseph S. Laurent was appointed receiver of said Banco-Kentucky Company and continued to act as such during the occurrence of the suit mentioned below.

Defendant says that the National Bank of Kentucky was closed by resolution of its directors on November 16, 1930; that thereafter on November 17, 1930, the Comptroller of the Currency appointed Paul C. Keyes, as receiver of said Bank. Said Keyes immediately took charge of the affairs of the National Bank of Kentucky and employed, among others, as an assistant, W. T. Zur Schmiede, who was prior to the failure of the National Bank of Kentucky Cashier of

said Bank and was also Secretary of the Banco-Kentucky Company.

Said Keyes, almost immediately following his appointment as receiver, had the books and records of said Banco-Kentucky Company fully examined and at all times had access to all the records and papers of said company. Prior to the time of the filing of his suit against the Banco-Kentucky Company, to recover upon the assessment theretofore made by the Comptroller, which is the identical assessment involved in this suit, said A. M. Anderson, who succeeded Keyes as receiver, had become thoroughly familiar with the plan and method and organization of the Banco-Kentucky Company, had a list of the stockholders of same, knew of whatever connection there was between Banco-Kentucky Company and the National Bank of Kentucky, and was fully cognizant of all operations of the Banco-Kentucky Company from its formation to the appointment of its said receiver.

Defendant says that the Comptroller of the Currency on the 20th day of February, 1931, by virtue of the authority vested in him by law, did levy and make an assessment of one hundred per cent, amounting to $4,000,000 upon the shareholders of the National Bank of Kentucky.

Defendant says that there were registered holders on the records of the National Bank of Kentucky three classes of stockholders:

1. directors having qualifying shares;
2. individuals, not directors, owning bank stock outright; and
3. six trustees, holding in a trust capacity Trustees' Participation Certificates, representing ownership of stock in the National Bank of Kentucky and the Louisville Trust Company.

Defendant says that neither Banco-Kentucky Company, nor any of the stockholders of Banco-Kentucky Company

were listed on the books of the National Bank of Kentucky as stockholders of said National Bank of Kentucky, except the directors of said National Bank of Kentucky, who held qualifying shares in the National Bank of Kentucky.

Defendant says that following said assessment the plaintiff attempted to collect said assessment from all the stockholders listed in the records of the National Bank of Kentucky, including the directors and the other individuals registered as holding stock.

Defendant says that plaintiff did not attempt to collect said assessment from the six trustees holding stock under a Trust Agreement, for the reason that said plaintiff was thoroughly familiar with the Trust Agreement under which said stock was held by said Trustees and which agreement charged the true owners thereof with liability.

Defendant says that, as neither the Banco-Kentucky Company, nor its stockholders (other than such as may have held National Bank stock as qualifying shares for directorship), were listed as holders of said National Bank of Kentucky stock on the latter's records, for plaintiff to hold either Banco-Kentucky Company, or any of its stockholders, for said assessment, it was necessary for said plaintiff to prove that either Banco, or its stockholders, were the true and beneficial owners of said National Bank of Kentucky stock.

With full knowledge of all the foregoing facts hereinabove set out, the plaintiff elected to, and did, proceed to attempt to hold the Banco-Kentucky Company as the true owner of all the National Bank of Kentucky stock involved in this action, and in pursuance of said election brought an action in this Court, numbered 1383, styled Paul C. Keyes (later succeeded by A. M. Anderson), Receiver of the National Bank of Kentucky, against Joseph S. Laurent, Receiver of Banco-Kentucky Company, for $3,772,162.40 on

account of said assessment against said Banco-Kentucky by reason of its ownership of Trustees' Participation Certificates issued by the six Trustees hereinabove referred to, which Trustees' Certificates in turn represented an indivisible interest in the trust estate held by said Trustees.

This defendant says that prior to the institution of said suit against Joseph S. Laurent, as Receiver of the Banco-Kentucky Company, it was necessary for said Receiver to show to the Jefferson Circuit Court some cause for obtaining permission to sue said Laurent, as Receiver, and pursuant to this Paul C. Keyes, as Receiver of the National Bank of Kentucky and with full knowledge of all the foregoing facts concerning the relation of Banco-Kentucky Company to its stockholders and Banco-Kentucky Company to the National Bank of Kentucky, filed a Petition in the Jefferson Circuit Court on October 24, 1931, in which he set out in his request for permission to sue, the following paragraph:

> "Your petitioner further represents that at the time of the closing of said National Bank and the appointment of your Petitioner as Receiver, the defendant, The Banco-Kentucky Company, was the owner and holder of 540,484 Trustees' Participation Certificates, representing the ownership by said The Banco-Kentucky Company of 37,721,624 shares of the capital stock of the National Bank of Kentucky and by reason of the aforesaid mentioned assessment there is due your Petitioner as Receiver of the National Bank of Kentucky the sum of Three Million, Seven Hundred and seventy-two thousand, one hundred sixty-two and 40/100 ($3,772,162.40) Dollars from The Banco-Kentucky Company."

A certified copy of said Petition is filed herewith and made a part hereof, marked Exhibit "A."

Defendant says that on the same day that said Petition was filed the plaintiff in said Petition presented to the Court for signature an order construing his own Petition, which was signed by the Chancellor of the Jefferson Circuit Court and duly entered of record on the same day.

Defendant says that said Order granted said Keyes the permission to bring said suit upon the ground that Banco-Kentucky Company was the owner of stock in the National Bank of Kentucky. Said Order contained the following statement:

> . . . "And it appearing that said action is an action arising under the laws of the United States and that it is proper and appropriate that leave should be granted to said Paul C. Keyes, as Receiver of the National Bank of Kentucky, to institute an appropriate action at law or equity in the Courts of the United States UPON HIS CLAIM OF $3,772,162.40, or such other amount as he may claim to be due from The Banco-Kentucky Company AS HIS ASSESSMENT upon the capital stock of the National Bank of Kentucky, owned by said company at the time its assets were placed in the hands of the Comptroller of the Currency of the United States."

A certified copy of said Order is filed herewith and made part hereof, marked Exhibit "B."

Pursuant to said Order the Receiver of the National Bank of Kentucky brought the aforesaid suit numbered 1383 and in his complaint in said cause made, among others, the following allegations:

> "Plaintiff says that said money is due him as an assessment upon the shares of stock of The National Bank of Kentucky owned by The Banco Kentucky Company at the time plaintiff was appointed Receiver or upon certain Trustees' Participation Certificates representing The National Bank of Kentucky stock

owned by The Banco-Kentucky Company at the time of said appointment of plaintiff as Receiver."

Again,

"The Banco-Kentucky Company was at the time of the closing of The National Bank of Kentucky and the appointment of the plaintiff as Receiver, the holder of record of five hundred forty thousand four hundred eighty-four (540,484) Trustees' Participation Certificates, having a par value of $10.00, which Trustees' Participation Certificates were issued under the terms of a certain Trust Agreement of April 22nd, 1927, and which Trustees' Participation Certificates represent the ownership of 37,721,624 shares of stock of The National Bank of Kentucky of Louisville, as hereinafter more fully set forth."

Again,

"Acting pursuant to the authority and direction of the Comptroller of the Currency aforesaid, the plaintiff, as Receiver of The National Bank of Kentucky served notice upon the defendant, by registered letter, that the Comptroller of the Currency did levy an assessment as aforesaid upon the stockholders of The National Bank of Kentucky of Louisville, Kentucky, payable at the office of the plaintiff as Receiver on or before April 1, 1931, and advising the defendant that the Banco-Kentucky Company was the holder of Five hundred forty thousand and four hundred eighty-four (540,484) Trustees' Participation Certificates, issued under the terms of said Trust Agreement of April 22, 1927, which said Trustees' Participation Certificates represent the ownership of 37,721,624 shares of stock in The National Bank of Kentucky, and making demand upon the defendant to pay the assessment on 37,721,624 shares of The National Bank of Kentucky, represented by the aforesaid trustees' Participation Certificates, in accordance with said order and assess-

ment of the Comptroller of the Currency and said notice. Notwithstanding said assessment notice and demand upon the defendant, no part of said assessment has been paid and said defendant has refused to pay said assessment or any part thereof and there is now due and owing to the plaintiff as Receiver of The National Bank of Kentucky the sum of Three Million Seven Hundred seventy-two Thousand, One hundred sixty-two and 40/100 ($3,772,162.40) Dollars as the assessment and requisition duly made upon the defendant as a shareholder of The National Bank of Kentucky by the Comptroller of the Currency as aforesaid."

Again,

"Said Trust Agreement, dated April 22, 1927, hereinabove referred to, was an agreement between SUCH OWNERS AND HOLDERS of the capital stock in The National Bank of Kentucky of Louisville, Kentucky, as united therein, by signing it or a counterpart thereof, or by depositing THEIR STOCK, as therein provided, referred to therein as 'Bank stockholders' and such OWNERS AND HOLDERS of the capital stock of the Louisville Trust Company of Louisville, Kentucky, as united by signing it or a counterpart thereof, or by depositing their stock as therein provided, therein referred to as 'Trust Company stockholders,' and Henry Vogt," etc.

Again,

"The Banco-Kentucky Company and/or Joseph S. Laurent ever since September 19, 1929, has been and is the OWNER and HOLDER of said Trustees' Participation Certificates for Five Hundred forty Thousand Four Hundred eighty-four (540,484) shares, of the par value of $10, per share each of said trust estate, and by uniting said Trust Agreement and by accepting said certificates, The Banco-Kentucky Company accepted, consented to and adopted said Trust

Agreement and all of the terms thereof, including the agreement to pay the same liability upon each Trustees' Participation Certificate as The Banco-Kentucky Company would have been subject to IN THE CASE THE BANCO-KENTUCKY COMPANY HAD BEEN THE OWNER OF RECORD of such proportionate part of the shares held by the 'Trustees' in The National Bank of Kentucky as the number of shares called for by The Banco-Kentucky Company's Trustees' Participation Certificate bore to the whole number of shares covered by all outstanding Trustees' Participation Certificates, as provided in Article IX, of said Trust Agreement, hereinabove fully set forth."

Defendant says that said action was defended, but plaintiff prosecuted said action to a judgment and secured a judgment of $3,772,162.40, with interest, against the Banco-Kentucky Company, as the true and beneficial owner of the shares of stock of the National Bank of Kentucky, registered on the books of the National Bank of Kentucky in the name of the six Trustees above referred to.

Defendant says that plaintiff also in said action secured a finding of fact as follows:

"(8) On September 19, 1929, the Banco-Kentucky Company became the owner of trustees' participation certificates issued by the trustee under the agreement of April 22, 1927, certifying that the defendant was the owner of 540,484 shares of the par value of $10.00 each of said trust estate, consisting of shares of capital stock of the National Bank of Kentucky, and the Louisville Trust Company of Louisville, Kentucky."

"(10) At the time of the appointment of Paul C. Keyes, as Receiver of the National Bank of Kentucky, the Banco-Kentucky Company was the owner and holder of 540,484 shares of the trust estate, each share having a par value of $10.00. The 540,484 shares of trustees' participation certificates owned by the defendant represented 37,721,624 shares of the capital

stock of the National Bank of Kentucky, having a par value of $100.00."

"(12) The Banco-Kentucky Company received dividends in proportion to its interest in the National Bank of Kentucky."

Defendant says that plaintiff also secured in said action a finding of law as follows:

"(1) That the Banco-Kentucky Company and the defendant, Joseph S. Laurent, its receiver, was the actual and real owner of 37,721,624 shares of stock of the National Bank of Kentucky, having a par value of $100.00 per share on November 17, 1930."

Defendant says that thereafter the Banco-Kentucky Company appealed said case to the Circuit Court of Appeals, for the Sixth Circuit, and in the brief upon said appeal the plaintiff herein insisted that the Banco-Kentucky Company was the true and beneficial shareholder of all the stock of the National Bank of Kentucky involved in this action.

Thereafter the Circuit Court of Appeals, for the Sixth Circuit, affirmed said decision below (70 Fed. [2d] 819), on the ground that the Banco-Kentucky Company was the true and beneficial owner of the shares of the National Bank of Kentucky involved in this action and therefore liable for the assessment upon same, even though said Banco-Kentucky was not listed as a stockholder on the records of the National Bank of Kentucky.

Defendant pleads and relies upon the actions of the plaintiff above referred to as an election of remedies and parties in bar of any suit against this defendant on the stock assessment of the Comptroller in regard to shares of the National Bank of Kentucky.

PARAGRAPH III.

Defendant, for further answer herein, says that the Banco-Kentucky Company was a corporation organized under the laws of the State of Delaware on July 16th, 1929,

and thereafter continued to function as an independent corporation.

Defendant says that the Articles of Incorporation of said Banco-Kentucky Company contain the following provision:

> "Third: The nature of the business, or objects or purposes proposed to be transacted, promoted or carried on are:
>
> "The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation."

Defendant says that the Banco-Kentucky Company, pursuant to the authority contained in its Articles of Incorporation above quoted, acquired by purchase or exchange all

of the Trustees' Participation Certificates, representing stock in the National Bank of Kentucky and the Louisville Trust Company held by Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Charles H. Bohmer and Ben J. Metcalfe, as Trustees under a certain Trust Agreement, dated April 22nd, 1927.

Defendant says that the National Bank of Kentucky was and is a national banking association, organized under the laws of the United States, and on November 16, 1930, by resolution of its Board of Directors said bank was closed, and on November 17, 1930, the Comptroller of the Currency of the United States appointed Paul C. Keyes, Receiver of said bank. Said Keyes later resigned as receiver and A. M. Anderson was appointed by the Comptroller in said Keyes' place and substituted as a party in the suit hereafter referred to.

Thereafter on the 20th day of February, 1931, J. W. Pole, as Comptroller of the Currency of the United States, levied and made an assessment upon the stockholders of the National Bank of Kentucky of one hundred per cent, amounting in all to $4,000,000.

On the 24th day of November, 1930, the Jefferson Circuit Court, Chancery Branch, Second Division, sitting at Louisville, Kentucky, in the case pending before said Court, appointed Joseph S. Laurent, Receiver of the Banco-Kentucky Company, and said Laurent thereafter qualified and gave bond in the amount required by the Court and continued to act as said receiver.

Thereafter said Paul C. Keyes, as Receiver, filed an action against Joseph S. Laurent, Receiver of the Banco-Kentucky Company, on said assessment and in said action claimed that the Banco-Kentucky Company was the holder and owner of 540,484 Trustees' Participation Certificates, which Trustees' Participation Certificates were issued under the terms of a certain Trust Agreement of April 22nd, 1927, and sought judgment for the full amount of said assessment.

Defendant says that these are the identical Trustees' Participation Certificates issued by the six Trustees above named.

Defendant says that none of the National Bank of Kentucky stock, represented by said 540,484 Trustees' Participation Certificates, stood in the name of the Banco-Kentucky Company, but all of said stock was registered on the books of the National Bank of Kentucky in the name of the six Trustees above referred to.

Defendant says that said action of Paul C. Keyes, as Receiver, involved the liability of said Banco-Kentucky Company in its corporate matters, which were within its charter powers.

Defendant says that said action was defended by Banco-Kentucky Company, by said Laurent, Receiver of the Banco-Kentucky Company, but an opinion was rendered in said action, holding that the Banco-Kentucky Company was the actual and real owner of all of said National Bank of Kentucky stock represented by said 540,484 Trustees' Participation Certificates and therefore liable to said assessment, and a finding of fact was made therein to the same effect, and a judgment rendered against said Banco-Kentucky Company of one hundred per cent assessment against all the National Bank of Kentucky stock represented by said Trustees' Participation Certificates.

Thereafter said action was appealed by the Banco-Kentucky Company to the Circuit Court of Appeals, for the Sixth Circuit, and the holding of the lower court, to the effect that the Banco-Kentucky Company was the beneficial owner of all of said National Bank of Kentucky stock represented by said Trustees' Participation Certificates, approved and said judgment of assessment affirmed.

Defendant says that he owned no stock in the National Bank of Kentucky, and that his only relationship, if any, to any National Bank of Kentucky stock was the ownership of stock in the Banco-Kentucky Company.

Defendant says that the assessment sought to be maintained against him and other defendants in this action arises out of the identical shares of stock held and owned by the Banco-Kentucky Company involved in the suit of Keyes (later Anderson) against Laurent, and for which a judgment was rendered in favor of said plaintiff.

Defendant pleads and relies upon the judgment as rendered in the above case as determinative of the ownership of the stock of the National Bank of Kentucky involved in this action.

PARAGRAPH IV.

The defendant says that the cause of action set out in the Bill of Complaint is barred by Section 2515, Kentucky Statutes, which requires that an action upon a liability created by statute, when no other time is fixed by the statute creating the liability, and an action for relief on the ground of fraud shall be commenced within five years next after the cause of action accrued, and she pleads and relies upon said statute in bar of plaintiff's action.

WHEREFORE, having fully answered, the defendant prays to be hence dismissed, with her costs herein expended, and for all further and proper relief.

REPLY OF A. M. ANDERSON TO ANSWER OF DAVID J. ABBOTT

(It is agreed that this Reply shall be considered Plaintiff's Reply to the Substituted Answer of Katherine Kirkpatrick Abbott.)

(Filed February 16, 1937)

Plaintiff, A. M. Anderson, Receiver of the National Bank of Kentucky, for reply to the allegations of the twenty-seven grammatical paragraphs set out in Paragraph II (pp. 7 to 16) of the answer of the defendant, David J. Abbott, says:

(1st Gram. Par., p. 7.) Plaintiff admits the allegations in the 1st grammatical paragraph.

Reply to Answer of David J. Abbott

(2nd Gram. Par., p. 7.) Plaintiff states that the Banco-Kentucky Company was incorporated pursuant to the plan and for the purpose alleged in Paragraphs XI, XII, XIII and XIV, of plaintiff's bill of complaint.

(3rd Gram. Par., p. 8.) Plaintiff admits the allegations contained in said paragraph.

(4th Gram. Par., p. 9.) Plaintiff admits the allegations contained in said paragraph.)

(5th Gram. Par., p. 9.) Plaintiff admits the allegations contained in said paragraph.

(6th Gram. Par., p. 9.) Plaintiff denies the allegations contained in said paragraph.

(7th Gram. Par., p. 9.) Plaintiff states that the defendant was one of the real, true and beneficial shareholders of the National Bank of Kentucky. Plaintiff admits that said defendant never had any certificates of stock issued by the National Bank of Kentucky registered in his name or any trustees certificates registered in his name. Plaintiff states that the defendant by virtue of his ownership of stock of the BancoKentucky Company and by reason of the facts alleged in the petition was a real, true and beneficial shareholder of stock of the National Bank of Kentucky.

(8th Gram. Par., p. 10.) Plaintiff admits the allegations contained in said paragraph.

(9th Gram. Par., p. 10.) Plaintiff states that the plan and intention of the organizers of BancoKentucky Company is set out in Paragraphs XI, XII, XIII and XIV of the petition. Plaintiff admits that approximately 400,000 shares of BancoKentucky Company stock was subscribed for at Twenty-five ($25.00) Dollars per share and plaintiff admits that Nine Million, Eight Hundred Sixty-nine Thousand, Six Hundred and Fifty ($9,869,650.00) Dollars was received by the BancoKentucky Company by virtue of such subscriptions. Plaintiff denies all other allegations contained in said paragraph.

(10th Gram. Par., p. 10.) Plaintiff denies the allegations contained in said paragraph.

(11th Gram. Par., p. 10.) Plaintiff admits the allegations contained in said paragraph.

(11th Gram. Par., p. 11.) Plaintiff denies that after the receivership of the National Bank of Kentucky W. T. ZurSchmiede was cashier of the bank and plaintiff denies that after the appointment of a receiver for the BancoKentucky Company said W. T. ZurSchmiede was secretary of said BancoKentucky Company. Plaintiff admits all of the other allegations contained in said paragraph.

(13th Gram. Par., p. 11.) Plaintiff says that his predecessor, Paul C. Keyes, had access to many of the books and records of said BancoKentucky Company and examined such books and records as were available and plaintiff admits that as such receiver his predecessor had a list of the stockholders of the BancoKentucky Company. Plaintiff denies that he or his predecessor had access to all of the records and papers of the BancoKentucky Company. Plaintiff denies all other allegations contained in said paragraph.

(14th Gram. Par., p. 11.) Plaintiff admits the allegations contained in said paragraph.

(15th Gram. Par., p. 11.) Plaintiff denies that the records of the National Bank of Kentucky showed three classes of stockholders, if by said allegation defendant intends direct and immediate holders of certificates of stock issued by said National Bank of Kentucky. Plaintiff states that the stock register of the National Bank of Kentucky shows that the stock was outstanding in the names of the individuals serving as directors and in the names of six trustees. Plaintiff states that the stock registered in the names of the directors was transferred to them for the simulated purpose of complying with the National Bank-

ing Act but plaintiff states that said directors agreed at the time of said transfer to endorse said stock and to re-deliver the same to said six trustees, and plaintiff says that said directors did actually endorse said stock and re-deliver the same to said six trustees, and plaintiff states that said directors signed agreements transferring the dividends on said certificates to said trustees. Plaintiff states that said transfer and re-transfer was in violation of the National Banking Act and was all performed for the purpose of consummating the control and ownership of the National Bank of Kentucky by the defendants and other shareholders of the BancoKentucky Company who were the real and beneficial owners of stock of said national bank.

(16th Gram. Par., p. 12.) Plaintiff admits the allegations contained in said paragraph but plaintiff states that the books and records of said bank showed who were the holders of Trustees Participation Certificates and also showed who were the stockholders of the BancoKentucky Company.

(17th Gram. Par., p. 12.) Plaintiff admits the allegations contained in said paragraph.

(18th Gram. Par., p. 12.) Plaintiff admits that no attempt was made to collect said assessment from the trustees but plaintiff denies that the reason therefor was properly or correctly set out in the answer of the defendant.

(19th Gram. Par., p. 12.) Plaintiff denies the allegations contained in said paragraph.

(20th Gram. Par., p. 12.) Plaintiff admits that his predecessor, Paul C. Keyes, filed an action in this court, numbered 1383, but plaintiff denies all other allegations contained in this said paragraph and plaintiff specifically denies that any election was made by virtue of the filing of said suit or by virtue of the proceedings taken in said action.

(21st Gram. Par., p. 13.) Plaintiff admits that the quoted matter appearing at pages 13, 14 and 15 of the defendant's answer are excerpts from the petition in said action No. 1383. For fuller reference to said petition, plaintiff refers to the printed copy of the transcript of record in said cause which has been filed in this court by the defendant along with his amended answer, but plaintiff denies that the allegations contained in said previous action are material to the present suit and plaintiff moves to strike from the record all reference to said prior suit.

(22nd Gram. Par., p. 15.) Plaintiff admits that judgment was secured in the sum of Three Million, Seven Hundred Seventy-two Thousand, One Hundred Sixty-two and 40/100 ($3,772,162.40) Dollars, with interest in the action above referred to. For further particularity concerning said judgment plaintiff refers to the record in said action. Plaintiff says that the allegations of the paragraph in defendant's answer herein referred to are immaterial and irrelevant to the issues and plaintiff moves the court to strike said paragraph.

(23rd Gram. Par., p. 15.) Plaintiff denies that it secured a finding of fact as set out in said paragraph but plaintiff admits that the court made such a finding of fact and plaintiff further says that said findings are immaterial and irrelevant to the issues in the present suit and plaintiff moves that said allegations be stricken.

(24th Gram. Par., p. 16.) Plaintiff denies that it secured a finding of law as set out in said paragraph but plaintiff admits that the court made such a finding of law and plaintiff states that the allegation in said paragraph is immaterial and irrelevant to the issues set forth in plaintiff's bill of complaint and moves the court to strike said allegations.

(25th Gram. Par., p. 16.) Plaintiff admits that the Receiver of BancoKentucky Company appealed said action

to the United States Circuit Court of Appeals for the Sixth Circuit and plaintiff states that the argument on said appeal was in accordance with the allegations set out in the petition filed in said previous action; plaintiff further says that the allegations contained in the paragraph of defendant's answer herein referred to are immaterial and irrelevant to the issues set forth in the bill of complaint in this suit and plaintiff further moves the court to strike said paragraph.

(26th Gram. Par., p. 16.) Plaintiff admits that the Circuit Court of Appeals for the Sixth Circuit affirmed the decision in said action at law. Plaintiff refers the court to the opinion of said Circuit Court of Appeals, reported in 72 Fed. 2nd 819, for the reasons assigned by said court in affirming said judgment. Plaintiff says that the allegations of said paragraph are immaterial and irrelevant to the issues in the present suit and therefore moves the court to strike said paragraph.

(27th Gram. Par., p. 17.) Plaintiff denies that any action of this plaintiff or his predecessor, Paul C. Keyes, constituted an election of remedies or a bar to this suit against the defendant, David J. Abbott.

PARAGRAPH III.

For reply to the allegations set out in the 15 grammatical paragraphs contained in Paragraph III (pages 17 to 20) of the answer of the defendant, David J. Abbott, plaintiff says:

(1st Gram. Par., p. 17.) Plaintiff admits that Banco-Kentucky Company was organized under the laws of Delaware on July 16, 1929, but plaintiff denies that said corporation ever functioned as an independent corporation and plaintiff says that said corporation was organized and conducted as a corporate entity and instrumentality of the

shareholders of the National Bank of Kentucky and the Louisville Trust Company.

(2nd Gram. Par., p. 17.) Plaintiff admits the allegations contained in said paragraph.

(3rd Gram. Par., p. 17.) Plaintiff denies the allegations contained in said paragraph. Plaintiff states that 540,384 Trustees Participation Shares out of a total of 570,550 of said Trustees Participation Shares were transferred by the holders thereof for stock in the BancoKentucky Company pursuant to the plan and for the purposes set out in Paragraphs XI, XII and XIII of the plaintiff's bill of complaint and plaintiff states that said transferors remained at all times the real and beneficial owners of the stock of the National Bank of Kentucky.

(4th Gram. Par., p. 18.) Plaintiff admits the allegations contained in said paragraph.

(5th Gram. Par., p. 18.) Plaintiff admits the allegations contained in said paragraph.

(6th Gram. Par., p. 18.) Plaintiff admits the allegations contained in said paragraph.

(7th Gram. Par., p. 18.) Plaintiff admits that Paul C. Keyes as Receiver of the National Bank of Kentucky filed an action against Joseph S. Laurent, Receiver, to recover on an assessment and plaintiff states that said action was docketed in this court as No. 1383; for more complete reference thereto plaintiff refers to the allegations contained in the petition in said action as set out in the transcript attached to defendant's answer.

(8th Gram. Par., p. 19.) Plaintiff admits that the Trustees Participation Certificates referred to in said prior action are the 540,484 Trustees Participation Certificates referred to in Paragraph II of plaintiff's bill of complaint.

(9th Gram. Par., p. 19.) Plaintiff admits that the certificates of stock issued by said National Bank of Kentucky,

represented by said Trustees Participation Certificates, stood in the name of said Trustees upon the books of said bank.

(10th Gram. Par., p. 19.) Plaintiff states that the 10th grammatical paragraph contained in defendant's answer contains a question of law and plaintiff neither denies nor admits the same, but plaintiff refers to the transcript of record in said cause. Plaintiff says that said allegation is irrelevant and immaterial to the issues in this suit and moves the court to strike the same.

(11th Gram. Par., p. 19.) Plaintiff admits that said action was defended by Laurent as Receiver of Banco-Kentucky Company and that an opinion was rendered in said action and that a finding of fact was made therein and that a judgment was rendered against the BancoKentucky Company. Plaintiff refers the court to said opinion and the record in said cause for more complete answer to the allegations contained in the petition referred to but plaintiff says that the allegations in said paragraph are immaterial and irrelevant to the issues in this suit and moves the court to strike the same.

(12th Gram. Par., p. 19.) Plaintiff admits that said action was appealed to the Circuit Court of Appeals for the Sixth Circuit of the United States and that the findings of fact and conclusions of the trial court were approved and the judgment affirmed. Plaintiff refers the court to the transcript of the record in said action and to the opinion of the Circuit Court of Appeals for the matters therein determined. Plaintiff further says that the allegations set forth in said paragraph are immaterial and irrelevant to the issues in this suit and moves the court to strike the same.

(13th Gram. Par., p. 20.) Plaintiff denies that defendant never owned stock in the National Bank of Kentucky.

Plaintiff states that the defendant was the real, actual and beneficial owner of stock of the National Bank of Kentucky, as set out in plaintiff's bill of complaint. Plaintiff admits that the defendant never had any certificates of stock issued by the National Bank of Kentucky recorded in his name.

(14th Gram. Par., p. 20.) Plaintiff admits that the claims sought to be enforced against the defendant, David J. Abbott, and the other defendants in this action arises out of the same stock of the National Bank of Kentucky represented by the Trustees Participation Certificates registered in the name of the BancoKentucky Company and involved in the action styled *Keyes* v. *Laurent*, in which action judgment was rendered in favor of the plaintiff.

(15th Gram. Par., p. 20.) Plaintiff denies that the judgment in said action was determinative of any of the issues involved in this suit and moves the court to strike from the answer of the defendant, David J. Abbott, all reference to said action or to any proceedings had therein.

Wherefore, having fully replied, plaintiff renews the prayer set forth in his bill of complaint.

ANSWER OF G. A. HEUSER, EXECUTOR OF THE ESTATE OF HENRY VOGT, DECEASED, WILLIAM S. SPEED, SAUNDERS P. JONES, ALLAN P. DODD, ET AL., SIMILARLY SITUATED

(Filed December 7, 1937, and refiled February 3, 1939)

Paragraphs I and II of this answer are substantially the same as Paragraphs I and II of the substituted answer of Katherine Kirkpatrick Abbott, Administratrix of the Estate of David J. Abbott, deceased, and are, therefore, omitted.

PARAGRAPH III

Defendant, for further answer herein, says that the BancoKentucky Company was a corporation organized under the laws of the State of Delaware on July 16th, 1929, and thereafter continued to function as an independent corporation.

Defendant says that the Articles of Incorporation of said BancoKentucky Company contain the following provision:

> "Third: The nature of the business or objects or purposes proposed to be transacted, promoted or carried on are:
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> "The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation."

Defendant says that the BancoKentucky Company, pursuant to the authority contained in its Articles of Incorporation above quoted, acquired by purchase or exchange all of the Trustees' Participation Certificates, representing stock in the National Bank of Kentucky and the Louisville Trust Company held by Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Charles H. Bohmer and Ben J. Metcalfe, as Trustees under a certain Trust Agreement, dated April 22nd, 1927.

Defendant says that the National Bank of Kentucky was and is a national banking association, organized under the laws of the United States, and on November 16, 1930, by resolution of its Board of Directors said bank was closed, and on November 17, 1930, the Comptroller of the Currency of the United States appointed Paul C. Keyes, Receiver of said bank. Said Keyes later resigned as receiver and A. M. Anderson was appointed by the Comptroller in said Keyes' place and substituted as a party in the suit hereafter referred to.

Thereafter on the 20th day of February, 1931, J. W. Pole, as Comptroller of the Currency of the United States, levied and made an assessment upon the stockholders of the National Bank of Kentucky of one hundred per cent, amounting in all to $4,000,000.

On the 24th day of November, 1930, the Jefferson Circuit Court, Chancery Branch, Second Division, sitting at Louisville, Kentucky, in the case pending before said Court, appointed Joseph S. Laurent, Receiver of the Banco-Kentucky Company, and said Laurent thereafter qualified and gave bond in the amount required by the Court and continued to act as said receiver.

Thereafter said Paul C. Keyes, as Receiver, filed an action against Joseph S. Laurent, Receiver of the Banco-Kentucky Company, on said assessment and in said action

claimed that the BancoKentucky Company was the holder and owner of 540,484 Trustees' Participation Certificates, which Trustees' Participation Certificates were issued under the terms of a certain Trust Agreement of April 22nd, 1927, and sought judgment for the full amount of said assessment.

Defendant says that these are the identical Trustees' Participation Certificates issued by the six Trustees above named.

Defendant says that none of the National Bank of Kentucky stock, represented by said 540,484 Trustees' Participation Certificates, stood in the name of the Banco-Kentucky Company, but all of said stock was registered on the books of the National Bank of Kentucky in the name of the six Trustees above referred to.

Defendant says that said action of Paul C. Keyes, as Receiver, involved the liability of said BancoKentucky Company in its corporate matters, which were within its charter powers.

Defendant says that said action was defended by Banco-Kentucky Company, by said Laurent, Receiver of the BancoKentucky Company, but an opinion was rendered in said action, holding that the BancoKentucky Company was the actual and real owner of all of said National Bank of Kentucky stock represented by said 540,484 Trustees' Participation Certificates and therefore liable to said assessment, and a finding of fact was made therein to the same effect, and a judgment rendered against said BancoKentucky Company of one hundred per cent assessment against all the National Bank of Kentucky stock represented by said Trustees' Participation Certificates.

Thereafter said action was appealed by the Banco-Kentucky Company to the Circuit Court of Appeals, for the Sixth Circuit, and the holding of the lower court, to

the effect that the BancoKentucky Company was the beneficial owner of all of said National Bank of Kentucky stock represented by said Trustees' Participation Certificates, approved and said judgment of assessment affirmed.

Defendant says that his testator owned no stock in the National Bank of Kentucky, and that testator's only relationship, if any, to any National Bank of Kentucky stock was the ownership of stock in the BancoKentucky Company.

Defendant says that the assessment sought to be maintained against his testator and other defendants in this action arises out of the identical shares of stock held and owned by the BancoKentucky Company involved in the suit of Keyes (later Anderson) against Laurent, and for which a judgment was rendered in favor of said plaintiff.

Defendant pleads and relies upon the judgment rendered in the case herein referred to as a conclusive determination of the ownership of the stock of the National Bank of Kentucky involved in this case and as an estoppel by judgment of record or *res judicata* of the claims asserted herein.

WHEREFORE, having fully answered, defendant prays that the Bill of Complaint be dismissed, for his costs herein expended, and for all proper relief.

PARAGRAPH IV

The first literary paragraph of Paragraph IV of said answer alleges that the defendant was a director of the National Bank of Kentucky prior to the closing of said Bank November 16, 1930; that on that date he owned ten shares of the stock of the National Bank of Kentucky and that, upon the levying of the assessment upon the shareholders of said Bank, he paid the assessment on the said ten shares.

Paragraph IV of said answer continues as follows:—

Defendant says that following the closing of the National Bank of Kentucky Paul C. Keyes was appointed by the Comptroller of the Currency as receiver of said National Bank of Kentucky. This is the same Keyes referred to on page 3 of the Bill of Complaint herein.

Thereafter, to wit, on March 30, 1931, said Paul C. Keyes, as Receiver of the National Bank of Kentucky, brought an action in the United States District Court, for the Western District of Kentucky, numbered 649 in Equity, against this defendant, and the other directors of said National Bank of Kentucky.

Said action sought to recover a judgment against this defendant and the other directors of the National Bank of Kentucky on account of various loans made and transactions entered into by said bank.

Defendant says that among the issues raised in said suit was the issue of whether the BancoKentucky Company was a corporation independent of the National Bank of Kentucky and whether the stock of said BencoKentucky Company was the same in law or equity as the stock of the National Bank of Kentucky, and whether the BancoKentucky Company was merely the alter ego of the Bank of Kentucky, or was a sham corporation that a court would look through in order to determine whether the stock of said BancoKentucky Company was the equivalent of the stock of said National Bank of Kentucky.

The issues so raised are fully set out in Paragraphs 328 to 385, inclusive, in the Bill of Complaint filed in said action.

Defendant says that thereafter proof was heard on said questions and a decision was rendered upon same by the Master appointed by the Federal District Court holding that said BancoKentucky Company was not the same as

the National Bank of Kentucky and that the stock of said BancoKentucky Company was not the same as the stock of said National Bank of Kentucky.

Thereafter the District Court for the Western District of Kentucky in the same cause held that loans made upon the stock of BancoKentucky Company were in violation of Section 5201 Revised Statutes, Section 83, Title 12, U. S. C. A., providing that "no association shall make any loan or discount on the security of the shares of its own capital stock," as being loans on the security of its own capital stock and rendered a judgment against this defendant's testator and the other directors on the basis of their participation in a violation of the statute by the approval of said loans.

Defendant says that this defendant and the other directors of the National Bank of Kentucky appealed said holding to the United States Circuit Court of Appeals, for the Sixth Circuit, and on said appeal said Circuit Court of Appeals reversed the ruling of the District Court and held, among other things, the following (Opinion pp. 27-33):

> "On July 16, 1929, Banco was incorporated under the laws of Delaware, and authorized to issue two million shares of the par value of $10.00 each. The broadest powers available under the laws of Delaware were obtained, and on July 19th the officers and directors of the bank and those of the Louisville Trust Company, addressed to holders of trust participation certificates a letter setting forth the plan of organization. Banco stock was to be sold at not less than $25.00 per share, but two shares of Banco were to be exchanged for each trust participation certificate. Since these certificates represented bank and trust company stock having a book value of $16.46, the proposal was an attractive one, resulting in the great majority of participation certificate holders making the exchange. There followed also an active campaign by officers and em-

ployees of both the bank and the trust company to promote the sale of Banco shares, as a result of which 394,786 shares of Banco were sold, and $9,869,650 paid into the treasury of the new corporation. Its stock was listed upon the Chicago Exchange, and reached $33.00 per share, though inference is warranted that market quotations were considerably influenced by transactions manipulated by Brown through Wakefield & Company.

"From September 26, 1929, to the date of the Bank's suspension, numerous loans were made by the bank, approved by its directors, to finance the purchase of Banco shares. In all, approximately $4,000,000 was loaned by the bank on notes secured wholly or in part by shares of Banco, most of the loans being approved after October 1, 1929.

"Prior to September 11, 1929, negotiations had been begun by the BancoKentucky Company for the purchase of two Cincinnati banks, the Pearl Market Bank & Trust Company and the Brighton Bank & Trust Company, and on September 25, 1929, a contract for the purchase of a controlling interest in each was concluded—though they were actually taken over some time later. The consideration included shares of Banco, which on the basis of $25.00 per share represented a total of $2,159,875. When most of the assailed loans were made on Banco stock the situation was substantially as follows: Banco owned 470,000 of a total of 575,000 trust participation certificates representing ownership of stock in the Bank and in the Louisville Trust Company, it had subscriptions to its own stock in the amount of $10,000,000, on which $5,784,875 had been paid by October 1, 1929, and $9,222,451.21 by October 10, 1929, and it had concluded the purchase of a controlling interest in the two Cincinnati banks. The master accordingly found that 'It was thus clearly not contemplated in the beginning, or intended at any time, that the BancoKentucky Company should be organized merely as a holding company for the stock of the National Bank of Kentucky,' a finding not rejected by the District Judge.

"The failure of the BancoKentucky Company followed by but a few days the closing of the Bank. Whether the second catastrophe was a consequence of the first, or both the inevitable result of the financial debacle of the period invites interesting but for our purpose idle speculation. What is important is that many of the loans made on Banco stock became uncollectible and the security insofar as it consisted of such stock worthless. The legal basis for the liability asserted against the appellants for resulting loss is Sec. 5201 R. S., being Sec. 83, Title 12, U. S. C. It provides that 'No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith.' While Sec. 83 provides no penalty, Sec. 93, already recited in another connection, is applicable to all violations of the statute. It imposes a civil liability on all directors who knowingly violate or knowingly permit a violation of any of its provisions.

"It has been said that, 'Where a statute creates a duty and prescribes a penalty for non-performance, the rule prescribed in the statute is the exclusive test of liability.' *Yates* v. *Jones National Bank*, supra, 179. Whether these sections of the statute are therefore penal, requiring strict construction, as has sometimes been indicated (*Chase* v. *Curtis*, 113 U. S. 452; *Park Bank* v. *Remsen*, 158 U. S. 337), or whether, since they give a civil remedy at the private suit of the receiver for the benefit of stockholders and depositors, with damages measured by the losses consequentially suffered, they are in this respect remedial (*Huntington* v. *Attrill*, 146 U. S. 657; cf. *Brady* v. *Daly*, 175 U. S. 148, 155), we need not determine. In either view a statute that is clear and unambiguous requires, under familiar rules, no straining of its terms, either to include within its condemnation offenses or persons other than those which are clearly prescribed and provided for, or to exclude from its operation offenses which

the words, in their ordinary acceptation, would comprehend.

"The decree awarded damages for all losses suffered by the bank in consequence of loans made on Banco stock, not only on the court's assumption that the relation of the two corporations was such that equity must ignore the separate corporate existence of Banco and treat its stock as in substance and effect the stock of the bank, but also on the ground that the very words of the statute require an adjudication of liability. The latter conclusion was based on the use in the statute of the phrase 'on the security of the shares of its own capital stock.' If we follow the argument in this respect, it means that all loans are invalid whose security is supported to any extent by the value of the stock of the lending bank, whether deposited as collateral or not, for the point is made that loans are forbidden not merely on certificates representing shares of the bank's capital, nor yet on the shares themselves, but on the security of its shares. Statutory construction, however, even where required, must by all accepted canons of interpretation be reasonable, and even were we to assume ambiguity, a reading of the words of the act must be rejected which leads upon analysis to unreasonable if not indeed to absurd results, and establishes such standard of duty for bank directors that either compliance becomes wholly impossible or risk of violation so great that honest men will not assume it.

"If invalidity attaches to every loan for the repayment of which recourse may ultimately be required to assets of the debtor which include stock of the lending bank, and that is in essence the meaning sought to be given to the phrase 'on the security of the shares of its own capital stock' then all loans are suspect, regardless of the financial standing of the debtor or the intrinsic worth of his collateral. The directors must at their peril ascertain whether securities offered as collateral, including not only stocks but bonds and mortgages, are those of a corporation owning stock of

the bank or of a corporation which holding no bank stock itself, owns shares in other corporations which do. The bank may not loan to its own stockholders, individual or corporate, with or without security, for ultimately it may have to acquire its own stock either by foreclosure of collateral or upon execution levy. That no such meaning may, however, be ascribed to the phrase in question is indicated by the very language which follows it, to wit, 'unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith.'

"It is common knowledge that when in 1933 the banks were closed by executive order, some never to reopen, a number of large industrial corporations relieved the financial paralysis induced thereby in localities within their sphere of influence by establishing new banks, with the aid and encouragement of the banking authorities. Had it been thought at that time that the stock of such corporations, by reason of their ownership of bank stock, would be made unavailable as collateral with the banking facility thus provided, especially at a time of greatest necessity for stockholders, there is reason to doubt that this aid to stricken communities would have been forthcoming, for the interpretation now urged if then accepted would have inevitably prevented the exercise of private corporate initiative in the public interest, and have accentuated consequences already grievous. We are unable for another reason also to conclude that Sec. 83 in terms forbids loans on corporate securities other than the shares of the bank's own capital stock whatever may be the holding of such stock by the corporation issuing such securities. Section 5137 of the Banking Act, Title 12, Sec. 29, U. S. C., until amended in June 1933, prohibited loans on the security of real estate. *National Bank* v. *Mathews*, 98 U. S. 621. It had not been thought, however, that this prohibition extended to the stock of corporations owning real estate. *Baldwin* v. *Canfield*, 26 Minn. 43; *Western Improvement Co.* v. *Des Moines National Bank*, 103 Ia.

455; cf. *National Bank* v. *Mathews*, supra; *National Bank* v. *Whitney*, 103 U. S. 109; *Fortier* v. *New Orleans Bank*, 112 U. S. 439; *Gamble* v. *Brown*, 29 Fed. (2d) 366 (C. C. A. 4), cert. denied 279 U. S. 366. Nor can any distinction be made between the shares of corporations holding a little stock in the bank and those holding much, for as the court below well said: 'This statute does not deal with degrees . . . the prohibition (if it exists) is absolute.'

"We come then to the question whether the relation between the bank and the BancoKentucky Company was such that a court of equity would be warranted in disregarding the existence of Banco as a separate corporate entity. It is true that Banco was conceived in the vaulting imagination of the president of the bank; that it was promoted and fostered by the appellants; that the directorates of the two corporations, though not identical, overlapped; that the great majority of trust participation certificates representing stock in the bank became the property of Banco, and that there is a suggestion of identity in the name adopted for the new company. But Banco was not a mere holding company for the bank's stock. It was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegitimate nor unlawful. It had its own capital with cash resources at one period almost twice the entire capital and surplus of the bank. While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and it was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See

Laurent v. *Anderson*, supra. Its separate corporate existence was recognized by the very receiver on whose behalf we are now asked to ignore it.

"The circumstances under which one corporation will be held to be but the alter ego of another were recently fully considered by us in *Shepherd, Trustee*, v. *Banking & Trust Co.*, 79 Fed. (2d) 767, 769. We there approved the doctrine of *Pittsburgh & Buffalo Co.* v. *Duncan*, 232 Fed. 584, 587 (C. C. A. 6), to the effect that: 'The mere fact that the stockholders in two or more corporations are the same, or that one corporation exercises a control over the other through ownership of its stock, or through identity of its stockholders, does not make either the agent of the other, nor does it merge them into one . . . where each corporation is separately organized under a distinct charter' and likewise gave approval to the exceptions to this general rule announced in *New York Trust Co.* v. *Carpenter*, 250 Fed. 668, 672 (C. C. A. 6), and approved in *Hooper-Mankin Co.* v. *Mathew Addy Co.*, 4 Fed. (2d) 187, 189 (C. C. A. 6), where it was said:

> "'From an examination of many decisions, we venture to say that no corporation acting within its powers has been held liable for the debts of another corporation legally organized, because it controls such corporation by reason of ownership of its stock, or otherwise, except by reason of contract or on grounds of agency, or of estoppel, or because the controlled corporation has been used in such a way that the maintenance of its character as a separate and distinct entity would work injustice.'

"The principle has been affirmatively stated in the Ninth Circuit (*Martin* v. *Development Co. of America*, 240 Fed. 42) thus: 'A holding corporation has a separate existence and is to be treated as a separate entity, unless facts are averred which show that such separate corporate existence is a mere sham, or has been used as an instrument for concealing the truth, or where

the organization and control are shown to be such that it is but an instrumentality of another corporation.'

"The BancoKentucky Company was certainly not a sham, for nearly ten million dollars of actual cash paid for its stock attest its reality, and there is nothing in the record to point to it as an instrumentality of the bank. Nor was it organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the bank. The master absolved the appellants of all suspicion of bad faith and the court approved his finding in the last of three carefully reasoned opinions (11 Fed. Supp. 9, 14). Certainly we must accept this as the deliberate judgment of the court rather than as a euphemism, easing the blow to the sensibilities as it fell heavily upon the purse.

"The decree must be reversed insofar as it awards damages against any of the appellants for losses suffered by the bank in consequence of loans on shares of the BancoKentucky Company."

Further amending their answer herein, and for supplement thereto, the defendants file herewith as a part hereof a complete copy of the pleadings and exhibits filed in Equity Action No. 649, and mark the same for identity Exhibit "A." (See Dfts. Exhibit 1.)

In said bill in action No. 649, the plaintiff, among other things, sought recovery against the defendant directors of the National Bank of Kentucky, as one of his causes of action therein asserted, for $2,250,000.00 upon the ground that said directors had approved loans made by the National Bank of Kentucky on the security of the capital stock of the BancoKentucky Company in violation of Section 83, Title "Banks and Banking" of the United States Code, in that loans upon BancoKentucky Company stock were loans upon stock of the National Bank of Kentucky, and that thereafter the said defendants filed an answer to said bill, denying the allegations of the bill with respect to each and

every matter set forth therein in that particular, including the allegations of the bill with reference to the question as to whether or not the stock of the BancoKentucky Company was the same as the stock of the National Bank of Kentucky; likewise in said bill recovery was sought on the ground that the BancoKentucky Company was organized in fraud and promoted for the use and benefit of the stockholders of the National Bank of Kentucky, and for the personal benefit of the directors and stockholders of said company, and for the purpose of evading other sections of the United States Statutes; that said BancoKentucky Company was a mere holding company for the stock of the National Bank of Kentucky and Louisville Trust Company, the purpose of which was to divert funds from the bank for the enrichment of the stockholders engaged in ventures not permitted to said national bank under the laws of the United States. A true and correct copy of the original bill, giving the names of all the defendants, is set forth in Exhibit "A," beginning at page 1 thereof, the allegations with reference to BancoKentucky Company being Paragraphs 328 to 385, both inclusive, and appear at pages 104 to 121, both inclusive, of said Exhibit "A."

Upon the issues thus joined, proof was taken in support of said bill with reference to said BancoKentucky Company stock, and in support of the defenses interposed thereto by the directors of said bank, involving said questions and issues aforesaid, the Transcript of which proof is filed herewith as a part hereof and marked for identity Exhibits "B" and "B-1." (See Dfts. Exhibit 1.)

Exhibit "A" aforesaid was authenticated as being a true and correct copy of all the pleading and exhibits contained in the original bill, together with the answer and the matters therein set forth, by the plaintiff in said cause, who is the same person as the plaintiff in this cause, and

likewise Exhibits "B" and "B-1" were authenticated as being a true and correct copy of the evidence heard with reference to BancoKentucky Company loans by the plaintiff in said cause.

They further say that after the said bill was filed and answer thereto filed, the said cause was referred to the Hon. William P. Sandidge, Special Master, who heard all of the proof in said cause and finally made his report on the issues of fact and questions of law presented with reference to said BancoKentucky Company aforesaid, which report of the Special Master is in Exhibit "A" aforesaid, and recorded at pages 236 to 533, both inclusive.

Both plaintiff and defendants filed exceptions to the report of the Special Master, and said cause came on to be heard before the Hon. Arthur J. Tuttle, sitting as Special Judge of the Federal District Court for the Western District of Kentucky, and after a full and complete hearing, rendered his opinion, which opinion with reference to said BancoKentucky Company matters hereinabove referred to is recorded in Exhibit "A" hereto, beginning at page 823.

The plaintiff in said suit against said directors aforesaid, as shown from Exhibit "A" at page 663, set forth his conception of the questions for decision by the District Court aforesaid as follows:

> "(a) That all loans secured by BancoKentucky Company stock were illegal because in fact constituting loans on the security of stock of the Bank, within the meaning of the prohibition contained in Section 83 of the title Banks and Banking of the United States Code; and that defendant directors are liable for all resulting losses under Section 93 of such title Banks and Banking; and this, as decided by the courts in respect to other violations of law, without regard to the financial condition of the borrower, or the value

of the security at the time the loan in question was made (subdivision 1-2, 34, Sec. 29 of Plaintiff's Bill);

"(b) That all loans on BancoKentucky Company stock, made to finance subscriptions and the payment of subscriptions to such stock, were illegal, because constituting temporary or permanent diversions of the funds of the Bank into the treasury of another corporation to enable such corporation to transact a business for the profit of the persons directly or indirectly owning the stock of the Bank, beyond the scope of the permission of the National Banking Act, and without the restrictions of such act, and ultra vires of the powers of a national bank;

"(c) That loans on BancoKentucky Company stock made to finance subscriptions and the payment of subscriptions to such stock, constituted temporary or permanent diversions of the funds of the bank, for the promotion and assistance of a corporation in which such defendant directors were pecuniarily largely interested, and which such defendant directors similarly directed and controlled, and from the payment to which of the subscription price ($25) of each share of stock each defendant director individually profited because, among other reasons, he himself possessed a large quantity of such stock, the book or asset value of which was substantially increased by such cash payment of $25.00 for the same, and constituted violations of the fiduciary duty of the defendant directors, inconsistent with ordinary care and fidelity in the handling of the funds of the Bank, and visiting upon them the consequences of all ensuing losses on such loans, irrespective of the financial condition of the borrowers at the time the loans were made (Subdivisions 34, 42, 44 of Sec. 29, and subdivision (n) of Sec. 293 of Plaintiff's Bill)."

They further say that pursuant to the opinion of said Judge of the Western District Court of Kentucky, certain findings of fact and conclusions of law were entered, and a decree based thereon, which findings of fact, conclusions

of law and decree are found in Exhibit "A" hereto; the basis for the findings of fact and conclusions of law as well as for the decree with reference to loans on Banco-Kentucky Company stock was substantially as outlined and copied hereinabove.

Copies of all of the proceedings had in said court, all of the pleadings filed in said court, as well as all decrees entered in said court in said cause are set out in the Transcript marked Exhibit "A."

They further say that as shown from said Exhibit "A," an appeal was prosecuted to the Circuit Court of Appeals for the Sixth Circuit, came on to be heard before said Circuit Court of Appeals for the Sixth Circuit, and, on appeal, an opinion was rendered by said Sixth Circuit Court of Appeals, copy of which opinion is set forth in the Transcript of Record of the proceedings had in said cause in said Sixth Circuit Court of Appeals, which is filed herewith as a part hereof and marked for identity Exhibit "C"; that Exhibit "C" was likewise authenticated as a true and correct copy of said proceedings by the plaintiff in said equity action No. 649 aforesaid.

That thereafter an appeal was prosecuted from the judgment of the aforesaid Sixth Circuit Court of Appeals to the Supreme Court of the United States, and as result the said Supreme Court of the United States reversed said cause and remanded it to the said Sixth Circuit Court of Appeals with directions to take up and consider, among other things, the question of negligence with reference to loans made upon the stock of the BancoKentucky Company; a copy of the opinion of the Supreme Court of the United States is filed herewith as a part hereof and marked for identity Exhibit "C-1"; and the said Sixth Circuit Court of Appeals rendered its opinion on said question on the 16th day of November, 1938, copy of which opinion is

filed herewith as a part hereof and marked for identity Exhibit "D."

Thereafter, and pursuant to the opinion of said Circuit Court of Appeals for the Sixth Circuit, the mandate was duly issued thereon and said cause was remanded to the District Court for the Western District of Kentucky, and an amended decree was entered pursuant to the aforesaid opinions of said Circuit Court of Appeals for the Sixth Circuit in the following language, to wit:

> "It is adjudged that none of the nonofficer-directors of the National Bank of Kentucky of Louisville are liable to the plaintiff, under Section 93 of Chapter 2 of the Title, Banks and Banking of the United States Code, or on common law principles of negligence for the losses sustained by the Bank on account of moneys supplied on loans collateraled, in whole or in part, by stock of the BancoKentucky Company and set out in Paragraph 45 of the original decree herein."

Defendants file herewith as a part hereof copy of said amended decree and mark the same for identity Exhibit "E."

They further say that said judgment so entered was a final judgment, is still in full force and effect and has never been modified or set aside, and no appeal has been prosecuted therefrom.

They further say that in the bill so filed, the said plaintiff, Paul Keyes, in the first instance, and A. M. Anderson, in the second instance, brought said suit for the use and benefit of the depositors and creditors of the National Bank of Kentucky, and that the said A. M. Anderson, who finally prosecuted said suit, as such Receiver, to its finality aforesaid, is the same A. M. Anderson who is prosecuting this suit, and that this suit was filed by A. M. Anderson for the use and benefit of the same persons for whom the said

equity action No. 649 aforesaid was filed, and that the questions which were necessary to be determined with reference to BancoKentucky Company stock in said equity action No. 649 were:

(a) Whether or not the stock of the BancoKentucky Company was the same as the capital stock of the National Bank of Kentucky.

(b) Whether or not the BancoKentucky Company was a separate corporation, organized for a bona fide, legal and legitimate purpose, and such a distinct corporation that the courts were powerless to look through the corporate veil of said company to ascertain the character of its assets, or, to state it differently, whether the BancoKentucky Company was the alter ego of the National Bank of Kentucky.

(c) Whether or not the BancoKentucky Company was merely a holding company organized for the purpose of holding the stock of the National Bank of Kentucky and Louisville Trust Company.

(d) Whether or not the BancoKentucky Company was organized, came into existence and performed in violation of any of the Statutes of the United States of America.

(e) Whether or not the owners of the Trustees' Participating Receipts, issued under the Trust Agreement referred to in said proceedings, organized the BancoKentucky Company for their own personal and private enrichment and for the purpose of evading double assessment upon the Trustees' Participating Receipts.

(f) Whether or not the BancoKentucky Company was a sham corporation.

As is shown from the exhibits filed herewith as a part hereof, the plaintiff in that suit, being the same person as the plaintiff in this suit, introduced in support of the position of the plaintiff in that suit, all of the records of the

National Bank of Kentucky, the records of the Banco-Kentucky Company, and substantially the same proof as has been introduced by plaintiff in support of his cause in this case, and that the foregoing issues and questions necessary to be decided in said action No. 649 aforesaid are the same issues that the plaintiff in this action is undertaking to relitigate in this proceeding, and the court, in said action No. 649, which court had jurisdiction to hear and determine all of said questions, decided each and all of said questions finally against the contentions and adverse to the plaintiff in that cause, and the plaintiff in that case represented, as such Receiver, all of the creditors and depositors of the National Bank of Kentucky at that time, who, and all of them, are the same persons who are depositors and creditors of the National Bank of Kentucky for and in whose behalf this proceeding was filed, and the decision of each and all of the foregoing questions of law and issues of fact by the court in that case was a complete adjudication by the court, which is binding and conclusive upon the plaintiff in this case, all of which questions are more particularly shown in said exhibits filed herewith; that by reason of all the foregoing facts the said plaintiff in that cause, who is the plaintiff in this cause, is now forever estopped from again relitigating each or any of said questions of law and issues of fact, which estoppel and res judicata these defendants now plead in bar of the plaintiff's right to further prosecute this action as against any of the defendants, non-officer directors in action No. 649, or against the personal representatives of any of said directors who have, since the filing of said action No. 649, died; that each and all of said non-officer directors sued in this cause are the same persons whose names appear herein and who were sued in the aforesaid action No. 649.

PARAGRAPH V

Defendant says that after the closing of the Bank on March 30th, 1931, Paul C. Keyes, as Receiver of the National Bank of Kentucky, who has been succeeded as Receiver by A. M. Anderson, plaintiff herein, filed an action against this defendant and the other directors of the National Bank of Kentucky, in which some of the same issues that were involved in this suit were involved, that among other things was the solvency of the Bank at all times subsequent to 1926 and prior to and including October 1st, 1930; that the question arose in that case on the right of the directors of the National Bank of Kentucky to declare and pay dividends of $160,000 each on April 1st, 1927, July 1st, 1927, October 1st, 1927, January 2nd, 1928, April 1st, 1928, July 1st, 1928, October 1st, 1928, January 2nd, 1929, April 1st, 1929, July 1st, 1929, October 1st, 1929, January 2nd, 1930, April 1st, 1930, July 1st, 1930, and October 1st, 1930.

Defendant says that the National Bank of Kentucky at all times during the above period had a capital stock of $4,000,000 and a surplus of $2,000,000, in addition to undivided profits; that the contention was made by the Receiver of the National Bank of Kentucky, that each of the dividends above declared was unlawful in that they violated Sections 56 and 60 of Title 12 of the United States Code, by paying a dividend out of the surplus of the Bank intead of out of undivided profits of the Bank. Evidence was offered upon said issue as to each dividend by both plaintiff and defendants in said cause and, after a full hearing before William P. Sandidge, the Special Master in said cause, said Special Master adjudged that said dividends had all been legally paid.

Thereafter exceptions were filed to said report by the Receiver of the National Bank of Kentucky and, after full

arguments and briefs, the District Court of the United States, for the Western District of Kentucky, in which Court said suit was pending, likewise adjudged that said dividends were all properly paid, saying:

> "The Master disallowed this claim in its entirety, finding that the evidence failed to show any facts indicating any statutory violation by any of the directors or any negligence on their part in connection with these dividends. The Master discussed and analyzed, at great length and in much detail, numerous debts which the plaintiff claims should have been charged off as statutory bad debts, and after painstaking and thorough consideration of such debts and of the other relevant facts and circumstances the Master found that the evidence did not sustain this claim of the plaintiff. To recite or review these details would unduly prolong this opinion and would serve no useful purpose. It is sufficient to say that the findings of the Master are convincingly supported by the record. It is entirely clear, and I find, that the witnesses on whom the plaintiff relied in this connection had no personal knowledge of the facts concerning which they assumed to testify. There is no competent evidence sufficient to sustain the burden resting on the plaintiff of proving that any of these dividends were paid out of capital of the bank or were not paid out of its net profits after deducting therefrom its losses and bad debts, including all debts on which interest was past due and unpaid for a period of six months and which were not well secured and all debts in process of collection." . . .

Defendant further says that there was no appeal from said judgment by the Receiver and that same is in full force and effect and is conclusive of the issue between the Receiver in this case and the parties to that suit.

Defendant further says that, among other issues tried in said cause, was the correctness of the Minute Book of the National Bank of Kentucky, covering the period from

1927 to the close of the Bank, whether certain parts of the National Bank Examiners' reports had been read to the directors, whether various letters written by the Comptroller, or any of the letters written by the Comptroller, had ever been read or seen by the defendants, and whether certain other data concerning the condition of the Bank had been fraudulently concealed from the non-officer directors of the Bank, defendants herein, by the officer directors of said Bank, and evidence was heard upon all of said issues. The Master found such concealment had been made and that the directors were ignorant, without fault upon their part, of many things affecting the Bank, including those above stated.

After the Master's report was filed, exceptions to this were filed by the Receiver of the National Bank of Kentucky and, after a full hearing before the District Court of the United States, for the Western District of Kentucky, where said action was pending, the District Court found as follows:

> "The Special Master found that all of these loans were secured, when made, by proper and sufficient collateral; that, because the defendant Brown was using Wakefield & Company as a means of obtaining the proceeds of these loans for his own personal benefit, he fraudulently caused to be concealed, from the non-officer directors, reports of bank examiners, letters from the Comptroller of the Currency, and other information which would have disclosed the character of such loans as loans to Wakefield & Company in excess of the statutory limit; that such directors did not have such information, had no reason to doubt the propriety of such loans, and, in approving them, relied on the officers of the bank to whom they had entrusted the administration of the details of its affairs; that such directors were not guilty of negligence in connection with such loans; and that, although the defendant offi-

cers were liable for the loss resulting from the making of these loans because they knew that such loans, should be grouped together as Wakefield & Company loans and, when so grouped, were in excess of the said statutory limit, yet the other defendants, being without that knowledge, were not so liable. Except as hereinafter pointed out, I am satisfied by the record that the findings of the Master just mentioned are supported by substantial evidence and that the Court would not be warranted in setting such findings aside. The nature and basis of these findings are indicated by the following quotations from the Master's report (pages 84-88), which I adopt:

" 'Of course, a bank president who has deliberately made up his mind to use the bank's funds in his personal business and speculations must think out a plan or scheme by which he imagines he can safely do this. . . . Brown clearly determined to use Wakefield & Company in his scheme for making personal use of the bank's money. . . . It is perfectly apparent that Brown and Jones, without protest from any member of the loan committee, were designedly omitting to read parts of the reports of the Examiners, concealing letters from the Comptroller, fraudulently evading the demands of that office, and continuously misleading the non-officer directors. The covering up which Brown and Jones were guilty of, and their acts of concealment in the presence, and with the acquiescence, of the other officers while the board of directors was in session, strongly indicates collusion between these parties, the purpose of which was to enable Brown, without the knowledge of the non-officer directors, to successfully extract funds from the bank in the name of Wakefield & Company, or its employes. . . . It is claimed that certain letters addressed by the Comptroller to the directors furnished actual notice to the members of the board of the fact that debts of Latta, Greer, Harris, Schweitzer, and Meagher were to be included with the debts of Wakefield & Company, and that there was consequently an excessive loan to that

company. I do not think that any of these letters reached the board of directors notwithstanding the recitation in the minutes to that effect. . . . It is satisfactorily established that the minutes, after being read to the board, were fraudulently altered so as to show the presentation and consideration of these letters. The concealment of these letters from the board, and the fact that such questionable, not to say dangerous, means were resorted to to accomplish it, demonstrates the character of the collusion with which the directors were unknowingly surrounded. . . . There was ample motive for withholding the letters from the board of directors. The great weight of the proof is that they were withheld, and the alteration of the minute book, clearly established, is really a potent circumstance to prove that the letters were in fact withheld. The fabrication of evidence to show that they were presented to the board shows they were withheld. It seems to me that there was a concerted plan to do this because Brown and Jones did it successfully in the presence of others who knew and at the same time allowed it to be done without protest. Also this alteration in aid of the concealment of the letters from the board fits in with the claim that Brown did not read to the board any part of the bank examiner's reports reflecting on this indebtedness or in fact criticising any other loan which he desired to conceal. Going back to the reading of the examiner's reports by Brown to the board, it will be remembered that these reports were made in duplicate, one copy being furnished to the bank and the other to the Comptroller. Difficulty was encountered after the bank closed in finding or getting together the bank's copies. Some of them were found in Mr. Jones' safe, as were also the letters above referred to. Some of the reports had been taken apart and sheets removed. The defendants, after a time, secured certified copies of all reports from the Comptroller's office. Comparing these with the bank's copies of reports, it was found, and is established in the record, that the missing sheets in the bank's copies re-

lated to loans which had been severely criticised by the examiner.' "

Defendant says that a Motion for Rehearing was filed to this finding by the Receiver of the National Bank of Kentucky, which was overruled and judgment entered thereon in accordance with these findings of fact and said findings of fact and said judgment have never been reversed or set aside and are still in full force and effect.

Defendant pleads and relies upon the findings of fact and the judgment hereinabove referred to as a bar to a retrial of the same issues in this cause.

Defendant also pleads the above facts set out in this paragraph, not only for himself, but for all others similarly situated and those in privity with them.

WHEREFORE, the defendants pray that their plea of res judicata and estoppel be sustained; and that the Bill of Complaint be dismissed, for their costs herein expended and for all proper relief.

MOTION OF DEFENDANTS PURSUANT TO EQUITY RULE No. 29

(Filed December 7, 1937)

"Pursuant to Equity Rule 29, defendants move the court

"(1) to hear and dispose of the Motion heretofore made by certain defendants to dismiss the Bill of Complaint, because same is insufficient in law and does not constitute a valid cause of action against the defendants;

"(2) to hear and dispose of, before the trial of the case, the legal validity of Paragraph II of the Answer of David J. Abbott;

"(3) to hear and dispose of, before the trial of the case, the legal validity of Paragraph III of the Answer of David J. Abbott; and

"(4) to hear and dispose of, before the trial of the case, the legal validity of Paragraph IV of the Answer of G. A. Heuser, as Executor of the estate of Henry Vogt, deceased.

"Defendants also move the court to strike from the Reply of A. M. Anderson, Receiver,

"(1) Paragraph numbered I, because same is not sufficient in law to support a claim against the defendant, David J. Abbott, or constitute an avoidance of Paragraph II of the Answer of said David J. Abbott;

"(2) Paragraph numbered III, because same is not sufficient in law to support a claim against the defendant, David J. Abbott, or constitute an avoidance of Paragraph III of the Answer of said David J. Abbott."

OPINION

(Filed May 13, 1938.)

SWINFORD, Judge.

This case is before the court on motions that present the following questions for determination: The sufficiency of the bill of complaint; the legality of the defenses presented in paragraphs one and two of the answer.

On April 22, 1927, the stockholders of the National Bank of Kentucky and the Louisville Trust Company entered into an agreement whereby a majority of the capital stock of each company was transferred to six trustees. In lieu of the bank stock the beneficial owners of the stock were issued trustees' participation certificates, of the par value of $100 each. Later each share of the trust estate was divided into 10 shares of a par value of $10 each. There was issued and outstanding at the time the National Bank of Kentucky closed 570,550 such shares which represented 39,820 shares of the capital stock of the National Bank of Kentucky and 17,235 shares of the capital stock of the Louisville Trust Company.

In 1929 a third corporation known as BancoKentucky was organized under the laws of the state of Delaware. It had an authorized capital stock of 2,000,000 shares, of the par value of $10 each. The trustees' participation certificates held by the original stockholders of the National Bank of Kentucky and the Louisville Trust Company were exchanged for shares of the stock of BancoKentucky at the rate of two for one.

This exchange culminated in the owners of the trustees' participation certificates holding 1,080,768 shares of the capital stock of BancoKentucky. Of the remaining shares of stock 394,786 shares were sold and $9,869,650 paid into the treasury of BancoKentucky.

It is alleged that BancoKentucky was organized at the instance of the officers and directors of the National Bank of Kentucky and the officers and directors of the Louisville Trust Company and the trustees under the trust agreement of April 22, 1927, and proposed by them to the holders of the trustees' participation shares in the National Bank of Kentucky and the Louisville Trust Company; that the holders of the trustees' participation shares represented approximately 95 per cent of the stock of the National Bank of Kentucky and the Louisville Trust Company and that these trustees caused Banco Kentucky to be organized as their agency and instrumentality.

A receiver was appointed for BancoKentucky in November, 1930. The National Bank of Kentucky was closed by a resolution of its board of directors on November 16, 1930, and on the following day the Comptroller of the Currency appointed a receiver for the National Bank of Kentucky. This receiver, Paul C. Keyes, was later succeeded by the present receiver, A. M. Anderson.

On February 20, 1931, the Comptroller of the Currency levied an assessment upon the stockholders of the National Bank of Kentucky payable not later than April 1, 1931.

On October 31, 1931, the receiver of the National Bank of Kentucky filed an action to recover the amount of the assessment against the receiver of BancoKentucky, and obtained a judgment for the amount of the assessment, to wit, $3,772,162.40. The judgment was entered on September 14, 1932. On appeal to the Circuit Court of Appeals the judgment of the lower court was affirmed. Laurent v. Anderson, 6 Cir., 70 F. (2d) 819.

Under the judgment the receiver of BancoKentucky paid to the receiver of the National Bank of Kentucky the sum of $90,745.17 to be credited on the judgment. Thereafter, on February 17, 1936, the receiver for the National Bank of Kentucky brought this suit in equity against the stockholders of BancoKentucky, alleging individual liability to pay the assessment against shareholders of the National Bank of Kentucky in the proportion that the respective shares of the BancoKentucky company bear to the total number of shares of BancoKentucky issued and outstanding at the date the National Bank of Kentucky closed.

The receiver here seeks to recover the sum of $3,771,464.22, subject to the credit of $90,745.17, paid on December 18, 1934, by the receiver of BancoKentucky.

The defenses to this bill of complaint raised by the motion to dismiss are as follows: (1) That it does not state a cause of action; (2) that it is barred by the statute of limitations; (3) that there is a misjoinder of parties defendant; (4) that by a judgment in the case of Laurent v. Anderson supra, there is res judicata, by reason of the fact that in that case BancoKentucky was adjudged to be the actual owner of the shares of stock involved; (5) that by a proceeding against BancoKentucky and alleging and establishing that BancoKentucky was the actual owner of the capital stock of the National Bank of Kentucky, by a judgment in the case of Laurent v. Anderson, supra, the receiver made an election of persons and an election of remedies and is bound thereby.

[1] This opinion will be confined strictly to a consideration of these points on the assumption that the facts well pleaded are true.

The sufficiency of the bill of complaint under the first heading is determined by a consideration of the subsequent four questions. It is my opinion that the bill states a cause of action and the motion to dismiss should be overruled.

[2] The statute of limitations is not a defense. The Kentucky Statute, § 2515, provides certain character of actions that must be brought within five years. This suit is based on the assessment and not on any agreement that was made whether fraudulent or not fraudulent. It is true the bill alleges fraud in the creation of the corporation Banco-Kentucky, but it does not seek to nullify that action or to hold all transactions of that corporation void for fraud. It says that the creation of a holding company as an instrumentality for the shareholders does not preclude a recovery of the assessment, under the provisions of the federal statute, 12 U. S. C. A. § 63, providing double liability, from the actual owners of the bank stock.

To apply the theory of the defendants would be to hold the transfer of stock to the alleged holding company fraudulent and void.

It is alleged that Banco was formed for one purpose and that was to shield stockholders in the National Bank of Kentucky from double liability. There is no definite reason why Banco failed. Possibly from general economic conditions. If we assume that these economic conditions had not become acute for six years after the incorporation of Banco, then according to counsel for defendants the receiver could have proceeded against no one for the assessment.

[3, 4] An action against shareholders for an assessment does not accrue until the assessment is due and payable. The assessment was levied on February 20, 1931, and payable on April 1, 1931. This proceeding was instituted on

February 19, 1936. It was April 1, 1931, that the right of action accrued. Strasburger v. Schram, App. D. C., 93 F. (2d) 246; Barbour v. Thomas, 6 Cir., 86 F. (2d) 510; McDonald v. Thompson, 184 U. S. 71, 22 S. Ct. 297, 46 L. Ed. 437.

In a brief addressed to the defense of misjoinder of parties, counsel have argued that there is an entirely adequate remedy at law and a court of equity has no jurisdiction; that the defendants will be embarrassed in presenting their respective defenses by the great number of defendants and variety of defenses.

[5, 6] The cases referred to by counsel will establish the rule that the true test is whether defendant will be prejudiced by the alleged multifariousness of the bill. Slater v. Ruggles, 1920, 49 App. D. C. 277, 263 F. 1021. The very nature of this proceeding, however, warrants the court in overruling the motion to dismiss on this ground. There can be no real prejudice to any defendant by proceeding in equity. The interest of the parties under the allegations of the bill are necessarily common in most respects. To dismiss the bill and require the receiver to sue each separate defendant at law would be to destroy the very essence of equity and be a gross injustice to all parties. It would involve years of litigation and expense over the determination of questions which must of necessity apply to each individual defendant.

While many authorities have been called to the court's attention supporting the position of counsel for defendants on this point, each case must manifestly stand on its own merit and precedent can be of little value.

In the case of Hale v. Allinson, 188 U. S. 56, 23 S. Ct. 244, 47 L. Ed. 380, it is stated (page 253): "the defendants have no common interest in these questions, or in the relief sought by the receiver against each defendant." This is certainly not true of the case at bar, as the defendants are

all in one class in so far as many of the principal defenses are concerned: Sufficiency of the bill of complaint, election of parties and remedies, and limitation.

The mere computation of liability is not necessarily complicated but this is a minor detail in the joining of the whole number of defendants in one bill in equity. Equity Rule 23, 28 U. S. C. A. following section 723, will adequately protect the individual defendants in the presentation of their several defenses. The Court of Appeals for the Sixth Circuit in the case of Ullrich v. Thomas, 86 F. (2d) 678, 679, said: "The contention that equity was without jurisdiction because appellee had an adequate remedy at law is unavailing, first, because appellee was enjoined from enforcing the assessments at law; second, because an accounting was required to determine the interests of appellants in the bank as represented by their holding certificates; and, third, because the cross-bill was permissible under Equity Rule 23."

In the recently decided case of A. M. Anderson, etc. v. Elizabeth Atkinson et al., D. C., 22 F. Supp. 853, in the Northern District of Illinois, wherein there were joined one hundred defendants, and in which the same questions here presented were involved, it was held there was a community of interest between the defendants on all material questions of law and fact and that equity could more efficiently, promptly, inexpensively, and practically attain the ends of justice.

In a case presenting a similar question the Court of Appeals for the Sixth Circuit said: "And these circumstances, namely, the great number of the parties on one side or the other, the identity of the question of law, and the similarity of the facts in the several controversies between the respective parties, are the basis on which the jurisdiction rests. The object is to minimize litigation, not only in the interest of the public, but also for the convenience and advantage

of the parties. If the receiver was compelled to bring separate suits, it would entail a vast expense upon the fund in trying over and over again the identical questions of law and fact with each stockholder, and with no substantial advantage to him, but injury, rather, in the increased cost in the immediate suit, and the larger burden upon the fund, created by the many suits against the others." Bailey et al. v. Tillinghast, 99 F. 801, 806.

In the opinion in the case of Hale v. Allinson, supra, the court well stated the real test of equity jurisdiction: "Each case, if not brought directly within the principle of some preceding case, must, as we think, be decided upon its own merits and upon a survey of the real and substantial convenience of all parties, the adequacy of the legal remedy, the situations of the different parties, the points to be contested and the result which would follow if jurisdiction should be assumed or denied; these various matters being factors to be taken into consideration upon the question of equitable jurisdiction on this ground, and whether within reasonable and fair grounds the suit is calculated to be in truth one which will practically prevent a multiplicity of litigation, and will be an actual convenience to all parties, and will not unreasonably overlook or obstruct the material interests of any."

The defense of res judicata is here so closely related to the defense of election of remedies that it hardly admits of separate discussion.

[7] It is sometimes very difficult to decide what is res judicata and what is not. Usually the matter is determined by the simple test prescribed by the rule laid down in 15 R. C. L. § 429: "The judgment of a court of concurrent jurisdiction directly upon the point, is as a plea, a bar, or as evidence, conclusive, between the same parties, upon the same matter, directly in question in another court."

[8] In the case of Laurent v. Anderson, supra, the same matters were not directly in question. The plea is that Banco was set up as an instrumentality or agency of the stockholders of the National Bank of Kentucky. We have for determination a question that has not been finally determined in any other proceeding. The cases of Hawkins v. Glenn, 131 U. S. 319, 9 S. Ct. 739, 33 L. Ed. 184, and Supreme Council of the Royal Arcanum v. Green, 237 U. S. 531, 35 S. Ct. 724, 59 L. Ed. 1089, L. R. A. 1916A, 771, relied upon by counsel for defendants, are authority for the proposition that a corporate liability is a stockholder's liability, but what the court is called upon to determine here is whether or not the corporation was set up as an instrumentality or agency for an express purpose.

[9, 10] The scope of estoppel by judgment is set out in the case of Tait, Collector of Internal Revenue, v. Western Maryland Railway Co., 289 U. S. 620, 53 S. Ct. 706, 707, 77 L. Ed. 1405: "The scope of the estoppel of a judgment depends upon whether the question arises in a subsequent action between the same parties upon the same claim or demand or upon a different claim or demand. In the former case a judgment upon the merits is an absolute bar to the subsequent action. In the latter the inquiry is whether the point or question to be determined in the later action is the same as that litigated and determined in the original action, Cromwell v. County of Sac, 94 U. S. 351, 352, 353, 24 L. Ed. 195; Southern Pacific R. Co. v. United States, 168 U. S. 1, 48, 18 S. Ct. 18, 42 L. Ed. 355; United States v. Moser, 266 U. S. 236, 241, 45 S. Ct. 66, 69 L. Ed. 262."

[11] The Supreme Court in the case of Lyon v. Perin & G. Mfg. Co., 125 U. S. 698, 8 S. Ct. 1024, 31 L.Ed. 839, lays down the following rule (page 1025): "It is well settled that, in order to render a matter res adjudicata, there must be a concurrence of the four conditions, viz: (1) Identity in the thing sued for; (2) identity of the cause of action;

(3) identity of persons and parties to the action; and (4) identity of the quality in the persons for or against whom the claim is made."

The sole question presented in Laurent v. Anderson, supra, was whether Banco was the actual owner of the shares involved.

A reading of the bill shows that the exact question presented here is not that alone, but, further, that Banco was created as an agency and instrumentality to hold the shares of stock for the express purpose of avoiding the double liability provisions of the statute.

I am of the opinion that res judicata is not a good defense.

[12] To sustain the defense that the receiver is bound by his election of remedies and persons on the record as it now stands is to hold that the purpose of the statute fixing double liability may be nullified by the concurrence of two things: The organization of a holding company to whom the bank stock is transferred for the purpose of defeating double liability and the bad judgment of a receiver who proceeds against an insolvent holding company rather than against solvent individuals. To so hold would be to substitute the plain and unequivocal language of a good law for the frailties of human judgment.

Why quibble over the question of who is the beneficial owner, BancoKentucky or the individuals who own the stock of BancoKentucky, where it is admitted that BancoKentucky was a mere instrumentality to perpetrate a fraud upon the depositors and creditors of the National Bank of Kentucky.

The defendants contend that there can be but one beneficial and true owner of the bank stock; that Banco has been adjudged the owner and consequently no other person can be the owner.

[13] This is pure legal fiction. Banco was the record holder and technical beneficiary of the proceeds from the stock. But, according to the allegations in the bill, was merely the tainted channel through which the benefits went to the actual beneficiaries. The Supreme Court in the case of Christopher v. Norvell, 201 U. S. 216, 26 S. Ct. 502, 506, 50 L. Ed. 732, 5 Ann. Cas. 740, said: "The statute, in effect, says to all who become owners of national bank stock, no matter in what way they become shareholders, that they cannot enjoy the benefits accruing to shareholders, and escape liability for the contracts, debts, and engagements of the bank."

This prevailing interpretation of the application of the double liability statute has been announced repeatedly. See Ohio Valley National Bank v. Hulitt, Receiver, 204 U. S. 162, 27 S. Ct. 179, 51 L. Ed. 423; Corker v. Soper, 5 Cir., 53 F. (2d) 190; Metropolitan Holding Company v. Snyder, 8 Cir., 79 F. (2d) 263, 103 A. L. R. 912.

[14] The case of Davis v. Wakelee, 156 U. S. 680, 15 S. Ct. 555, 39 L. Ed. 578, cited by counsel for defendants with reference to election of persons states the following rule (page 558): "It may be laid down as a general proposition that, where a party assumes a certain position in a legal proceeding, and succeeds in maintaining that position, he may not thereafter, simply because his interests have changed, assume a contrary position, especially if it be to the prejudice of the party who has acquiesced in the position formerly taken by him."

There can be no controversy as to the reason or justice of this well-established rule. There is no confusion of the rule with equitable estoppel.

Here, however, we are confronted with an entirely different case. The receiver is not compelled to make a choice but has the right to pursue either or both ways of collecting the assessment. In the case of Continental National Bank

& Trust Company v. O'Neill, 7 Cir., 82 F. (2d) 650, the court said (page 652): "If it be assumed that both the settlor and the trust estate be liable for the assessment, a suit against one alone would not effect a release of the other obligor, and for an additional reason where it appears that one obligor is a non-resident. Bigelow v. Old Dominion Copper Mining & Smelting Co., 225 U. S. 111, at page 127, 32 S. Ct. 641, 56 L. Ed. 1009, Ann. Cas. 1913E, 875. See, also, Kline v. Burke Construction Co., 260 U. S. 226, 43 S. Ct. 79, 67 L. Ed. 226, 24 A. L. R. 1077."

[15] If section 5151 of the Revised Statutes, 12 U. S. C. A. § 63, is to have any force whatsoever, it is to assure those who do business with a national bank that the beneficial owner of the stock of the bank shall be assessable to double the amount of the stock subscribed. The question of whether or not BancoKentucky was a separate entity is not presented for determination. From the allegations in the bill of complaint it was organized for the sole purpose of owning bank stock, and especially the bank stock involved here, to carry on an alleged unlawful enterprise. This is not the simple proposition of determining whether or not a corporation may own bank stock. The allegations in the bill of complaint are: "Pursuant to the above described plan, the holders of the Trustees Participation shares representing 95% of the stock of the National Bank of Kentucky and the Louisville Trust Company, caused said holding corporation to be organized as their instrumentality, for their own use and enrichment and in furtherance of a scheme to engage in unlawful acts and to enable them through said corporate agency and instrumentality unlawfully to acquire, own, hold control and operate a group of state and national banks and trust companies contrary to and in defiance of the meaning, spirit and intent of the laws of the United States and the Commonwealth of Ken-

tucky and other states relating to the ownership, operation and supervision of banks and trust companies."

[16] Counsel in their brief for defendants Tashgian et al. state that there were persons who bought stock in BancoKentucky who knew little or nothing of the National Bank of Kentucky. Regardless of their knowledge, they must of necessity be the part owners of the bank stock and consequently beneficial and true owners and charged with the liability under the allegations of the bill of complaint.

[17] Counsel seek to distinguish the case at bar from Barbour v. Thomas, 6 Cir., 86 F. (2d) 510. I cannot agree that simply by contracting for the statutory liability and so advertising there was anything added to the force of the statute. Neither do I agree that the statement in that opinion (page 517) that "none of its stock was sold to the public nor issued to any persons other than the stockholders of the banks or their assignees," destroys it as an authority here.

[18] Counsel for defendants make the distinction that in the case at bar that many of the stockholders of Banco have never owned any of the stock of the National Bank of Kentucky and could not possibly have been a party to an attempt to avoid double liability as owners of bank stock.

BancoKentucky was a holding company for bank stock and was the record owner of 95 per cent. of the shares of the National Bank of Kentucky, all of the stockholders of Banco profited from the dividends produced by the stock of the National Bank of Kentucky, and they should be charged with knowledge of the assets of a corporation (Banco) in whose stock they invested and from which assets they derived benefits.

The motion to dismiss the petition is overruled and orders may be drawn accordingly.

ORDER OVERRULING MOTIONS TO DISMISS

(Entered July 12, 1938)

This cause came on to be heard at this term on the Bill of Complaint, as amended and supplemented, and on MOTIONS TO DISMISS, MOTIONS TO TRANSFER THIS CAUSE TO THE LAW SIDE OF THE COURT, MOTIONS FOR AN ORDER OF SEVERANCE, requiring plaintiff to proceed separately against defendants, and on the MOTIONS UNDER EQUITY RULE 29 requesting the Court to Hear and Dispose of DEFENSES set forth in PARAGRAPHS II AND III of the answers of Katherine Kirkpatrick Abbott, Admx. of the ESTATE OF DAVID J. ABBOTT, DEC'D., and FIDELITY & COLUMBIA TRUST COMPANY, EXECUTOR OF THE ESTATE OF MARY E. REED, DEC'D. and PARAGRAPHS II, III and IV OF THE ANSWER OF G. A. HEUSER, EXECUTOR OF THE ESTATE OF HENRY VOGT, DEC'D., and on the MOTIONS TO MAKE PLAINTIFF'S BILL OF COMPLAINT, as amended and supplemented, DEFINITE AND CERTAIN, the arguments of counsel and briefs.

Upon consideration of the Motions to Dismiss, asserting the following defenses:

(1) that the Bill of Complaint, as amended and supplemented, does not state a cause of action in equity;
(2) that plaintiff's claim is barred by the statute of limitations;
(3) that there is a misjoinder of parties defendant;
(4) that the judgment of this court in the case of *Laurent* v. *Anderson* (reported on appeal, 70 Fed. [2d] 819) is res judicata of the defendants' liability as shareholders of the National Bank of Kentucky;
(5) that the prosecution of said action (*Laurent* v. *Anderson*) to judgment by plaintiff constituted a binding election of persons and remedies;

the Court finds that none of said motions are well taken and all of said motions are hereby overruled, to which ruling defendants filing said motions except.

On consideration of defendants' motions to hear and dispose of the legal validity of Paragraphs II and III of the answers of Katherine Kirkpatrick Abbott, Admx. of the estate of David J. Abbott, dec'd., Paragraphs II and III of the answers of Fidelity & Columbia Trust Company, Ex. of the Estate of Mary E. Reed, dec'd., and Paragraphs II, III and IV of the answer of G. A. Heuser, Ex. of the estate of Henry Vogt, dec'd., the Court finds that the allegations of said paragraphs are insufficient in law to constitute any defense to plaintiff's Bill of Complaint, as amended and supplemented, and it is ordered, adjudged and decreed that said paragraphs be and they hereby are stricken from said answers, to which said defendants except.

On consideration of the Motions to Make Definite and Certain, to Transfer This Cause to the Law Side of the Court, and for Orders of Severance, requiring plaintiff to proceed separately against defendants, the Court finds that none of said motions are well taken. It is Ordered, Adjudged and Decreed that all of said motions be and the same are hereby overruled, to which defendants filing said motions except.

It is further ordered that all defendants whose motions are hereby overruled and who have not heretofore answered, fully answer plaintiff's Bill of Complaint, as amended and supplemented, within sixty (60) days from the entry of this order.

It is further ordered that any defendant may, in answering said Bill of Complaint, adopt and incorporate by reference any defense set forth in any answer filed herein, provided that so much of this order as rules upon the suffi-

ciency of such defenses shall apply to such adopting answers with like exceptions to such adopting defendants.

Attached hereto and made a part hereof is a list of defendants whose motions are hereby overruled with respect to the above issues of law.

(List referred to omitted from transcript.)

SEPARATE ANSWER, COUNTERCLAIM AND CROSS ACTION OF HENRY M. JOHNSON, SUSIE E. TELLMAN, FRIEDA GUDEX, ADMINISTRATOR OF ESTATE OF EMILY E. BISCHOFF, AND MARY CHRISTINE COTTELL WATKINS, DE BONIS NON WITH THE WILL ANNEXED OF THE ESTATE OF P. A. GAERTNER, DECEASED.

(Filed September 8, 1938)

Come the defendants, Henry M. Johnson, Susie E. Tellman, Frieda Gudex, Administrator of Estate of Emily E. Bischoff, and Mary Christine Cottell Watkins, De Bonis Non with the will annexed of the estate of P. A. Gaertner, deceased, and for answer to so much of the Bill of Complaint herein as they are advised is necessary for them to answer and for counterclaim and cross claim herein, say,

I.

That the amount of stock they owned in BancoKentucky Company at the time of the closing of the National Bank of Kentucky is correctly stated in the Bill of Complaint herein; that they acquired their stock solely by original subscription and payment for the said shares of the BancoKentucky Company and that none of their stock represents any transfer of trustees participation certificates for stock in BancoKentucky Company, nor any transfer of stock of National Bank of Kentucky for stock of BancoKentucky Company.

Separate Answer of Henry M. Johnson, et al.

II.

Defendants admit the allegations in Paragraphs I, II, III, IV, VII, VIII, IX, X, AND XXI of the Bill of Complaint.

Defendants admit the allegations of Paragraph V of the Bill of Complaint, except that they deny that the claims asserted against them and sued on herein are a just demand against them, and they deny that there is no offset or discount against said claims.

Defendants say that with respect to the following fifteen paragraphs of Plaintiff's Bill of Complaint, to-wit:—VI, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXII, XXIII, XXIV, and XXV, that they do not know whether they are true or false, but that one or the other is a fact, viz, that they are either true or they are false, and these defendants therefore plead in the alternative with respect to them as follows:

III.

Either these defendants deny that they are without knowledge or information sufficient to form a belief as to the truth of the averments in said fifteen paragraphs of plaintiff's Complaint, set out in paragraph II herein, or

IV.

These defendants say that the said averments of the said above referred to fifteen paragraphs of plaintiff's Bill of Complaint are true.

V.

Defendants say that if said averments in said last mentioned fifteen paragraphs of plaintiff's Bill of Complaint are not true, then these defendants adopt paragraph II of the answer of Thomas Trammel, et al., filed herein, except

in the manner which Thomas Trammel, et al., acquired their stock, as paragraph V of this answer, the same as if copied at length herein, and rely upon the defense set out in paragraph II of said Thomas Trammel, et al., answer as a full defense of the cause of action sued on herein.

VI.

These defendants say that if said averments in the said fifteen paragraphs of plaintiff's Bill of Complaint are not true, then these defendants adopt paragraph III of the answer of Thomas Trammel, et al., filed herein, except in the manner which Thomas Trammel, et al., acquired their stock, as paragraph VI of this answer, the same as if copied at length herein, and rely upon the defense set out in paragraph III of said Thomas Trammel, et al., answer as a full defense of a cause of action sued on herein.

VII.

Come defendants and for answer to the Bill of Complaint filed herein, say that the cause of action set out in the Bill of Complaint is barred by Section 2515 of the Kentucky Statutes, which requires that an action upon a liability created by a statute, when no other time is fixed by the statute creating the liability, and an action for relief on the ground of fraud shall be commenced within five years next after the cause of action accrued, and that the cause of action attempted to be asserted by plaintiff against these defendants herein accrued more than five years next before the bringing of this action and defendants plead and rely upon such statute in bar of plaintiff's action.

VIII.

These defendants say that defendant's equitable cause of action is as plaintiff alleges in paragraph IV and in the

prayer of his Bill of Complaint, "a case for winding up the affairs of a National Banking Association"; that said National Banking Association is the Bank of Kentucky; and (quoting from plaintiff's petition) "to determine the proportionate part of the aggregate liability claimed against the defendants named herein for which each individual is severally liable," and to determine certain *credits* defendants might be entitled to, and to obtain "the equitable determination in one action of the questions of common interests" and to "avoid a multiplicity of suits and circuity of actions and the unreasonable expense of thousands of separate suits, which would dissipate the trust fund herein sought to be recovered," and to prevent "inseparable damage and injury"; that the Judicial Code of the United States expressly gives jurisdiction to this District Court to "wind up the affairs" of the National Bank of Kentucky; that in this equitable action, to so wind up the affairs of said Bank, this Court, in administering equity, has full and plenary power to, and justice and equity require that it shall, hear, determine and decide all questions, matters and rights affecting all persons involved in such winding up the affairs of said Bank and shall bring same to a final, speedy and inexpensive conclusion; that the claims of plaintiff arise out of a transaction or occurrence, to-wit:—the organizing, incorporating and launching of the Banco-Kentucky Company, which constitutes the subject matter of plaintiff's claim; that any defendants having a defense, by way of counterclaim against plaintiff or a cross claim against co-defendants, are required to plead same in this action under the law and rules of Civil Procedure applying to the District Courts of the United States; that said law is well expressed in Rule XIII of the New Rules of Civil Procedure for District Courts of the United States in Sections A, B, C, and G, as follows:

"(a) COMPULSORY COUNTERCLAIMS. A pleading shall state as a counterclaim any claim, not the subject of a pending action, which at the time of filing the pleading the pleader has against any opposing party, if it arises out of the transaction or occurrence that is the subject matter of the opposing party's claim and does not require for its adjudication the presence of third parties of whom the court cannot acquire jurisdiction.

(b) PERMISSIVE COUNTERCLAIMS. A pleading may state as a counterclaim any claim against an opposing party not arising out of the transaction or occurrence that is the subject matter of the opposing party's claim.

(c) COUNTERCLAIM EXCEEDING OPPOSING CLAIM. A counterclaim may or may not diminish or defeat the recovery sought by the opposing party. It may claim relief exceeding in amount or different in kind from that sought in the pleading of the opposing party.

(d) CROSS-CLAIM AGAINST CO-PARTY. A pleading may state as a cross-claim any claim by one party against a co-party arising out of the transaction or occurrence that in the subject matter either of the original action or of a counterclaim therein. Such cross-claim may include a claim that the party against whom it is asserted is or may be liable to the cross-claimant for all or part of a claim asserted in the action against the cross-claimant."

That defendants' counterclaim and cross claim asserted herein arise out of the said same transaction or occurrence which is the subject matter of plaintiff's claim.

IX.

That said allegations in above referred fifteen paragraphs of plaintiff's Complaint, to-wit:—Paragraphs VI, XI, XII,

XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXII, XXIII, XXIV, and XXV, are true and that the said officers, directors and stockholders of the National Bank of Kentucky, and the National Bank of Kentucky itself, were guilty of fraud, deceit and misrepresentation in organizing, forming, incorporating and launching a Corporation, *BancoKentucky Company,* for the illegal and unlawful purpose of acquiring, holding, owning, controlling and operating a group of State and National Banks and Trust Companies contrary to and in defiance of the meaning, spirit and intent of the laws of the United States and of the Commonwealth of Kentucky and of other States relating to the ownership, operation and supervision of Banks and Trust Companies and unlawfully to use the assets of said Banks and Trust Companies in speculative transactions prohibited by law and unlawfully to use the assets and property of one or more of said Banks in making loans on the security of the holding company stock, namely the *BancoKentucky* Company in violation of law, and in further placing in the Articles of Incorporation of the said *BancoKentucky* Company the false and fraudulent statement that

> "The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever."

and in the certificate of Stock, the false and fraudulent statement that said stock was

> "full paid and non-assessable"

and in selling said stock and delivering said Certificates of same in the BancoKentucky Company to these innocent defendants upon the false and fraudulent representation, statement and implication that said Corporation was lawfully and legally authorized for lawful and legal purpose,

and was conducting a legal and lawful business, and the false and fraudulent statements and representations contained in said Certificates of Stock that the private property of the stockholders were not subject to the payment of the corporate debts to any extent whatever, and that said stock was full paid and non-assessable, all of which statements, and representations and implications were false and were known by the said Bank of Kentucky and its officers, directors and stockholders to be false, or should have been known by them to have been false; that defendants did not know of the falsity of the above representations, statements and implications and believed same were true; that believing same were true, defendants relied on same and in reliance on same, purchased stock in said Banco-Kentucky Company and suffered loss in the total purchase price they paid for said stock, and the interest thereon from the date of said payments, and defendants are further threatened herein with an additional loss of an assessment against said stock; that said loss was occasioned by illegal formation and operation of BancoKentucky Company, that the said losses occasioned to these defendants and threatened to them are $25.00 per share for stock set out in plaintiff's Bill of Complaint as owned by these defendants, the amount these defendants paid in value for said stock, and any additional amount, if any, these defendants may be held herein to pay on plaintiff's claim asserted herein.

Defendants say that they were innocent purchasers for value of stock in the BancoKentucky Company; that they paid value for same; that they did not trade or exchange any National Bank of Kentucky stock for same; that the BancoKentucky Company was conceived, planned, incorporated and launched by the Bank of Kentucky and by the holders of 95% of the stock in the National Bank of Kentucky, and its officers and directors; that these innocent de-

fendants, with respect to the wrongs perpetrated by the National Bank of Kentucky and its stockholders and officers and directors in selling them stock in the said illegal Banco-Kentucky Company were as innocent as any other creditor of said National Bank of Kentucky; that by reason of said wrong-doing, defendants suffered loss and thereby came possessed of a just and legal claim against National Bank of Kentucky and against its said officers and directors and stockholders, who perpetrated said wrong, and that these defendants thereby became creditors of National Bank of Kentucky, its stockholders, officers and directors; that these defendants as such innocent creditors and claimants have and possess claims of equal dignity and priority as any other creditor of the National Bank of Kentucky.

Defendants say that, on account of the above facts, defendants have rescinded their said purchases of said stock in the said BancoKentucky Company, and call and demand upon the plaintiff, receiver of National Bank of Kentucky, and upon all these defendants' co-defendants hereto to pay to these defendants the amounts they paid for said Banco-Kentucky stock, and interest thereon from date of payment, and for any additional amounts the Court herein may adjudge herein against them and which amount they may be compelled to pay.

Defendants say that they did not learn of the said fraud, misrepresentation and deceit practiced on them by National Bank of Kentucky and by the said 95% of the stockholders of the National Bank of Kentucky, and by the said officers and directors of the National Bank of Kentucky until this Bill of Complaint was filed, and that these defendants under the circumstances existing were not guilty of any laches or negligence in promptly and seasonably asserting their right and determination and action in rescinding the purchase of said stock and claiming recovery of their said payments

and losses; that any delay in these defendants such rescinding and claiming payments has not injured or been prejudicial to the interests of any of the parties to this action or involved therein.

These defendants file herewith the said Certificates of Stock in the BancoKentucky Company and tender same to plaintiff and cross defendants as a surrender to the latter of the stock bought by these defendants under the circumstances and conditions and upon the false representations above set out.

These defendants say that the stockholders of Banco-Kentucky Company may be classified as follows:

1. Guilty organizers.
2. Innocent non-organizers and purchasers of Banco-Kentucky stock.

that the creditors of Banco-Kentucky may be classified as follows:

1. Guilty organizers and creditors.
2. Innocent creditors.

Defendants make this pleading a counterclaim against plaintiff and a cross claim against all these defendants' co-defendants herein to the end that plaintiff may effect no recovery against these defendants and that these defendants may recover a judgment against such of defendants as are guilty organizers of the BancoKentucky Company.

X.

These defendants say that the laws of the United States provide that each National Banking Association shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the Association, and the numbers of shares held by each, in the office where its business is transacted; that such list shall be subject to the inspection of all the shareholders and creditors of the

Association. See U. S. C. A. Title 12—Banks and Banking, Section 62; that the purpose of said Statute has specifically held by the United States Courts, including the Supreme Court of the United States, is as follows: to give creditors of the Association "information as to the shareholders upon whom, if the Association becomes insolvent, will rest the individual liability for its contracts, debts and engagements" (*Pauly* v. *State Loan, etc., Co.*, 165 U.S. 606, 17 S. Ct. 465, 41 L. Ed. 844), that the said records and books of the National Bank of Kentucky showed nowhere these defendants as stockholders of the National Bank of Kentucky, and that at no time were any creditors of the National Bank of Kentucky, for whose benefit plaintiff, Receiver, brings this action, deceived or misled into believing that these defendants were stockholders of the National Bank of Kentucky, or that any creditors were prejudiced or injured by acting upon such belief.

XI.

Defendants pray that Court

1. Appoint a Master under proper Order of Reference to take proof and hear testimony and have an accounting as to
   - A. All creditors of the National Bank of Kentucky and classification of same as to
     - a. who are "guilty organizers" of BancoKentucky Company.
     - b. who are "innocent non-organizers" of Banco-Kentucky Company.

     as referred to in this pleading,
   - B. All stockholders of BancoKentucky Company and classification of same as to
     - a. who are "guilty organizers" of BancoKentucky Company,
     - b. who are "innocent non-organizers and purchasers" of BancoKentucky Company Stock,

     as referred to in this pleading.

C. The amount of damages and losses the innocent stockholders of the BancoKentucky Company shall recover against the guilty organizers of BancoKentucky Company.

2. Give judgment that no recovery be had by plaintiff against those who are innocent non-organizers and purchasers of stock in BancoKentucky Company.
3. Give judgment in favor of the innocent non-organizers and purchasers of stock in BancoKentucky Company against the guilty organizers of BancoKentucky Company who are parties to this action, either as plaintiff or as defendants.
4. Give proper and appropriate judgments and orders in all other matters between plaintiff and defendants so as to effect and work out equity and justice between the parties, and for all other proper and equitable relief to which these defendants may be entitled.

AMENDED ANSWER, COUNTERCLAIM AND CROSS PETITION OF SUSIE E. TELLMAN, FRIEDA GUDEX, EXECUTRIX OF ESTATE OF EMILY E. BISCHOFF, AND MARY CHRISTINE COTTELL WATKINS, DE BONIS NON WITH THE WILL ANNEXED OF THE ESTATE OF P. A. GAERTNER, AND MOTION FOR SUMMARY JUDGMENT.

(Filed November 1, 1938)

Come defendants and treating the procedure now in process in this action in the nature of a Pre-Trial Procedure, as provided for in Rule 16 of the Federal Rules of Civil Procedure, and treating the pending statement made by plaintiff's counsel and taken down by the official reporter of this Court, as part of the record herein, as in the nature of a "Bill of Particulars" or "A More Definite Statement" of "Matter which is not averred with sufficient definiteness and particularity" in plaintiff's Bill of Complaint, and calls attention of the Court to the statements of said plain-

tiff's counsel in stating the case to the Court substantially as follows:

1. That plaintiff's contention was that BancoKentucky Company's status was a false and fraudulent agency and instrumentality of the National Bank of Kentucky in all the acts undertaken, committed and perpetrated by the said BancoKentucky Company.

Plaintiff's counsel quoting freely from Judge Sullivan in another jurisdiction so holding BancoKentucky as such agency and instrumentality and plaintiff in this action adopting same as plaintiff's allegation and contention.

2. That the only stock of the National Bank of Kentucky held by BancoKentucky Company was the stock which stockholders of the National Bank of Kentucky exchanged for stock in the BancoKentucky Company.

3. That BancoKentucky Company never invested in stock of the National Bank of Kentucky a single dollar of the BancoKentucky Company's money obtained from any source, including money paid into BancoKentucky Company by the purchasers of BancoKentucky Company stock.

4. That the BancoKentucky Company never came to be an operating company at all.

5. That BancoKentucky Company never qualified to do business in Kentucky or elsewhere.

Defendants say that if Nos. 1, 2, 3, 4, and 5 are correct and that the BancoKentucky Company was merely a fraudulent agency and instrumentality of the National Bank of Kentucky, then the National Bank of Kentucky received all the money paid by the purchasers of stock in the BancoKentucky Company and paid for same for the use and benefit of the said purchasers of said stock and that the National Bank of Kentucky promised to pay said purchasers of said stock the amount they paid for same, together with interest thereon from the date of payment until

paid, and that the said stockholders and purchasers of said stock thereby have a just and equitable claim against the National Bank of Kentucky and its assets in the hands of plaintiff receiver herein, which claim, held by said parties is of equal dignity and priority as any depositor of money in the National Bank of Kentucky; that the laws of the United States applicable to national banks, providing that the double liability of shareholders is for "all contracts, debts and engagements" of national banks. See Sec. 64 of U. S. C. A. to any "creditor" of such Bank Sec. 65 U. S. C. A. and all claims "adjudicated in a court of competent jurisdiction" Sec. 194 U. S. C. A.

Defendants say that none of the money so promised was ever paid by the the National Bank of Kentucky or the plaintiff receiver herein and that said moneys, together with interest thereon, constitutes a just claim against the said assets; there is no usury thereon or offset thereto.

Defendants further say that there are a great number of purchasers of stock of the BancoKentucky Company, who paid for same in cash or its equivalent, who are similarly situated as these defendants.

WHEREFORE: THESE DEFENDANTS move the Court at this time for a summary judgment in their favor and in favor of those similarly situated against plaintiff receiver of the National Bank of Kentucky herein, adjudging that defendants who paid for their stock in cash or equivalent in the BancoKentucky Company and did not exchange same for any stock in the National Bank of Kentucky, have a just and lawful claim against the plaintiff receiver herein, and the assets of the National Bank of Kentucky in his hands for the amount they so paid for their said stock and interest thereon from the date of payment until paid; that defendants and those similarly situ-

ated with them as purchasers and buyers of stock of the BancoKentucky Company have judgment against plaintiff herein for their costs herein expended and for all further, proper and equitable relief to which they may appear entitled.

PLAINTIFF'S REPLY TO COUNTER-CLAIM OF HENRY M. JOHNSON, SUSIE TELLMAN, FRIEDA GUDEX, ADMX. ESTATE OF EMILY E. BISCHOFF, AND MARY CHRISTINE COTTELL WATKINS, D. B. N. WITH THE WILL ANNEXED OF THE ESTATE OF P. A. GAERTNER, DECEASED

(Filed November 15, 1939)

Plaintiff, A. M. Anderson, Receiver of the National Bank of Kentucky, for reply to the counter-claim and cross action of the above named defendants, says:

1. That said counter-claim and cross action fails to allege a right or a claim against plaintiff upon which relief can be granted.

2. Plaintiff denies the allegations of Paragraph III of said pleading.

3. Plaintiff denies the allegations set forth in Paragraph VIII of said pleading that this court has jurisdiction to hear, determine or decide all questions, matters and rights of persons interested in the winding up of the affairs of the National Bank of Kentucky, and denies that this court has a right to assume jurisdiction over the winding up of the affairs of said bank except with respect to suits by or against plaintiff as receiver of said bank and counter-claims or cross claims maintainable therein under the Rules of Civil Procedure; and denies that defendants' "counter-claim and cross claim" arises out of the transaction or occurrence, the subject of plaintiff's claim.

Plaintiff's Reply to Counter-claim

4. Plaintiff denies the allegations of Paragraph IX of said pleading, that defendants are innocent purchasers of stock of BancoKentucky Company or that defendants were induced to purchase said stock by any false or fraudulent representation with respect thereto; that defendants suffered any loss or are possessed of any claim against the National Bank of Kentucky or that defendants are creditors of the National Bank of Kentucky in any amount; that defendants have rescinded their purchase of stock in BancoKentucky Company or have made demand upon plaintiff or anyone to pay defendants the amounts invested by them in BancoKentucky Company; and that defendants were not fully informed of the actions of officers, directors and stockholders of the National Bank of Kentucky, in connection with BancoKentucky Company until this action was commenced. Further replying to said paragraph, plaintiff says that defendants may not avoid liability to assessment, as stockholders of the National Bank of Kentucky by asserting the right to rescind their subscription or purchase of their share interest in said bank, for any wrong alleged to have been perpetrated upon them by said bank or its officers or directors.

5. Plaintiff denies the allegations set forth in Paragraph X of said pleading.

WHEREFORE, having fully replied, plaintiff prays that said counter-claim and cross action of the above named defendants be dismissed and that judgment be entered against them as prayed for in plaintiff's bill of complaint as amended.

ORDER MAKING OBJECTIONS AND EXCEPTIONS OF ONE DEFENDANT AVAILABLE TO ALL

(Entered October 31, 1938)

Upon motion of counsel for defendants, it is ordered, adjudged and decreed as follows:

1. Objections made and exceptions taken before, during or at the conclusion of the trial, shall inure to the benefit of all defendants as to whom they shall be applicable or relevant.

2. The response of the members of the Defense Counsel Committee to Plaintiff's Request for Admissions, served on plaintiff October 27, 1938, shall be considered as the response of all defendants, except those who have heretofore otherwise responded.

3. Defendants' request upon plaintiff for admissions served on plaintiff October 22, 1938 shall be considered the request of all defendants and plaintiff's response thereto filed and served October 21, 1938 shall inure to the benefit of all defendants.

4. All pleadings and motions heretofore filed by any defendant, which relate to the merits of the case in general and not to some special fact or decision applicable to the particular defendant filing such pleadings, shall inure to the benefit of all defendants.

5. All defenses which may be designated as special defenses, in that they are not defenses common to the majority of the defendants, shall be taken up for consideration for a hearing on the merits of so much of the case as is common to a majority of the defendants.

MAC SWINFORD,

Judge

ORDER AS TO TESTIMONY OF CERTAIN DEFENDANTS

(Entered February 3, 1939)

On the Court's own motion, it is considered, ordered, adjudged and found that each of the defendants herein, save and except those who were officers, directors or employees of the National Bank of Kentucky and Louisville Trust Company, or officers or directors of Banco Kentucky Company, if called as a witness in his own behalf, would testify, over plaintiff's objections, that each of them acquired their respective shares of stock in Banco Kentucky Company, believing, as distinguished from whatever constructive knowledge may be imputed to them as a matter of law, that the Louisville Trust Company and the National Bank of Kentucky were both solvent and sound financial institutions, and that they did not even remotely suspect that either of said banking institutions were in a questionable financial condition, if such they were, and that they acquired their stock in Banco Kentucky Company in the belief that they were making a sound financial investment in a separate corporation, and that the BancoKentucky Company was to do the things authorized by its corporate charter, as indicated in the letter of July 19, 1929.

All defendants who acquired stock in the BancoKentucky Company in exchange for Trustees' Participation Certificates executed a writing in the form of plaintiff's Exhibit 24-4 (top) and all defendants who subscribed for stock in the BancoKentucky Company executed a writing in the form of plaintiff's Exhibit 24-4 (Bottom). Should any defendant who acquired stock in BancoKentucky Company by exchange of Trustee's Participation Certificates, or by subscription for stock to BancoKentucky Company, desire

so to do, he may, by testimony introduced on his behalf, establish the fact or attempt to establish the fact, that such defendant or defendants did not execute a writing in the form of plaintiff's Exhibit 24-4 (Top), or plaintiff's Exhibit 24-4 (Bottom).

It is further considered, ordered and adjudged that this order may be read in evidence by the defendants herein as the testimony of the aforesaid defendants.

STATEMENT AS TO SPECIAL DEFENSES

Certain of defendants filed pleadings setting up special defenses. Since the Court dismissed the case on the ground that none of defendants were liable he did not pass on these special defenses or make any findings of fact or conclusions of law on the special situations which these defenses presented. It is recognized by all parties that, in the event of reversal of the ruling of the lower court, this cause will be remanded for the purpose of a further consideration by the District Court of these special defenses, the pleadings and the stipulations of fact regarding these special defenses are omitted from this record.

The appellees covered by this statement include the Fidelity & Columbia Trust Company as agent for various individuals, Jennie K. Selligman, and Jennie K. Selligman, Executrix of Alfred Selligman, deceased, Louisville Trust Company, Executor of the estate of John B. Pirtle, John C. Thompson, Administrator of the estate of Nannie C. Thompson, Kentucky Title Trust Company, assignee of George M. Clark, W. J. Pierce, The Fidelity & Columbia Trust Company, Henning Chambers & Company, The Fidelity & Columbia Trust Company, Trustee for Eugene A. Taylor, The Fidelity & Columbia Trust Company for Francis T. Cole, The Fidelity & Columbia Trust Company,

Administrator with the will annexed of Emily Thomas, The Fidelity & Columbia Trust Company, guardian of Clara Frances and Katherine Allen, The Fidelity & Columbia Trust Company, Executor of the estate of George J. Long, The Fidelity & Columbia Trust Company, Trustee under the will of Clara K. Bullitt and Anna Bullitt Brewer.

FINDINGS OF FACT AND CONCLUSIONS OF LAW REQUESTED BY PLAINTIFF

FINDINGS OF FACT

(Filed with the Court January 5, 1940)

1. The National Bank of Kentucky is a national banking association organized under the laws of the United States, domiciled in Louisville, Kentucky.[1] On November 16, 1930 it had issued and outstanding 40,000 shares of capital stock of the par value of $100.00 each.[2]

2. On Sunday, November 16, 1930 the National Bank of Kentucky closed pursuant to a resolution duly adopted by its board of directors.[3]

3. This is a civil action involving the winding up of the affairs of the National Bank of Kentucky. The Court has jurisdiction thereof in equity because of the community of interest between defendants on the material questions of law and fact, complicated interests are involved, an accounting is necessary, to avoid a multiplicity of suits and for the convenience of all parties. Plaintiff has no adequate remedy at law.

4. The citizenship and residence of the defendants is correctly set forth in the Bill of Complaint and amendments thereto.[4]

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[1] Stip. Par. 1, Vol. II, p. 74.
[2] Stip. Par. 6, Vol. II, p. 76.
[3] Stip. Par. 2, Vol. II, p. 75.
[4] Stip. Par. 4, Vol. II, p. 75.

5. On November 17, 1930 the Comptroller of the Currency, having found the National Bank of Kentucky insolvent and unable to pay its debts, appointed Paul C. Keyes Receiver therefor. Said Receiver qualified, entered upon and continued the performance of his duties until succeeded on December 15, 1932 by A. M. Anderson as Receiver of the National Bank of Kentucky, who ever since has been and now is the duly appointed, qualified and acting Receiver.[5]

6. On November 17, 1930 ten shares of the capital stock of the National Bank of Kentucky were registered in the names of each of the eighteen Bank Directors and all the remaining shares of its issued and outstanding stock (39,820) were registered in the names of Vogt, Minary, Duncan, Dodd, Bohmer and Metcalfe, as Trustees under a Trust Agreement dated April 22, 1927.[6] On said date BancoKentucky Company, a Delaware corporation, was the registered owner of 94.73% of the Trustees' Participation Certificates, issued by the Trustees under said Trust Agreement, which certificates represented 37,721.6214 shares or approximately 95% of the capital stock of the National Bank of Kentucky.[7] Each $10.00 par value Trustees' Participation Certificate represented .0697923 of a share of the capital stock of the National Bank of Kentucky of the par value of $100.00 per share.[8]

7. On February 20, 1931 the Comptroller of the Currency of the United States made an assessment and requisition upon the shareholders of the National Bank of Kentucky for $4,000,000.00, the par value of its authorized, issued and outstanding 40,000 shares of capital stock, payable on or before April 1, 1931. On March 20, 1931 the Receiver

[5] Stip. Par. 3, Vol. II, p. 75.
[6] Ex. 7, Trs. Agree.; Stip. Par. 6, Vol. II. p. 76.
[7] Stip. Par. 92, Vol. II, p. 94.
[8] Stip. Par. 12, Vol. II, p. 79.

served the following notice,[9] to which was attached a copy of Comptroller's order of assessment,[10] on all holders of shares of BancoKentucky Company;

> "As a stockholder in The BancoKentucky Company, you will please take notice, that the Comptroller of the Currency has on February 20, 1931, levied an assessment upon the stockholders of The National Bank of Kentucky, Louisville, Ky., on the par value of each and every share, payable at the Office of the Receiver, on or before April 1, 1931. A notice of such assessment and a demand for payment of the same has been served upon the Receiver of The BancoKentucky Company as the holder of 540,484 trustees' participation certificates, issued under a certain trust agreement of April 22, 1927, which trustees' participation certificates represent the ownership of 37,721.624 shares of stock in The National Bank of Kentucky. You will, therefore, take notice that it is the intention of the undersigned, as Receiver of The National Bank of Kentucky, to proceed against you for the collection of the aforesaid assessment liability represented by the said trustees' participation certificates held by said BancoKentucky Company, to the extent that the undersigned, as Receiver of The National Bank of Kentucky, is unable to collect said assessment from The BancoKentucky Company or its Receiver.
>
> PAUL C. KEYES
> RECEIVER OF THE NATIONAL BANK OF KENTUCKY
> Louisville, Kentucky
>
> Registered Letter
> Return Receipt Requested"[11]

8. Thereafter the Receiver of National Bank of Kentucky secured leave of the Jefferson County, Kentucky Circuit

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[9] Ex. 6. Notice of assessment to Banco shareholders.
[10] Ex. 5. Comptroller's order of assessment on N. B. K. shareholders.
[11] Stip. Par. 5, Vol. II, p. 76.

Court, which had appointed a Receiver for BancoKentucky Company, to sue the Receiver of BancoKentucky Company in this Court. Plaintiff's predecessor began an action in this Court and, on September 14, 1932, recovered a judgment in the principal sum of $3,772,162.40 and for interest in the sum of $331,320.97 from the date the assessment was payable to the date of the judgment. This judgment is final and, except for a dividend thereon in the sum of $90,745.17, paid by the Receiver of the BancoKentucky Company on December 18, 1934, is unsatisfied.[12]

9. The Trust Agreement of April 22, 1927 was the outgrowth of a plan formulated by officers, directors and shareholders of the National Bank of Kentucky, and the Louisville Trust Company, a trust company organized under the laws of Kentucky also domiciled in Louisville, to expand the business of the two institutions and to make the investments of the shareholders therein more profitable by converting the share interests in each into certificates representing an indivisible voting share interest in both, and by operating the Bank and the Trust Company under a common board of directors,[13] for the benefit of identical shareholders.[14]

10. Ultimately all the certificates for shares, issued by the National Bank of Kentucky and the Louisville Trust Company, (except five shares of the latter) were deposited with the Trustees under said agreement.[15] Said Trustees issued one $100.00 par Trustees' Participation Certificate to the Bank and Trust Company shareholders for each share of Bank and Trust Company stock deposited with them. The Trustees were directors of the Bank and Trust

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[12] Stip. Par. 112, Vol. II, p. 100.

[13] Exs. 11-3 and 11-5, Huston Quin's correspondence with Dpty. Compt.; Ex. 7, Trs. Agree.; Ex. 11-6, Dir. Min. 4/22/27; Ex. 161, Helm's letter to Ky. Atty. Gen. 8/29/29.

[14] Dodd, Vol. II, p. 242.

[15] Ex. 8 pp. 140-41, Trustees' Min.; Dodd Vol. II, p. 242.

Company and were under the immediate control of an "Advisory Committee," consisting exclusively of the directors of the Bank and Trust Company, under the terms of the Trust Agreement.[16] The Trustees caused ten shares of the Bank's stock and ten shares of the Trust Company's stock to be registered in the names of each director of the Bank and Trust Company to qualify them as directors. The Trustees at all times retained the certificates for such shares in their possession and control [17] and secured agreements from each director under the terms of which each director waived the dividends and all rights of ownership with respect to such shares and agreed to accept in lieu thereof Trustees' Participation Certificates of the equivalent par value.[18]

11. The only property ever in the possession of the Trustees were certificates for shares issued by the National Bank of Kentucky and the Louisville Trust Company. The Trust Agreement of April 22, 1927 provided that the Trustees should hold only such shares and shares of other banks and trust companies which might later be acquired by the Trustees, with the consent of said Advisory Committee, and secured through the issuance of additional Trustees' Participation Certificates.[19]

12. In order to assure depositors and creditors of banks and trust companies, the shares of which were or might be registered in the names of the Trustees, that the security and protection intended for their benefit under federal and state laws imposing personal liability to assessment on shareholders of national and state banks and trust companies would be continued, the officers, directors, attorneys

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[16] Ex. 7, Trs. Agree.

[17] Dodd Vol. II, p. 219; Helm Vol. III, p. 105.

[18] Ex. 8 pp. 40-43 Trustees Min.; Ex. 204 Dir. Speed's record of bank shares; Helm Vol. III, pp. 105, 106, 107.

[19] Ex. 7 pp. 17, 18, 19 Trust Agreement.

and shareholders of the National Bank of Kentucky and The Louisville Trust Company provided for and secured the following express written agreement of every Trustees' Participation Certificate holder that would be answerable for any assessment levied against shareholders of any bank or trust company, the shares of which might be registered in the names of the Trustees;

> "Each owner of a Trustees' Participation Certificate issued hereunder shall be subject to the same liability thereon as he would have been subject to in case he had been the owner of record of such proportionate part of the shares held by the Trustees in any corporation as the number of shares called for by his Trustees' Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Certificates; and to such extent he shall indemnify and hold harmless the Trustees owning such stock from any loss or liability on account of being the holders or owners thereof. The measure of liability assumed hereunder shall be the same as that provided by law with reference to the holders of stock in any particular corporation in which the Trustees may hold stock as is provided by law with reference to the holders of such stock, and no more." [20]

Each Trustees' Participation Certificate certified that the holder was the owner of a certain number of "shares of the par value of $100" (later $10) "each of the indivisible trust estate consisting of shares of the capital stock of The National Bank of Kentucky, of Louisville, and The Louisville Trust Company, also of Louisville, Kentucky, and of any other corporation acquired by the Trustees under the agreement between stockholders of said institutions and said Trustees, which agreement is dated April 22, 1927, and is on file with said institutions. This certifi-

[20] Ex. 7 p. 29 Trs. Agree.

cate is issued under the terms of the aforesaid agreement, and the holder hereof, by accepting same, consents to and adopts said terms as if fully written here."[21] The shareholders designated the Louisville Trust Company as Transfer Agent for T.P.C.s and the National Bank of Kentucky Registrar thereof. The Trust Agreement provided that the trustees and the transfer agent should certify to the Bank and Trust Company a copy of the trustees' register of Trustees' Participation Certificate-Holders from time to time.[22]

13. So far as the rights and obligations of the shareholders of the unified Bank-Trust Company were concerned, the unification was in fact a merger or a consolidation.[23] All directors of the Bank were elected to the Trust Company board and all directors of the Trust Company were elected to the Bank board, and the two institutions were thereafter managed under a common board of directors until January, 1930. The shareholders of each became the common shareholders of the unified Bank-Trust Company[24] and continued to receive the same amounts in dividends[25] and to exercise the same rights and privileges and continued subject to assessment liability in the same amount and of the same character after the exchange of Bank and Trust Company stock for Trustees' Participation Certificates as before.[26]

14. The National Bank of Kentucky's expansion program was continued by the absorption, in May 1929, of the Louisville National Bank and Trust Company, a national bank-

[21] Ex. 10, $10 par T. P. C.

[22] Ex. 7, p. 27 Trs. Agree.

[23] Dodd Vol. II, pp. 217, 270; Hieatt Vol. III, pp. 193, 202; Ex. 122 p. 1886 Ans. of Louis. Tr. Co. and its Rec'r. to petition of Annie Bullitt Brewer; Ex. 123 p. 1901 Ans. of Louis. Tr. Co. to petition of Trustee of Menne Est., Ex. 26-3 Bank's notice of consolidation with Tr. Co. published in Coast Banker June, 1929.

[24] Dodd Vol. II, p. 242.

[25] Ex. 123 p. 1908 Louis. Tr. Co. Ans. to Menne claim; Ex. 7 p. 20; Ex. 8 p. 38.

[26] Ex. 7 pp. 29-30.

ing association domiciled in Louisville, Kentucky, and its subsidiary, the Louisville National Company, a Kentucky corporation, following negotiations begun early in 1929 by officers of the National Bank of Kentucky.[27] Said Louisville National Company was created by the officers, directors and shareholders of Louisville National Bank and Trust Company (many of whom participated in the Banco-Kentucky Plan) in November, 1927, as part of a "plan of reorganization," to take over that bank's bond department, to conduct a mortgage finance business and such other business as its directors, who were bank directors, might determine from time to time.[28] The capital of the Louisville National Bank and Trust Company was $750,000.00, represented by 7500 shares of the par value of $100.00 each, which shares also represented the actual ownership of the shares of the Louisville National Company.[29] The board of directors of the Bank-Trust Company, acting as the Advisory Committee and through the Trustees, increased the capital of the Louisville Trust Company from $1,000,000.00 to $1,750,000.00, secured for it the right to engage in the banking business, transferred the newly authorized 7500 shares to the Trustees who issued 7500 additional Trustees' Participation Certificates to the holders of the unified stock of the Louisville National Bank and Trust Company and the Louisville National Company in exchange for all said unified stock of the Louisville National Bank and Trust Company.[30]

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[27] Boomer Vol. III, p. 244; Vaughan Vol. III, p. 1; Ex. 8 p. 71; Helm Vol. III, p. 50.

[28] Ex. 8 p. 130, Copy of agreement between Louis. Nat'l. Bk. & Tr. Co., Trustees, Wm. W. Crawford and other shareholders and Louis. Nat'l. Co. for the organization and operation of Louis. Nat'l. Co. under a "plan of reorganization" adopted by Louis. Nat'l. Bk. & Tr. Co. shareholders.

[29] Ex. 208, share of Louis. Nat'l. Bk. & Tr. Co. stock representing proportionate beneficial interest in shares of Louis. Nat'l. Co. Ex. 8, p. 125. Amendment to agreement of Nov. 1927 unifying shares of Louis. Nat'l. Co. with shares of Louis. Tr. Co., dated February, 1930.

[30] Ex. 26-11, Herald Post Jan. 17, 1929 announces merger of Louis. Nat'l. Bk. & Tr. Co. with Louis. Tr. Co. "Under Joint Ownership of National Bank of Kentucky"—"Greatest Financial Combine In City's History Is Formed"; Ex. 8 pp. 72-3, 79-80, Helm Vol. III, p. 50, Ex. 8 pp. 125-129.

15. In June, 1929 each outstanding $100.00 par Trustees' Participation Certificate was divided into ten Trustees' Participation Certificates having a par value of $10.00 each.[31] The Trustees issued the new $10.00 par Trustees' Participation Certificates to the holders of the unified shares of the Bank-Trust Company in the same form as the $100.00 par Trustees' Participation Certificates and the holders of the $10.00 par Trustees' Participation Certificates, by the acceptance thereof, reiterated their agreement to be subject to the liability of a record owner of the shares of the Bank and Trust Company stock standing in the names of the Trustees, in proportion to the outstanding Trustees' Participation Certificates, as previously set forth under finding 12.

16. After the time of the National Bank of Kentucky's unification with the Trust Company, during the months preceding the organization of BancoKentucky Company and while it was being considered by officers, directors and shareholders of the Bank, and until the Bank's failure, November 16, 1930, the financial condition of the Bank became progressively worse. The Comptroller's and National Bank Examiner's criticisms of the management of the bank and the unsatisfactory and dangerous trend in its affairs became increasingly severe. The Comptroller and the Bank Examiner were insistent on action being taken to reduce overdrafts and statutory bad debts and to eliminate millions of dollars of substandard assets.[32]

17. From the time of the unification of the Bank with the Trust Company until the organization of Banco-Kentucky Company, July 16, 1929, the bank's deposits had diminished 38%,[33] while total bank deposits in Louisville

[31] Stip. Par. 11, Vol. II, p. 78.

[32] Natl. Bk. Exrs.' reports, Ex. 14, 16-20, correspondence between Comptroller and Bk. officers and directors Ex. 33-1 to 33-25, Exs. 34-1 to 34-14.

[33] Ex. 12 Bank's statement of assets and liabilities, Feb. 11, 1925 to Nov. 17, 1930; Ex. 17, Exr.'s rep. of examination of bank as of May 25, 1929.

were increasing,[34] and its borrowings had increased from two hundred thousand to over fifteen millions.[35] From February 1, 1929 to May 31, 1929 the bank's average daily borrowings had increased from about three and three-quarters millions to twelve and one-half millions of dollars.[36] The Bank was deficient in its legal reserves on 72 days from January 4, 1929 to July 15, 1929, in amounts up to nearly two millions.[37] The Governor of the Federal Reserve Bank for the Sixth District conferred with officers of the Bank in February, 1929 and again in August, 1929 regarding the Bank's continuous borrowings, and suggested liquidation, but the Bank's borrowings instead increased while the amount of its assets acceptable to the Federal Reserve Bank for rediscount steadily decreased.[38]

18. Prior to the organization of BancoKentucky Company and as part of the Plan for the Reorganization of the business of the Bank[39] and for the purpose of escaping federal regulation and supervision, the officers and directors of the Bank decided to denationalize the Bank[40] by surrendering its national charter and transferring all its assets to a new Kentucky corporation organized under Kentucky banking laws[41] and to withdraw from membership in the Federal Reserve System.[42]

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[34] Helm Vol. III, p. 112.

[35] Ex. 12; Ex. 17.

[36] Ex. 117, Accountant's rep. on Bank's Bills Payable, Rediscounts, etc., 1/1/29 - 11/16/30.

[37] Ex. 118, Accountant's rep. on Bank's deficiency in legal reserves and borrowings from 1/1/29 to 7/15/29.

[38] Ex. 59, Letter from Governor of St. Louis Fed. Res. Bk. to Brown, 11/18/29, regarding Bank's continuous and increased borrowings and requesting Brown's appearance in St. Louis.

[39] Vaughan Vol. III, p. 8.

[40] Ex. 158-16, Vaughan's letter to Ky. Banking Com'r. 1/25/30 re denationalization.

[41] Ex. 26, p. 1187 Bk. publicly announces it had changed from a national to a state bank—"The Bank of Kentucky"; Ex. 21, p. 1002 Bk. Dir. minutes of 9/27/29, Directors authorized Brown to denationalize Bk. and ratify million dollar loan secured by Ormsby from Guaranty Trs. Co. of N. Y. 9/21/29.

[42] Dodd Vol. II, p. 260.

19. The officers and directors of the Bank, acting as the "Advisory Committee" to the Trustees,[43] caused the incorporation of "Bank of Kentucky" under Kentucky banking laws [44] and executed an agreement and conveyance transferring all the assets of the National Bank of Kentucky to a new state bank in consideration of the latter's assumption of the national bank's liabilities.[45] Because of the distressed financial condition of the National Bank of Kentucky, the necessity for its retaining a source of funds through uninterrupted rediscounting privileges with the Federal Reserve Bank,[46] the inability of the officers and directors to secure a waiver of examination of the new Bank of Kentucky by Federal Reserve Examiners [47] after the transfer of assets and the inability of the management of the bank to eliminate over $4,000,000 of sub-standard assets and to reduce a large concentration of loans on the security of BancoKentucky Company stock,[48] it became necessary to abandon the plan to denationalize the Bank and to withdraw from membership in the Federal Reserve System.[49]

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[43] Ex. 8, p. 104.

[44] Ex. 158-1 Bk. of Ky. Art. recorded; Ex. 48 Brown applies to Comptr. to liquidate nat'l. bk.; Ex. 50 Vaughan writes Jones 10/10/29 submitting papers for Dirs. and Trustees to execute to incorporate new Bk. of Ky. and transfer nat'l. bk. assets to new state bank.

[45] Ex. 21, p. 1003-4 Bk. Dirs. minutes 10/11/29 setting forth executed contract conveying bk. assets to new Bk. of Ky.

[46] Vaughan Vol. III, p. 21; Ex. 54 Fed. Res. Agent's letter 10/22/29 to Bk. advising that examination of assets to be deferred until new state bank had taken over to give management time to correct criticisms contained in examiner's report of May 25, '29, and elimination of $4,023,171.41 in sub-standard assets; Ex. 158-17 Vaughan's letter to Comptr. 3/25/30 advising of abandonment of plan to denationalize.

[47] Ex. 159, p. 2048 Vaughan's memo to Bk. of services in connection with denationalization and efforts to secure waiver of examination of new state bank by Fed. Res.

[48] Ex. 54 Fed. Res. Agent's letter to Bk. 10/22/29; Ex. 158-7 Vaughan acknowledges receipt of copy of Ex. 54; Ex. 158-8 Vaughan writes Bk. 11/6/29 that Fed. Res. would insist upon examination of new bank, and necessity for uninterrupted rediscounting privileges with Fed. Res. Bk. and that nat'l. bk. apply for membership on behalf of new bank or abandon scheme of denationalization.

[49] Ex. 21, p. 1024 Bk. Dirs. min. 3/21/30; Ex. 47 p. 1464 minutes of bk. "stockholders" meeting 3/21/30 abandoning denationalization; Ex. 8 p. 136 min. of Trustees 3/21/30 that stockholders desire abandonment of denationalization plan.

20. During the examination of the Bank by national bank examiners, begun May 25, 1929 and completed June 15, 1929, its officers prevailed upon the Chief National Bank Examiner in charge of the examination to waive recommended charge-offs of losses upon the representations that they would soon form a holding company to hold the stock of the Bank-Trust Company and to take over and work out certain of the Bank's sub-standard assets which were most severely criticized by the Comptroller and examiners.[50] The management also proposed to consolidate the denationalized Bank of Kentucky with the Louisville Trust Company.[51] Such a consolidation would have permitted a reduction of capital, releasing four or five millions of dollars to eliminate sub-standard assets.[52]

21. Officers of the Bank were fully informed of the condition of its affairs. Reports of the semi-annual examinations by National Bank Examiners, submitted to the Bank's directors,[53] pointed out the unsatisfactory state of its affairs and the sub-standard assets which were sources of potential danger to it. The Bank's officers knew, and its directors knew, or in the exercise of ordinary care should have known, of the possibility of an assessment against holders of Trustees' Participation Certificates in the event of the inability of the bank to continue as a national banking institution and/or in the event of loss to its depositors due to its closing.

22. From time to time, after the unification of the Bank and Trust Company, further expansion[54] of the Bank's business was discussed and considered by officers and di-

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[50] Ex. 17, p. 612 examiner's comment, in report of examination begun May 25, 1929 of officers' promise to form holding co.

[51] Ex. 33-14, p. 1292 Comptr. letter to directors 6/29; Ex. 33-16 p. 1294 Comptr. letter to directors 8/29/29; Ex. 33-17, p. 1295 Comptr. letter to directors 9/17/29; Ex. 34-11, p. 1334 Bk. Cashier's letter to Comptr. 9/24/29.

[52] Ex. 21, p. 1043 Dirs. Minutes 10/24/30; Neill 359-60.

[53] Helm Vol. III, pp. 75, 76; Dodd Vol. II, p. 253.

[54] Ex. 122, p. 1886 Louis. Tr. Ans. in Bullit matter; Ex. 161, p. 2057 Helm's letter to Ky. Atty. Gen. 8/29/29.

rectors. From January 1929 to July 12, 1929 the entire management of the Bank and its affiliated trust company considered and discussed a plan finally known as the "Plan for the Reorganization of the National Bank of Kentucky and Louisville Trust Company." [55] These officers, directors and attorneys were holders of the Trustees' Participation Certificates, were aware of their personal liability to assessment thereon,[56] and the officers and the directors and attorneys knew, or in the exercise of ordinary care should have known, the condition of the Bank. They were desirous to not only strengthen the Bank [57] but to expand its business and the sources of profit to shareholders [58] by means of chain or group banking operations [59] and claim they expected to engage in activities beyond the charter powers of the national or Kentucky banks and trust companies,[60] following the example of other large banks engaged in similar ventures.[61]

23. The Bank's officers, and some of its directors and lawyers knew of various methods under discussion in the American Bankers' Association Journal and by bankers generally for the establishing of chains or groups of banks by means of trust agreements similar to the Trust Agreement of April 22, 1927 and by means of bank stock holding companies.[62] They knew that under such trust agreements,

[55] Dodd, Vol. II, p. 228, 267; Carroll, Vol. III, p. 138; Helm, Vol. III, pp. 51, 52, 55, 56, 69; Vaughan, Vol. III, p. 18.

[56] Helm, Vol. III, pp. 70, 71; Boomer, Vol. III, p. 233; H. Taylor, Vol. III, p. 255.

[57] Ex. 17, p. 612 Exr's. Report May 29; Helm, Vol. III, pp. 82, 83; H. Taylor, Vol. III, p. 254; Vaughan, Vol. III, p. 8.

[58] Girdler, Vol. III, pp. 219, 220; E. Taylor, Vol. III, p. 260.

[59] Dodd, Vol. II, pp. 227, 228, 260; Speed, Vol. III, pp. 178, 192; Helm, Vol. III, pp. 53, 82, 83; Vaughan, Vol. III, p. 8; Carroll, Vol. III, pp. 152, 153, 154, 155, 156; Hieatt, Vol. III, pp. 203, 204; Boomer, Vol. III, p. 245, 229; Ex. 32-2 Helm's letter to Bk. Re Amendment of Ky. Stat. limiting ownership of Bk. and Tr. Co. stock; Speed, Vol. III, p. 188.

[60] Dodd, Vol. II, p. 227, 260, 261; H. Taylor, Vol. III, p. 248, 254; Carroll, Vol. III, p. 138, 155, 156; Helm, Vol. III, p. 53, 83, 84, 85; E. Taylor, Vol. III, p. 263.

[61] E. Taylor, Vol. III, p. 262; Cammack, Vol. III, p. 134; Helm, Vol. III, p. 83; Boomer, Vol. III, p. 245, 246; Hieatt, Vol. III, p. 203; H. Taylor, Vol. III, p. 251; Ex. 24-3, the Plan.

[62] Ex. 32-2; H. Taylor, Vol. III, p. 251; Hieatt, Vol. III, p. 203-4; Boomer, Vol. III, p. 245, 229.

it was the common practice for shareholders to retain their bank stock or to exchange it for participating certificates or receipts representing deposited bank stock and bearing the same liability.[63] They knew that the protection provided depositors by double liability statutes would be lost to depositors in banks whose shares were held by a bank stock holding company unless shareholders of the holding company either provided it with ample independent assets other than bank stocks from which any assessments on such bank stock could be satisfied, or the holding company shareholders were individually liable to assessment on the bank shares held for their benefit by the holding company.[64]

24. After careful consideration by all the Bank's officers, directors and many of its largest shareholders, with the advice and assistance of lawyers experienced in banking and with the laws relative thereto [65] extending over a period of many months, a Plan was agreed upon for the creation of a holding company under the general corporation laws of Delaware, to be named BancoKentucky Company, after the National Bank of Kentucky, which was commonly known as "Bank of Kentucky," [66] and to be controlled by the stockholders of the unified Bank-Trust Company and managed and operated by its officers and directors.[67] BancoKentucky Company was first to acquire and hold a substantial majority, if not all, the capital stock of the Bank and the Trust Company, evidenced by Trustees' Participation Certificates, through the mere exchange of holding company stock for Trustees' Participation Certifi-

[63] Helm, Vol. III, p. 44, 45, 70; Ex. 11-6, p. 159, 172-3-4 Bk. Dirs. Min. 4/22/27 proxy, power of atty.; prospectus to bk. stockholders in deposit form, re exchange of N. B. K. certificates for TPC's.

[64] Ex. 32-2 Ab. Bkrs. Ass'n. Jou. Dec. '29 p. 616; Oct. '29 p. 307; Apr. '28 p. 761; Oct. '27 p. 255.

[65] Vaughan, Vol. III, pp. 10, 18; Ex. 161 p. 2057 Helm's letter to Ky. Atty. Gen. 8/29/29; Ex. 8 p. 130; Ex. 164 Helm's letter to Bk. 2/14/30; Helm, Vol. III, p. 68-70.

[66] Ex. 26 p. 1169, 1170, 1179, newspapers; Vaughan, Vol. III, p. 21; Burkholder, Vol. II, p. 208.

cates [68] and then, with the National Bank of Kentucky as the parent bank or main link in the chain,[69] to engage in chain, group, or quasi-branch banking through the acquisition of controlling stock interests in other banks and trust companies in the Middle West [70] and the operation of such controlled banks and trust companies for the benefit of the shareholders of BancoKentucky Company.[71] It was also planned to merge the National Bank of Kentucky and Louisville Trust Company, thereby eliminating the Trustees.[72]

25. The promoters of the holding company claim that the plan was prompted by their desire to compete with other banks which were extending their businesses into fields beyond the charter powers of banks and avoiding the laws restricting branch banking, through holding companies.[73] They claimed that through BancoKentucky Company and the other banking units in the chain they intended to extend the business of the National Bank of Kentucky [74] by engaging in profitable but more hazardous business than permitted by the Bank or Trust Company's charter,[75] to make loans to clients beyond the Bank's legal limits, to apportion business among the controlled banks and trust companies,[76] to use the holding company as a substitute for the Federal Reserve System for the controlled banks [77] and

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[68] Speed, Vol. III, p. 188; Helm, Vol. III, p. 82; Ex. 28 Bean's letter to Brown 6/24/29.

[69] H. Taylor, Vol. III, p. 251; Carroll, Vol. III, p. 155, 156; Dodd, Vol. II, p. 260; Boomer, Vol. III, p. 229, 245.

[70] Hieatt, Vol. III, p. 203; Vaughan, Vol. III, p. 7; Carroll, Vol. III, p. 152-154.

[71] Ex. 24-3 Plan; E. Taylor, Vol. III, p. 260; Helm, Vol. III, p. 53.

[72] Ex. 32-2 Helm's Letter to Ky. Atty. Gen.; Ex. Letter of Comptr. to Dirs.; Ex. 33-16 Letter from Comptr. to Dirs. 8/29/29; Ex. 158-16 Helm's Letter to Ky. Bkr. Com'r. 1/25/30.

[73] E. Taylor, Vol. III, p. 260, 262, 263; Cammack, Vol. III, p. 134; Helm, Vol. III, p. 83; Boomer, Vol. III, p. 245, 246; Hieatt, Vol. III, p. 203; H. Taylor, Vol. III, p. 251; Sackett Affidavit.

[74] Cammack, Vol. III, p. 136.

[75] Helm, Vol. III, p. 83-85; Carroll, Vol. III, p. 155, 156; Dodd, Vol. II, p. 260, 261; H. Taylor, Vol. III, p. 254; Cammack, Vol. III, p. 131.

[76] Helm, Vol. III, p. 85.

[77] Helm, Vol. III, p. 53; Dodd, Vol. II, p. 260; Speed, Vol. III, p. 189; Hieatt, Vol. III, p. 204.

to aid the units of the banking chain with cash when the need arose.[78] Though it was intended that BancoKentucky Company be free from supervision by public banking officials or regulation by state or federal banking laws,[79] the organizers of BancoKentucky Company assert it was to reorganize the business of banking and indirectly to engage in the business of banking.[80]

26. The officers, directors, attorneys and stockholders of the bank who organized and promoted BancoKentucky Company, were substantially the same persons[81] who arranged the unification of the Bank with the Trust Company under the Trust Agreement and under forms of certificates whereby all stockholders of the Bank-Trust Company recognized that after exchanging certificates for shares issued by the Bank or the Trust Company for Trustees' Participation Certificates they continued to be the Bank and Trust Company's real shareholders and proportionately liable to assessment as record owners of the Bank and Trust shares registered in the names of the Trustees.[82] They all knew that persons who should acquire holding company shares either by exchange of Trustees' Participation Certificates or for cash would continue to be or become the ultimate beneficiaries of the dividends and privileges to which shareholders in the Bank-Trust Company would be entitled. They all knew that unless the holding company was provided with ample independent assets, other than assessable bank or trust company shares, in an amount sufficient at all times to enable it to satisfy any assessment on such shares; or the shareholders of the holding company were proportionately and personally liable for any assessment which

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[78] Helm, Vol. III, p. 82, 83, 85; H. Taylor, Vol. III, 254; Vaughan, Vol. III, p. 8.

[79] Cammack, Vol. III, p. 129.

[80] H. Taylor, Vol. III, p. 248; E. Taylor, Vol. III, p. 260; Helm, Vol. III, p. 53; Carroll, Vol. III, p. 152, 153, 154.

[81] Ex. 161 p. 2057, Helm's letter to Ky. Atty. Gen. 8/29/29; Cammack 1226.

[82] Ex. 7 Trust Agreement; Ex. 10 T. P. C.

might be levied on the shares held by the holding company, the protection, theretofore existing, intended for depositors and creditors of the banks controlled by the holding company under federal and state laws, would be of no practical value to such depositors and creditors.

27. The officers, directors and stockholders of the Bank and Trust Company who organized and promoted BancoKentucky Company caused to be inserted in its charter Article VIII—"the private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever" [83] and caused the form for subscriptions for holding company stock,[84] and the holding company's temporary [85] and permanent stock certificates [86] to recite that the shares of BancoKentucky Company were "fully paid and non-assessable."

28. The organizers and promoters of BancoKentucky Company inserted Article VIII in the company's charter and the words "non-assessable" in all subscription and stock forms for the purpose of effecting the termination of the previously existing personal liability to assessment of all holders of Trustees' Participation Certificates who exchanged such Certificates for BancoKentucky Company stock,[87] and the limitation of the personal liability to such assessments, on the part of all persons otherwise acquiring holding company stock, to the value of the property or

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[83] Ex. 8 p. 94 Trustees' minutes.
[84] Ex. 24-4 Subscription and exchange form under Plan of Reorganization.
[85] Ex. 45 Temporary certificate for holding company shares.
[86] Ex. 46 Permanent holding company certificate.
[87] Ex. 27 Bean's letter to Brown 7/28/29 noting that one of the advantages in transferring bank stock for Banco was avoidance of double liability; Ex. 37-1 Vice Pres. J. J. Hayes' letter to prospect, 8/15/29 that new stock as safe as old and without double liability; Ex. 37-3 Vice Pres. J. J. Hayes' letter to prospect, 10/2/29, that Banco did not have double liability; Ex. 122 p. 1888 Louis. Tr. Co. Ans. alleging that one of the reasons inducing the exchange of T. P. C.s for Banco was Banco became subject to double liability; Ex. 123 p. 1909 Ans. of Louis. Tr. Co. that retention of bank stock would probably have entailed additional liability.

money transferred or paid to the holding company therefor.

29. Everything actually done or claimed to have been contemplated to be done by or through BancoKentucky Company could have been accomplished by and on behalf of the holders of the Trustees' Participation Certificates through the Trustees under the terms of the Trust Agreement of April 22, 1927, or through the Louisville National Company except that the shareholders of the Bank-Trust Company would have retained certificates subjecting them proportionately to the liability of a record owner of the Bank and Trust Company's shares registered in the names of the Trustees.

30. Some of the officers, directors and attorneys of the Bank who participated in the organization of Banco-Kentucky Company claim that the corporation was not intended to be merely a bank stock holding company, but that through it they expected to engage in the investment banking business,[88] to originate and sell first mortgage bonds,[89] to underwrite securities,[90] to make loans beyond the legal limitations imposed upon the Bank and Trust Company,[91] and to use that company as a sort of private federal reserve system for the banks controlled by it.[92] Banco-Kentucky Company never undertook any of these activities. The organizers of BancoKentucky Company knew that neither a Kentucky general business corporation, nor a general business corporation organized under the laws of any other state[93] could lawfully engage in such activities in the State of Kentucky. They knew that the Kentucky statutes authorized the formation of corporations to engage

[88] Dodd, Vol. II, p. 49, 50.
[89] Dodd. Vol. II, p. 50, 51.
[90] Dodd, Vol. II, p. 51.
[91] Cammack, Vol. III, p. 135; E. Taylor, Vol. III, p. 268, 260; H. Taylor, Vol. III, p. 248.
[92] Speed, Vol. III, p. 189; Carroll, Vol. 156.
[93] Ky. Const. 202.

in any lawful business "but banking . . . ,"[94] that general business corporations could not "directly or indirectly, engage in or carry on in any way the business of banking, of any kind, unless it has become organized under the laws relating to banking. . . ."[95] Organization of corporations or trust companies either under federal or Kentucky law would subject shareholders to personal liability to assessment to the extent of the par value of their investment in the corporation,[96] and would subject the corporation to supervision and regulation under the National Bank Act or the Kentucky Department of Banking.[97] They also knew that stockholders in banks, trust companies, guaranty companies, investment companies were liable to assessments to the extent of the par value of their investment in such companies,[98] that transfers of such stock did not release shareholders from their personal liability,[99] and that transferees thereof succeeded to the transferor's personal liability.[100] They also knew that a foreign general business corporation could not undertake any business or activity in Kentucky not permitted to Kentucky business corporations.[1]

31. The officers, directors and attorneys of the Bank knew that it was illegal for any corporation to hold, either directly or indirectly, more than one-half of the capital stock of any bank[2] or trust company.[3] They also knew that Section 36 of the National Bank Act[4] prohibited member banks of the Federal Reserve System from establishing

[94] Ky. Stat. 538.
[95] Ky. Stat. 56.
[96] 12 U. S. C. A. 64, Ky. Stat. 547.
[97] Ky. Stat. 165 a-1.
[98] Ky. Stat. 547.
[99] Ky. Stat. 547.
[100] Ky. Stat. 545.
[1] Ky. Const. 202.
[2] Carroll's Ky. Stat. Sec. 581.
[3] Carroll's Ky. Stat. Sec. 609; Helm, Vol. III, pp. 92, 93; Ex. 32-2; Ex. 164 Helm's letters re changing Ky. Stat. limiting holding of bk. and tr. co. stock by one person.
[4] 12 U. S. C. A. Sec. 36.

branches outside city limits, but they hoped that no action would be taken to prevent the holding company's violation of the laws relating to the amount of bank or trust company stock to be held by one person [5] and intended to circumvent the laws against branch banking and prohibiting a national bank from purchasing bank stocks [6] by acquiring controlling interests and operating a chain of banks through the holding company.[7]

32. The officers, directors, shareholders and attorneys of the Bank who participated in the organization and promotion of BancoKentucky Company sought to avoid the operation and effect of the Kentucky statutes designed to protect bank and trust company depositors, creditors and the public from loss, by organizing the holding company under the general corporation laws of Delaware, which did not prohibit companies incorporated thereunder from engaging in activities illegal for Kentucky general business corporations but which Kentucky corporations could undertake only by submitting to supervision of banking officials and by subjecting their shareholders to personal liability to assessment.

33. On July 16, 1929 the officers, directors and attorneys and certain of the large stockholders of the Bank caused the Articles of Incorporation of BancoKentucky Company to be filed and secured a charter therefor under the general corporation laws of Delaware.

34. BancoKentucky Company never filed a statement with the Secretary of State of Kentucky as required by law,[8] and never paid a license tax or filed a report with the

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[5] Helm, Vol. III, p. 65, 91; Ex. 164.

[6] 12 U. S. C. A. 24, note 106.

[7] H. Taylor, Vol. III, p. 254; Sackett Affidavit; Ex. 101 p. 1836 THE ROUND-UP; Ex. 79 p. 1775 Fed. Res. Comm. on branch, group and chain banking questionnaire; Ex. 79 p. 1779 Bank Cashier's answers to Fed. Res. Agent; Ex. 32-2

[8] Carroll's Ky. Stat. Sec. 571; Ex. 69a Certificate by Deputy Sec'y. of State; Dodd, Vol. II, p. 52.

Kentucky Tax Commission as required by law.[9] The holding company did acquire the following percentages of the outstanding capital stock of the following banks, to-wit:

95% National Bank of Kentucky—Louisville, Ky.
95% Louisville Trust Company—Louisville, Ky.
80% Pearl Market Bank & Trust Co.—Cincinnati, O.
89% Brighton Bank & Trust Co.—Cincinnati, O.
91% Central Savings Bank & Trust Co.—Covington, Ky.
32% Peoples Liberty Bank & Trust Co.—Covington, Ky.
92% First National Bank of Paducah—Paducah, Ky.
89% Ashland National Bank—Ashland, Ky.
90% Security Bank of Louisville—Louisville, Ky.
58% Mechanics Trust & Savings Bank—Paducah, Ky.

and did indirectly engage in and carry on the business of banking in Kentucky and Ohio.[10]

35. On July 19, 1929 the officers and directors of the bank sent to all shareholders of the Bank-Trust Company a BancoKentucky Company prospectus called a Plan of Reorganization, over the signatures of all the officers and directors of the Bank-Trust Company and the Trustees for the Trustees' Participation Certificate holders.[11] Enclosed therewith was a form providing for the subscription for BancoKentucky Company shares by the exchange of Trustees' Participation Certificates or for cash, which form referred to the Reorganization Plan outlined in the prospectus[12] and to "non-assessable" feature of the shares to be issued thereunder.

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[9] Carroll's Ky. Stat. Sec. 4189-2-3; Ex. 69b Certificate of Ky. Dept. of Revenue.

[10] Vol. II, pp. 94-97 Stip. Pars. 92, 94, 96, 97, 98, 99, 100, 101; Ex. 79 p. 1780 list of affiliated or controlled banks supplied by Bank Cashier to Fed. Res. Investigating Committee.

[11] Ex. 24-3 the Plan, Stip. Par. 30.

[12] Ex. 24-4 Subscription and Exchange form; Stip. Par. 31, Vol. II, p. 83.

36. The Reorganization Plan [13] explained to shareholders that the officers and directors of the Bank-Trust Company had studied the changing conditions in the banking business for the purpose of preparing the National Bank of Kentucky and the Louisville Trust Company to take advantage of new opportunities and had unanimously concluded that the two banks and their business should be reorganized by adding a third corporation, BancoKentucky Company, for the purpose of making the operations of the two banks more profitable for the shareholders. The stockholders were informed that BancoKentucky Company could exercise many profitable and important functions beyond the powers of either the Bank or the Trust Company. The Plan of Reorganization provided that BancoKentucky Company's 2,000,000 voting shares of the par value of $10.00 each should be sold in accordance with the Plan of Reorganization at a valuation of $25.00 each. The Plan was expressly conditioned upon BancoKentucky Company's stock, or at least a substantial majority of it, being owned by Trustees' Participation Certificate holders, upon the company's acquisition of at least a majority of the Trustees' Participation Certificates and upon BancoKentucky Company's being managed and operated by the Boards of Directors and officers of the Bank-Trust Company. BancoKentucky Company's entire stock was offered to and preempted in favor of the Trustees' Participation Certificate holders through the Trustees as agents for the Trustees' Participation Certificate holders.[14] The Trustees' Participation Certificate holders were given the right to desposit their Trustees' Participation Certificates in exchange for BancoKentucky Company shares, by September 19, 1929 on the basis of two $10.00 par shares of Banco for each

[13] Ex. 24-3 Plan.
[14] Ex. 44 Trustees' Interim Receipt.

$10.00 par Trustees' Participation Certificate. Each depositing Trustees' Participation Certificate holder was offered the right to subscribe for additional Banco stock at $25.00 per share.

37. It is conceded that full publicity was given the Plan for the reorganization of the National Bank of Kentucky—Louisville Trust Company and to the activity of the holding company in acquiring shares of other banks and trust companies in the public press and in various financial and investment publications throughout the country.[15] Publicity of every kind was given to every step from the time the Plan was announced July 19, 1929 until just before the failure of the Bank-Trust Company and the holding company.[16]

38. The Reorganization Plan was printed and published in full in the public press. The substance of the information published was that the National Bank of Kentucky had organized BancoKentucky Company, a Delaware corporation, as a holding company to reorganize the National Bank

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[15] Stip. Par. 35.

[16] Ex. 122 p. 1893; Helm, Vol. III, p. 51; Dodd, Vol. II, p. 228, 286, Ex. 26 newspapers; Ex. 26-1 Am. Bkrs., Daily, clipping on Banco; Ex. 26-9 Letter from Am. Bkrs. to Banco; Ex. 26-8 Banco advises Am. Bkrs. that Banco was comprised of 6 named banks; Ex. 75 letter from Chicago Stock Exchange re listing 10/2/29; Ex. 209 Chicago Stock Exchange circular on Banco issued 10/2/29; Ex. 74 Banco's application to Chicago Stock Exchange for listing the holding company shares; Ex. 71 Banco's application to Louisville Stock Exchange for listing of holding company shares; Ex. 97 part of E. W. Hayes & Co. market letter October 1929; Ex. 172-B Blyth & Co. submits proof sheet to bank of data on Banco 10/7/29; Ex. 172-A proof sheet; Ex. 173 Blyth & Co. pamphlet on Banco; Ex. 172 copy of Blyth & Company's form letter circulated in Louisville 10/14/29; Ex. 114-2 New York broker writes Banco for information 10/14/29; Ex. 114-1 Banco's answer of 10/22/29; Ex. 98 Chicago Statistics Company submits, 11/5/29, analysis of Banco stock to appear in company's manual; Ex. 100 Chicago Statistics Company submits material on Banco to be published in January, 1930 edition of its manual of securities; Ex. 111-2 New York specialists in bank stock writes Banco 12/2/29; Ex. 111-1 Banco replies giving Banco's bank stock holdings; Ex. 101 THE ROUND-UP publication on Banco; Ex. 102 Barron's National Financial Weekly writes Banco about controlled banks and receives information on Banco's nine banks; Ex. 26-7 news item in the Commercial and Financial Chronicle of New York 11/23/29 on Banco; Ex. 210 Chicago Stock Exchange Circular issued April, 1930; Burkholder, Vol. II, p. 214.

of Kentucky and its business, to hold the stock of the Bank and to acquire control and operate a chain of banks and trust companies in the Middle West under the management of the officers and directors of the National Bank of Kentucky. BancoKentucky Company was to function as a holding company for bank stocks and to engage in activities along banking lines.[17] The plan was referred to as a "merger"[18] and a financial "combination"[19] of the National Bank of Kentucky, Louisville Trust Company and Banco-Kentucky Company. The Trustees' Participation Certificates were referred to as the "old" stock of the Bank and Banco shares as the "new" stock.[20] All the holding company stock was offered to and preempted in favor of National Bank of Kentucky shareholders in exchange for their bank stock and cash.[21] The cash[22] paid into the holding company and the later increase in its authorized capital stock[23] were intended to be used and were used primarily to acquire controlling stock interests in other banks. The holding company limited its investments principally and primarily to bank shares[24] and was a bank holding corporation, not an ordinary business corporation.[25] It was referred to as a banking institution, a banking company, en-

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[17] Ex. 26 p. 1176 Herald Post financial page Sept. 14, 1929.

[18] Ex. 26 p. 1178 Herald Post financial page Sept. 17, 1929.

[19] Ex. 26-1 American Bankers news item July 14, 1929.

[20] Ex. 26 p. 1173 Courier Journal financial page Aug. 17, 1929; p. 1179 Herald Post financial page Sept. 20, 1929; p. 1181 Courier Journal financial page Oct. 5, 1929; p. 1198 Herald Post financial page Mar. 8, 1930.

[21] Ex. 26-1 Am. Bkrs. item on Banco July 24, 1929; Ex. 24-3; Ex. 26 p. 1176 Herald Post financial page Sept. 14, 1929.

[22] Ex. 37-1; Ex. 37-15 correspondence between Bk. Vice Pres. J. J. Hayes and shareholders; Ex. 38-4; Ex. 38-5 correspondence between Bk. Vice Pres. H. J. Angermeier and shareholders; Ex. 74 p. 1723 Ans. to Chicago Stock Exchange questionnaire to be submitted to Committee on Listing giving history of Banco; E Taylor, Vol. III; p. 265, 266; H. Taylor, Vol. III, p. 257; Hieatt, Vol. III, p. 204.

[23] Ex. 209 Chicago Stock Exchange circular Oct. 2, 1929; Ex. 173 Blyth & Co. booklet on Banco; Ex. 101 THE ROUND-UP article on Banco; Ex. 210 Chicago Stock Exchange circular on Banco issued Apr. 1930.

[24] Ex. 173 Blyth & Co. circular on Banco.

[25] Ex. 101 THE ROUND-UP.

gaged in the banking business and its shares were described as bank stock.[26]

39. Immediately after the public announcement of the Bank's Plan of Reorganization, its officers, directors and employees began an intensive campaign to secure the exchange of all outstanding Trustees' Participation Certificates for holding company stock and subscriptions for its stock.[27] Copies of the Plan were distributed to prospective purchasers and used as a prospectus.[28] Shareholders who inquired were advised that one of the advantages of exchanging their Trustees' Participation Certificates for holding company shares was the avoidance of double liability.[29] Prospective shareholders were informed that the holding company would receive and distribute dividends from the Bank-Trust Company to its shareholders;[30] that the holding company would be operated and managed by the officers and directors of the Bank-Trust Company[31] and that cash subscribed to the holding company would be used to acquire controlling share interests in other banks.[32]

40. The Bank-Trust Company loaned and advanced about seven millions[33] of the $9,869,650.00 paid to BancoKen-

[26] Ex. 173 Blyth & Co. circular; Ex. 172 Blyth & Co. form letter circulated in Louis. Oct. 1929; Ex. 26 p. 1191 Herald Post fin. page Dec. 7, 1929; p. 1193 Courier Journal fin. page 12/22/29; p. 1195 Courier Journal Dec. 28, 1929.

[27] Ex. 27 Bean's letter to Brown 7/28/29 suggesting answers to questions being asked by stockholders about Banco; Ex. 30 Bean's letter to Dirs. 8/13/29 on how good had the investment been in Nat'l. Bk. of Ky. stock; Ex. 31 Bean's letter to Jones 8/24/29 re Judge Stites' opinion that Banco was merely a holding company and suggesting that Banco announce the purchase of 3 or 4 banks; Ex. 32 Bean's letter to Jones 9/5/29 and enclosed form letter to stockholders urging conversion of "old bank stock" into Banco stock; Dodd, Vol. II, p. 264; Hieatt, Vol. III, p. 204, 265.

[28] Exs. 36-5-6-7-9-10-16-17-18-23-26; Exs. 37-12-13-16-17; Ex. 38-4; Ex. 39-5 bank officers' correspondence with stockholders and prospective stockholders.

[29] Ex. 27 p. 1264; Ex. 37-2-3; Ex. 122 p. 1888 Louis. Tr. Co. Ans.; Ex. 123 p. 1909 Louis. Tr. Co. Ans.

[30] Ex. 36-11-24; Ex. 37-15.

[31] Ex. 36-11-19; Ex. 35-1-24; Ex. 39-8; Ex. 24-3.

[32] Ex. 37-1-5; Ex. 38-1-4; Ex. 74 p. 1723; Ex. 209; Ex. 173; Ex. 210; E. Taylor, Vol. III, p. 265, 266; H. Taylor, Vol. III, p. 257; Hieatt, Vol. III, p. 205.

[33] Ex. 134-5 Bean's letter to Brown Nov. 4, 1927 recounting the success of the campaign to secure exchange of Bank stock for Banco and subscriptions for its shares.

tucky Company on subscriptions for its shares,[34] which advances were chiefly secured by shares of the holding company. As soon as the Reorganization Plan was declared operative and before the subscriptions to holding company stock became payable, negotiations begun by the president of the Bank were concluded for acquiring controlling stock interests in the Pearl Market Bank and Trust Company of Cincinnati, Ohio and the Brighton Bank and Trust Company, also of Cincinnati, Ohio.[35] Thereafter the holding company acquired 47,854 shares of Pearl Market Bank stock (out of a total of 60,000 shares) for $2,200,388.30 in cash and 54,936 shares of BancoKentucky Company stock. It also acquired 43,290 shares of Brighton Bank stock for $3,323,409.90 in cash and 31,459 shares of BancoKentucky Company stock.[36]

41. All of the certificates issued by the National Bank of Kentucky and the Louisville Trust Company evidencing shares of their capital stock were deposited with the Trustees under the Trust Agreement of April 22, 1927, except a trust company certificate for 5 shares. Under the Plan of Reorganization the shareholders of the Bank-Trust Company exchanged 540,484 Trustees' Participation Certificates, representing 37,721.62 shares of the Bank-Trust Company stock for certificates issued by BancoKentucky Company. BancoKentucky Company became the record owner of 95% of the Trustees' Participation Certificates and subject to the liability of a record owner of that percentage of the Bank and Trust Company's stock.[37]

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[34] Ex. 124 Accountant's report of loans made by N. B. K. to finance Banco subscriptions; Ex. 134-5 Bean's letter to Brown of 11/4/29; E. Taylor Vol. III, p. 265; Stewart, Vol. II, p. 189; Dodd, Vol. II, pp. 55, 273; Vaughan, Vol. III, p. 32; Carroll, Vol. III, p. 166; Boomer, Vol. III, p. 241; Ex. 196 Report of losses on loans made by N. B. K. to pay subscriptions for Banco stock 9/5/29 to 11/7/29.

[35] Ex. 23 p. 1070; Dodd, Vol. II, p. 262; Ex. 23 p. 1073; Ex. 24-5 Banco's letter to stockholders 9/12/29 fixing 9/19/29 as last date for exchanging T. P. C.s for Banco and advising that several proposals from banks could not be acted upon until effective date of Plan.

[36] Stip. Par. 94, Vol. II p. 95.

[37] Stip. Pars. 90, 92, Vol. II, pp. 93, 94.

42. Superficially it appeared that the Trustees voted the Bank and Trust Company's stock, that the holding company voted the Trustees' Participation Certificates and that defendants and other holding company shareholders voted the stock of BancoKentucky Company. However, under the Trust Agreement the voting rights in all the Bank-Trust Company stock was vested in the six Trustees, directors of the Bank-Trust Company, subject to direction by the Advisory Committee, consisting of the entire board of directors of the Bank-Trust Company. All members of the Advisory Committee were directors of BancoKentucky Company and exercised voting rights of the holding company as registered holder of 95% of the Trustees' Participation Certificates. BancoKentucky Company and its directors and officers were controlled by defendants and all other holders of its shares. All directors of the Bank-Trust Company were, in accordance with the Plan of Reorganization, directors of the holding company.[38] The president, vice-president and secretary-treasurer of the holding company were the president, vice-president and cashier of the Bank.[39] Pursuant to the Plan of Reorganization the shareholders of BancoKentucky Company elected the directors of the Bank-Trust Company directors of the holding company. The directors of the holding company, by reason of its record ownership of 95% of the Trustees' Participation Certificates, then elected themselves directors of the Bank-Trust Company, and appointed the officers of the holding company, the officers of the Bank and the Trust Company, with whom they managed and controlled BancoKentucky Company, the Bank-Trust Company and the other banks and trust companies in which the holding company acquired controlling stock interests.[40] Persons who

[38] Ex. 24-3 Plan of Reorganization.

[39] Stip. Par. 93, Vol. II, p. 94; Ex. 23 p. 1099; Speed, Vol. III, p. 189.

[40] Ex. 79 p. 1779 Fed. Res. questionnaire on group banking and Banco's answer showing controlled banks; Girdler, Vol. III, p. 221; Carroll, Vol. III, pp. 162, 163.

had previously held certificates issued by the Bank or certificates issued by the Trustees at all times held at least 66.68% of the holding company's stock, the percentage held by them when the Bank closed.[41]

43. After the unification of the Bank and Trust Company, dividends were distributed to shareholders through the Trustees.[42] From the time the Plan of Reorganization became operative until the failure of the Bank 95% of the dividends declared by the directors of the Bank-Trust Company were distributed to holding company shareholders through the Trustees and the holding company.[43] The Bank, the Trust Company and the holding company dividends were all declared by the directors thereof and were payable at the same times.[44] From the unification of the Bank and Trust Company to their closing, November 16, 1930, each paid annual dividends equal to 16% of the par value of their capital. The annual dividend rate of the holding company was 8% of the par value of its outstanding stock. One $100.00 par Trustees' Participation Certificate or the ten $10.00 par Trustees' Participation Certificates into which the former was converted, paid dividends of $4.00 per quarter. A shareholder of the Bank, who deposited $100.00 in par value of Trustees' Participation Certificates under the Plan received twenty $10.00 par shares of Banco and thereafter received thereon dividends of $4.00 per quarter. The few who retained Trustees' Participation Certificates continued to receive only their proportionate part of the dividends paid by the Bank and the Trust Company. BancoKentucky Company shareholders

[41] Ex. 148 analysis of Banco's shareholders as of date of bank's failure; Ex. 198 summary showing outstanding shares of Banco Nov. 17, 1930 held by persons who had traded T. P. C.s for holding company; Helm, Vol. III, p. 65.

[42] Ex. 7 p. 20 Trs. Agree.; Ex. 8 p. 38 Trustees' Minutes.

[43] Ex. 69 Accountant's report of dividends rec'd. by Trustees and distribution to Banco from 10/2/29 to 11/17/30; Stip. Par. 117, Vol. II, p. 101.

[44] Ex. 127 Report of dividends declared by Bk.-Tr. Co. and Banco subsequent to 10/2/29.

received a smaller proportionate share of the dividends paid by the Bank and the Trust Company but they participated in the dividends paid by the other eight banks and trust companies in the holding company chain.[45] All of the income of the holding company (except $750.00 in dividends on insurance stock and $2707.40 as interest on stock subscriptions) came from the banking units in the holding company chain.[46] Three-quarters of its income came from the Bank-Trust Company. Defendants and other shareholders in BancoKentucky Company received all the dividends paid by the Bank, the Trust Company and the other bank and trust company units in the holding company chain on the shares registered in the name of the holding company.[47]

44. When the Bank failed 88.71% of Banco's 2,072,468 issued and outstanding shares were [48] held by persons who had participated in the Plan for Reorganizing the Bank by exchanging Trustees' Participation Certificates, or Interim Receipts (representing certificates deposited with the Trustees as agents for shareholders under the Plan) or shares of other banks which became units in the Banco chain, for Banco shares or had subscribed for Banco shares under said Plan. 66.68% of Banco's outstanding shares were then held by persons who had exchanged Trustees' Participation Certificates, or Interim Receipts for Banco shares. 10.56% of all outstanding Banco shares were held by persons whose shares were otherwise acquired.[49]

45. Persons who exchanged Trustees' Participation Certificates for holding company shares had contracted and

[45] Ex. 123 p. 1908 Louis. Tr. Co. Answer.

[46] Ex. 68 analysis of Banco operations 10/1/29 to 11/22/30.

[47] Ex. 68.

[48] Excluding 400,000 shares in the name of Caldwell & Co. and held by the Louis. Tr. Co. upon which no dividends were paid because the transaction under which they were issued was never consummated.

[49] Ex. 148 classification of Banco shareholders 11/17/30; Stip. Par. 120, Vol. II, p. 103.

promised to respond to the liability of a record owner for any assessment levied on the Bank's shares and registered in the names of the Trustees, in proportion to their holdings of Trustees' Participation Certificates, in addition to their liability as actual or beneficial owner of the Bank's stock.[50] Each executed a Subscription and Exchange form by which he acknowledged that he had deposited his Trustees' Participation Certificates with the Trustees, as his Agents, under the Plan of Reorganization.[51] Each received an Interim Receipt for the Trustees' Participation Certificates deposited with the Agent Trustees providing for their acceptance of holding company stock or the return of the Trustees' Participation Certificates depending upon the completion of the Plan of Reorganization.[52] Each knew that, as a holder of Trustees' Participation Certificates, he was personally liable to any assessment which might be levied on National Bank of Kentucky shareholders or Louisville Trust Company shareholders to the extent of the par value of his Trustees' Participation Certificates.[53] Each regarded Trustees' Participation Certificates as representing National Bank of Kentucky shares,[54] and the holding company stock received in exchange therefor as the same property in a different form.[55] None considered that he had received a taxable capital gain or suffered a deductible capital loss by reason of the exchange,[56] and in exchanging Trustees' Participation Certificates for hold-

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[50] Ex. 7 Trs. Agree.; Ex. 10 T. P. C.

[51] Agreed Order February 3, 1939.

[52] Ex. 44 Interim Receipt for deposited T. P. C.s.

[53] Helm Vol. III 70, 71, 72; Boomer Vol. III 233; H. Taylor Vol. III 255; Hieatt Vol. III 211; Speed Vol. III 181, 183; Carroll Vol. III 160.

[54] Stip. Par. 12, Vol. II p. 79; Ex. 26 pp. 1169-1170-1173-1174-1175-1178-1179-1181-1185 newspapers; Ex. 158-16 p. 2041.

[55] Ex. 25-5 Vaughan's letter to Brown 7/9/29; Ex. 123 p. 1906-7 Louis. Tr. Co. Answer; Ex. 122 p. 1888-90 Louis Tr. Co. Answer; Cammack Vol. III 129.

[56] Sackett Affidavit; Ex. 204 Speed's record of N. B. K. stockholdings; Ex. 25 Vaughan's opinion to Brown suggesting the clinching of shareholders' immunity to taxation; Ex. 25-5 Vaughan's letter to Brown 7/9/29.

ing company shares no out and out transfer was either contemplate dor effected. These exchanges were not sales and did not divorce the persons who had theretofore owned the Bank's stock from dividends and benefits of the ownership thereof.

46. All defendants who subscribed for holding company shares signed a Subscription and Exchange form [57] acknowledging that such subscription was under the Plan for Reorganization of the unified banks and their business, under the prospectus.[58]

47. All defendants who transferred to BancoKentucky Company shares of banks, other than the National Bank of Kentucky or the Louisville Trust Company, in exchange for holding company shares, knew that before such exchange they were shareholders in one bank and personally liable to assessment for the benefit of the creditors of such bank and that after such exchange they had proportionate interests in the banking units of the BancoKentucky Company chain, evidenced by certificates purporting to be non-assessable. They knew that their investment had changed from a share interest in one bank to a beneficial share interest in all banks in the chain.

48. It is conceded that defendants and all other BancoKentucky Company shareholders acquired their holding company shares in the belief that BancoKentucky Company would do the things indicated in the Plan of Reorganization [59] and with the expectation of securing a share in the profits resulting from the operations of the National Bank of Kentucky-Louisville Trust Company under the Plan of Reorganization. They all knew the primary purpose for the organization of BancoKentucky Company was to own, operate and control a chain of banks under the

[57] Ex. 24-4 Subscription and Exchange Form.
[58] Ex. 24-3 Plan, and Agreed Order February 3, 1939.
[59] Agreed Order February 3, 1939.

management and direction of the officers and directors of the National Bank of Kentucky and that the cash subscribed for holding company shares was to be used primarily and principally in the acquisition of additional banks.

49. BancoKentucky Company was not an operating company. It had no office or officers other than the office and officers of the National Bank of Kentucky. It had no directors or employees other than the directors and employees of the Bank-Trust Company.[60] During its corporate life it primarily and principally acted as a holding company for the stock of banks from which it received 99.73% of its income.[61]

50. The directors of the National Bank of Kentucky-Louisville Trust Company directed the affairs of these two banking associations. The same men were directors of the BancoKentucky Company [62] and through its stock control they nominated the directors and controlled the affairs and policies of all bank subsidiaries in the BancoKentucky Company chain.[63] The president of the Bank and of BancoKentucky Company was on the board of directors of all banks in the chain.[64] They declared the dividends to be paid by the unified Bank-Trust Company, controlled the

[60] Dodd Vol. II 237, 280, 281, 282; Carroll Vol. III 156, 173; Helm Vol. III 54; Ex. 73 p. 1713 Chicago Stock Exchange listing questionnaire; Speed Vol. III 189; Ex. 24-3 Plan; Ex. 23 Banco minutes.

[61] Ex. 74 Appl. to Chicago Stock Exchange; Ex. 71 Appl. to Louis. Stock Exchange; Ex. 31 Bean's letter to Jones 8/24/29 relating Stites' opinion that Banco was merely a holding company; Ex. 109 Banco's Federal income tax return for 1929; Cammack Vol. III 125; Ex. 122 p. 1891; Carroll Vol. III 151; Ex. 128 Banco's annual report to Delaware filed Jan. 7, 1930; Ex. 129 Banco's annual report to Delaware filed Dec. 31, 1930.

[62] Ex. 24-3 p. 1140; Ex. 23 p. 1085 Banco minutes; Ex. 161 p. 2057 Helm's letter to Ky. Atty. Gen. 8/29/29.

[63] Girdler Vol. III 221; Ex. 79 Fed. Res. investigation of branch and group banking; Ex. 23 p. 1099 Banco minutes; Ex. 92 p. 1822 Banco's letter to Cincinnati directors 1/14/30 supplying qualifying shares for 6 directors; Ex. 95 advised that Banco's stock in Cinti. bank placed in name of directors endorsed by directors; Ex. 91 Cinti. directors return dividends on qualifying shares; Ex. 90 Cinti. directors return dividends on qualifying shares; H. Taylor Vol. III 258.

[64] Ex. 115 Jones letter to Ashland Nat'l. Bank.

dividend policies of the other units in the chain and paid all dividends received from said banking units to the holders of BancoKentucky Company shares.[65] The holding company engaged in no activity other than the control and operation of banks and trust companies [66] except that, just before the collapse, it took over some of the Bank's worthless and most severely criticized assets at the insistence of National Bank Examiners.[67] The directors of the Bank considered Bank assets as holding company assets and vice versa,[68] and were frequently unable to distinguish between their actions as directors of the Bank and their actions as directors of the holding company.[69] BancoKentucky Company functioned only as a holding company for bank shares, dividends from which, with interest on holding company deposits in controlled banks, constituted its sole source of income.[70]

51. When the National Bank of Kentucky failed November 16, 1930, the holding company had no assets of any substantial value other than shares of bank and trust company stock.[71] It held shares in ten banks and trust companies on which it was liable, as owner of record, to stock assessments in the sum of $7,770,780.00.[72] BancoKentucky

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[65] Ex. 68 report on Banco operations; Ex. 127 report on dividends declared by Bank-Tr. Co.-Banco subsequent to 10/2/29; Stip. Par. 117, Vol. II p. 101.

[66] Ex. 73 p. 1713 Chicago Stock Exchange questionnaire; Ex. 72 Banco's letter to Chicago Stock Exchange 3/19/30 advising that Banco was a holding company for Bk.-Tr. Co. stock and owned no other property; Ex. 68 report on Banco operations; Ex. 26-8 Banco's letter to Am. Bkrs.; Ex. 209 Chicago Stock Exchange circular; Ex. 210 same; Ex. 71 Louis. Stock Exchange app.; Ex. 173 Blyth & Co. circular on Banco.

[67] Dodd Vol. II 276, 278; Helm Vol. III 73-74; Ex. 23 p. 1113 Banco minutes; Ex. 20 p. 983 Examiner's report 9/17/30, Exam. Neill's letter to Bd. of Dir. of 10/11/30 and Dirs. signed reply; Mooney Vol. II 168; Ex. 20 p. 934-5 Exam. Neill's comment on Banco-Caldwell contract; Helm Vol. III 100; Neill Vol. II 153; Stip. Par. 110, Vol. II p. 99; Speed Vol. III 189, 190; Ex. 21 p. 1041 Bk. Dirs. Minutes 10/9/30.

[68] Speed Vol. III 190, 191; Carroll Vol. III 171; Hieatt Vol. III 206, 207.

[69] Dodd Vol. II 251, 252; Hieatt Vol. III 215; Helm Vol. III 88; Ex. 163 Helm's letter to Bk. 4/30/30 enclosing statement for services in attempting to secure conversion of St. Bd. of Education T. P. C. into Banco.

[70] Ex. 68 analysis of Banco operations showing income, expenses and dividends.

[71] Ex. 66 p. 1678 Petition for appointment of Rec'r. for Banco.

[72] Stip. Par. 102, Vol. II p. 97.

Company was further indebted in the sum of $1,734,296.16 on notes payable, overdrafts and taxes.[73] Its only assets, outside of shares of bank and trust company stock, were 625 shares of Union Central Life Insurance Company stock, a $2,000,000.00 note of James B. Brown, President of the Bank and of the holding company, 10,000 shares of Caldwell & Company, $580,000.00 in notes of Murray Rubber Company and a $20,000.00 participating interest in notes of Louis Humphrey.[74] The insurance company stock was worth about $25,000.00,[75] the Brown note about $442,580.75, the value of the collateral.[76] The Caldwell & Company stock,[77] the Murray Rubber Company notes and the Louis Humphrey participation were worthless[78] when the holding company acquired them and the transaction through which Banco received the Caldwell stock was never consummated.

52. The Louisville Trust Company board of directors acted in conjunction with the board of directors of the National Bank of Kentucky and voted to close the Trust Company November 16, 1930. A 100% assessment was levied against the shareholders of the trust company July 3, 1931.[79]

53. The National Bank of Kentucky and the Louisville Trust Company, BancoKentucky Company and the other banking units in the holding company chain of banks were so closely associated and identified with one another in the minds of the public, stockholders and depositors in the several unit banks that the closing of the National Bank of Kentucky and the Louisville Trust Company precipitated

[73] Ex. 68 analysis of Banco operations; Ex. 126 analysis of assets on Banco records.
[74] Ex. 126 Banco assets.
[75] Stip. Par. 108, Vol. II p. 99.
[76] Stip. Par. 107, Vol. II p. 98.
[77] Dodd Vol. II 65; Carroll Vol. III 169; Helm Vol. III 103; Stip. Pars. 122-123, Vol. II p. 105.
[78] Neill Vol. II 149, 153; Speed Vol. III 189-190.
[79] Ex. 156 Circuit Court finding of insolvency of Louis. Trs.

runs on all other units of the BancoKentucky chain,[80] and the holding company's forced sale of its salable bank shares for nominal prices and the insolvency and receivership of the BancoKentucky Company.[81]

54. On November 24, 1931, the officers and directors of the Bank-Trust Company, acting as officers and directors of the holding company, filed a petition in the Jefferson County Circuit Court praying for the appointment of a Receiver.[82] The allegations of the petition were confessed by the holding company,[83] approved by the board of directors [84] and are admitted to be true in this case.[85] The petition asserted, among other things, that prior to the failure of the National Bank of Kentucky substantially all of the property and assets of BancoKentucky Company consisted of bank stock; that the failure of the bank made it impossible to continue the holding company for the purposes for which it was organized; that the holding company had immediately disposed of its stock in the Brighton Bank and Trust Company and Pearl Market Bank and Trust Company of Cincinnati, the Peoples Liberty Bank and Trust Company and Central Savings Bank and Trust Company of Covington, Kentucky, and stock of the Ashland National Bank, Ashland, Kentucky; that the stock of the First National Bank of Paducah was of doubtful value; that the proceeds of said sales with the stock of the National Bank of Kentucky and Louisville Trust Company constituted the only assets of the holding company. The sales of the sal-

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[80] Carroll Vol. III 171, 172; Ex. 23 p. 1120 Banco Dirs. Minutes 11/18/30.

[81] Ex. 23 p. 1118-19, 20, 21 Banco Dirs. Minutes 11/17/30; Ex. 179 report of special committee on sale of Cinti. & Covington banks 11/19/30; Ex. 23 p. 1122 Dirs. Minutes 11/19/30; Ex. 23 p. 1127 Dirs. Minutes 11/20/30; Ex. 23 p. 1128-29-31 Dirs. Minutes 11/29/29, 12/12/30; Ex. 122 p. 1891 Louis. Tr. Ans.; Ex. 123 p. 1909.

[82] Ex. 66 Petition for Rec'r. for Banco; Ex. 129 Banco's annual report to Delaware filed 12/31/30.

[83] Ex. 67 Banco's answer to Directors petition for receiver.

[84] Ex. 23, p. 1131 Dirs. approve holding company receiver.

[85] Dodd Vol. II 289; Carroll Vol. III 161, 162.

able bank stock were made for nominal amounts, for the purpose of preventing assessments against the holding company [86] and the sums received therefor by the holding company, with sums realized upon the sale of the holding company's other assets, have been only sufficient to pay a 7% dividend, in December, 1934, to creditors of the holding company.[87]

55. On November 20, 1930, the Bank and Trust Company directors, acting as holding company directors, authorized proceedings for the dissolution of the Trust under the Agreement of April 22, 1927, and the distribution of the Bank and Trust Company shares registered in the name of the Trustees to BancoKentucky Company.[88] Thereafter the Trust was dissolved on December 26, 1930,[89] and, in an action instituted by the Receiver of the holding company against the Trustees, the Jefferson Circuit Court directed the Trustees to distribute to the Receiver for the holding company 37,721.624 shares of the stock of the Bank and 16,326.77 shares of the Trust Company.[90] The bank was authorized to cancel 38,820 shares of its stock registered in the names of the Trustees and in lieu thereof to issue certificates for 37,721.624 shares to BancoKentucky Company as owner thereof.[91]

56. The Trustees, under the Trust Agreement of April 22, 1927, held the capital stock of the National Bank of Kentucky as agents for the registered holders of Trustees' Participation Certificates who were at all times subject to the liability of an owner of record of stock of the National Bank of Kentucky.

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[86] Ex. 179 Committee's report on sale of Cincinnati banks.
[87] Stip. Par. 112, Vol. II p. 100.
[88] Ex. 23 p. 1127 Dirs. Minutes 11/20/30.
[89] Ex. 8 p. 142, 145 Minutes of special meeting of Trustees 11/24/30 and 12/26/30.
[90] Ex. 8 p. 147 to 152 Minutes of Trustees special meeting 6/3/31.
[91] Ex. 8 p. 148 Trustees' Minutes 6/3/31.

57. BancoKentucky Company was organized by the officers, directors and the Trustees' Participation Certificate holders of the National Bank of Kentucky and Louisville Trust Company as a holding company, for their convenience, profit and advantage, and said company was the corporate agency and instrumentality of the shareholders thereof to hold bank stocks.

58. The holders of shares of BancoKentucky Company had and exercised, through the corporate agency of the holding company, all the rights and benefits of shareholders of the National Bank of Kentucky and of the Louisville Trust Company, to the extent of the Trustees' Participation Certificates and bank and trust company shares nominally registered in the name of the holding company, and used the holding company as a mere instrumentality and agency to own, control and operate a group of state and national banks.

59. At the time of the closing of the National Bank of Kentucky there were issued and outstanding 2,072,468 shares of BancoKentucky Company stock. The holders of said shares were the real, actual and beneficial owners of 37,721.6214 shares of the capital stock of that bank. Each of said BancoKentucky Company shares represented .01820130462 of a share of National Bank of Kentucky stock and the assessment thereon, with interest at 6% per annum, to the date this action was commenced, and less the dividend paid by the holding company, is 2.305386 per share.[92]

60. At the time of the levy of said assessment and requisition, upon shareholders of the National Bank of Kentucky, defendants were the record owners of the number of shares of stock of BancoKentucky Company set opposite

[92] Ex. 120 calculation of defendants' proportionate ownership of N. B. K. stock and assessment liability thereon.

their respective names on a schedule and list hereto attached and marked Exhibit A. The proportionate part of said assessment against each defendant is in the amount set opposite their respective names on said schedule.

61. In a suit filed by plaintiff's predecessor, *Laurent* v. *Anderson*,[93] plaintiff's predecessor recovered a judgment in an action at law against the Receiver of BancoKentucky Company for the assessment on the 37,721.6214 shares of National Bank of Kentucky stock by reason of the fact that the holding company was the holder of record of 540,484 Trustees' Participation Certificates ($10.00 par) issued under the terms of the Trust Agreement of April 22, 1927. The pleadings, evidence and opinions of the trial and appellate courts in that case show that the question presented for decision was whether BancoKentucky Company, by reason of its record ownership of Trustees' Participation Certificates, was liable as a shareholder of the Bank under Section 64 of the National Bank Act, or whether Section 66 of that Act exempted BancoKentucky Company, as a beneficiary under said Trust Agreement, from liability. BancoKentucky Company, and the four other Trustees' Participation Certificate holders involved in that case, were held liable to assessment. The claim of the plaintiff in that case is consistent with one of plaintiff's claims here, namely, that BancoKentucky Company held the Trustees' Participation Certificates as the corporate agency and instrumentality of the holders of shares issued by BancoKentucky Company who were the real and beneficial owners of the Trustees' Participation Certificates and the shares of the Bank's stock represented thereby. No claim of plaintiff in that case is inconsistent with any of plaintiff's claims here. None of the issues here presented for

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[93] 70 Fed. (2d) 819.

decision were involved in or decided by the decision and judgment in *Laurent* v. *Anderson*.

62. The case of *Anderson* v. *Atherton*[94] involved the Bank's claim against its directors for the recovery of losses alleged to have been sustained by the Bank on loans secured by stock of BancoKentucky Company and by reason of the alleged illegal payment of dividends in violation of Sections 56 and 60 of the National Bank Act. The plaintiff alleged, and defendants denied, that the directors were liable for losses sustained by the Bank on such loans under Section 93 of the Act, subjecting directors to personal liability for damages sustained through their knowing violation or their having knowingly permitted bank officers or agents to violate provisions of the Act, because such loans were made "on the security of the shares of its (the Bank's) own capital stock" within the prohibition of Section 83 of the Act. The Court of Appeals for this Circuit noted in its opinion[95] that it was only passing upon the question of whether or not there had been a violation of the express terms of the National Bank Act. As to the non-officer directors it found none. The officer directors were held responsible to repay the Bank's loss on such loans to the extent of $1,636,613.14.[96] The District Court dismissed plaintiff's petition as to all directors with respect to the claim that they were liable under Section 93 of the Act for violating Sections 56 and 60 of the Act in declaring and paying dividends and that claim was not further litigated.[97]

Neither the parties nor the causes of action in the directors' liability case and in this case are the same. Many of the evidentiary facts appearing in the record in that case

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[94] 86 Fed. (2d) 518.
[95] 86 Fed. (2d) 518, 537.
[96] Def't. Ex. 1, Vol. 1, p. 952-4.
[97] Deft's. Ex. 1, Vol. 1, p. 960.

are present here but such evidentiary facts were offered and considered in connection with entirely different issues. Much of the evidence in this case was not before the court in the Atherton case. None of the issues here presented for decision were necessarily or actually adjudged in that case. Plaintiff's claims in this case are consistent with all the issues decided in the Atherton case.

63. BancoKentucky Company was not a mere holding company for stock of the National Bank of Kentucky. It was created and conducted as a holding company for the shares of many banks. The purposes for its organization, as disclosed by its charter, were neither illegitimate nor unlawful. The use intended to be made of the corporation was not indicated by its charter powers. It was created primarily for the purpose of holding shares of National Bank of Kentucky and Louisville Trust Company stock and the shares of other banks and trust companies in the Ohio Valley to be acquired as units in the Banco group or chain of banks. The holding company secured cash subscriptions in the total amount of $9,869,650.00 but before those subscriptions were callable on October 1, 1929, the company had committed itself to purchase controlling stock interests in the Brighton Bank & Trust Company and the Pearl Market Bank & Trust Company in Cincinnati, Ohio, for which it paid a total of $5,523,798.20 in cash. By November 4, 1929, the holding company's cash was represented by a deposit in the National Bank of Kentucky in the sum of $3,300,000.00 and a deposit in the Louisville Trust Company in the sum of $550,000.00,[98] an amount insufficient to have responded to a full assessment on National Bank of Kentucky shareholders aside from the holding company's assessment liability of over $1,600,000.00 as a shareholder of the Louisville Trust Company

[98] Ex. 134-5.

and its assessment liability on the shares of the two Cincinnati banks it then held. Pursuant to this purpose, Banco ultimately acquired controlling share interests in ten national and two state banks and trust companies, eight of which were in Kentucky and two were in Ohio. When the Bank and Trust Company failed the holding company was subject to assessment liability on all its bank and trust company shares of over seven and three-quarter million dollars and its liability for borrowed money, taxes and bank overdrafts were about one million and three-quarters. Aside from bank stocks it had no assets of any substantial value.

BancoKentucky Company was a separate legal entity. It was neither the bank's alter ego nor instrumentality, but the corporate entity of this Company was designed to be used and was used as an agency and instrumentality to hold bank stock for the use and benefit of the persons holding shares of BancoKentucky stock. The purpose for the organization of the company and the use made of its corporate entity were in direct violation of the Kentucky statutes prohibiting the ownership of more than fifty per cent of any bank or trust company stock by one person or corporation, were contrary to the purpose and policy of the Federal statutes limiting branch banking, were in direct violation of the Kentucky statute prohibiting non-banking corporations from either directly or indirectly engaging in the banking business in any way and were constructively fraudulent as to the creditors and depositors of the National Bank of Kentucky, in that the effect of the use of a holding corporation in this manner and as a non-conductor of liability for assessment would be to circumvent and evade Section 64 of the National Bank Act and the statutes of Kentucky and Ohio, imposing double liability on shareholders of bank and trust companies.

CONCLUSIONS OF LAW

1. The Court has jurisdiction over this suit in equity.

2. There has been no misjoinder or improper joinder of parties defendant in this action.

3. The action and proceedings by the Receiver of the National Bank of Kentucky against BancoKentucky Company and its Receiver to collect the assessment upon the shares of the Bank, the findings and judgment therein and the recovery of a dividend on said judgment are not inconsistent with the facts upon which plaintiff's cause of action is based or the issues here and the defenses of election of persons, election of remedies, estoppel, res judicata and prior adjudication, allegedly arising because of the decision in *Laurent* v. *Anderson* and the recovery of a dividend on the judgment therein, are insufficient in law to constitute any defense to this suit.

4. No issue of fact or law here presented for decision has been decided or adjudged adversely to any claim made by plaintiff by the judgment and decision in *Atherton* v. *Anderson*, in which case the Bank, by its Receiver, sought to recover Bank losses incurred by reason of the violation of provisions of the National Bank Act by directors of the Bank. The decision, that shares of BancoKentucky Company stock were not shares of the Bank's own capital stock, within the prohibition of Section 83 of the National Bank Act, and that the Bank's non-officer directors were not liable for the losses sustained by the Bank on loans secured by BancoKentucky Company stock, under Section 93 of the National Bank Act, has no bearing on the question of the liability of any defendant in this case under Section 64 of said Act. Defendants here, who were directors of the Bank and defendants in the Atherton case, have not established any defense on the theory of res judicata or estoppel by judgment.

The principles of law laid down by the Sixth Circuit Court of Appeals in *Barbour* v. *Thomas*[99] under the doctrine of stare decisis, are equally applicable here since the controlling facts in the two cases are substantially the same with one exception. In that case the holding company certificates for shares contained an express recognition of the owner's personal liability to assessment on the bank stocks nominally held by the holding corporation while here the holding company certificates and charter contain provisions of contrary import. This difference is not favorable to defendants.

5. The holders of Trustees' Participation Certificates, issued under the Trust Agreement of April 22, 1927, under which the shares of the National Bank of Kentucky and the Louisville Trust Company were unified, were shareholders of the National Bank of Kentucky under Section 64 of the National Bank Act and, after the exchange of their Trustees' Participation Certificates for shares of stock in Banco-Kentucky Company, they continued their proportionate ownership of National Bank of Kentucky stock in a different form but, disregarding mere form for substance, they continued to be shareholders of the National Bank of Kentucky and subject to proportionate individual liability to assessment under said federal statutes. Furthermore, since such exchange was not a sale or out and out transfer, whereby they divorced themselves from all interest in the Trustees' Participation Certificates, the liability to assessment for which they had expressly contracted by the acceptance of Trustees' Participation Certificates also continued in effect.

6. BancoKentucky Company was a corporate convenience, agency and instrumentality created and controlled by the real shareholders of the National Bank of Kentucky

[99] 86 Fed. (2d) 510.

and held Trustees' Participation Certificates, representing 37,721.6214 shares of the capital stock of the National Bank of Kentucky as such agent, and trustee, or instrumentality for the persons who held certificates for shares issued by BancoKentucky Company.

7. The holders of certificates for shares issued by Banco-Kentucky Company were the real, actual and beneficial owners and holders of the 37,721.6214 shares of the capital stock of the National Bank of Kentucky represented by the Trustees' Participation Certificates registered in the name of BancoKentucky Company, and were the real and actual beneficial shareholders of said National Bank of Kentucky stock under Section 64 of the National Bank Act and are liable for the assessment levied upon the shareholders of said Bank in the proportion that the number of Banco-Kentucky Company shares held by them on November 17, 1930, or within sixty days prior thereto, bears to the total number of BancoKentucky Company shares then issued and outstanding, to wit: the sum of $2.305386 for each share of BancoKentucky Company stock.

8. The holders of certificates for shares issued by Banco-Kentucky Company, having voluntarily placed themselves in position to receive and exercise, and having received and exercised, the benefits and rights of shareholders of the National Bank of Kentucky with respect to 37,721.6214 shares of the capital stock of said Bank, are estopped to deny their personal and proportionate liability to pay the assessment upon shareholders of said Bank as to the depositors and creditors thereof.

9. The use of the corporate entity of BancoKentucky Company by the holders of shares of its stock as an agency and instrumentality to hold the legal title to assessable Trustees' Participation Certificates representing the assessable stock of the National Bank of Kentucky and the

legal title to the assessable capital stock of other banks and trust companies, and to own, operate and control a group or chain of state and national banks and trust companies for their use and benefit, without making provision for the protection of depositors and creditors of the National Bank of Kentucky in the event of an assessment upon its shareholders, and without providing BancoKentucky Company with substantial assets other than assessable bank shares or by BancoKentucky Company shareholders expressly assuming a proportionate personal liability to assessment, was and is constructively fraudulent as to the depositors and creditors of the National Bank of Kentucky. The holders of shares of BancoKentucky Company cannot shield themselves from personal liability to assessment as the actual, real, and beneficial shareholders of the National Bank of Kentucky by interposing the corporate entity of their agency and instrumentality, BancoKentucky Company, and declaring its shares to be non-assessable and their private property exempt from its debts.

10. BancoKentucky Company was created and conducted so that it in effect circumvented and violated state and federal laws based on sound public policy and designed for the protection of bank depositors and creditors. The shareholders of BancoKentucky Company are chargeable with knowledge of the use of this corporate entity to deny personal liability to assessment imposed by federal and state laws upon shareholders of national and state banks and trust companies, and its use to circumvent federal laws relating to branch banking, and state and federal laws providing for the supervision and regulation of the banking business. Said shareholders are chargeable with knowledge that said corporate entity was used to violate the laws of Kentucky with respect to the extent of the ownership of

bank or trust company stock by one person or corporation and the laws of Kentucky which prohibit any corporation either directly or indirectly engaging in any way in the banking business unless organized under banking laws. The shareholders of BancoKentucky Company are not entitled to the immunity from personal liability of shareholders of lawfully organized and conducted business corporations and are proportionately liable for the indebtedness of BancoKentucky Company, as registered owner of Trustees' Participation Certificates.

MOTION OF THE PLAINTIFF REQUESTING THE COURT TO MAKE CERTAIN SPECIFIED FINDINGS OF FACT AND CONCLUSIONS OF LAW

(Overruled in Open Court on June 5, 1940)

Now comes the plaintiff and respectfully moves the court as follows, to-wit:

1. To make each and all of the findings of fact and conclusions of law heretofore filed by the plaintiff and made a part of the record in this case in connection with the motion of the plaintiff for findings of fact and conclusions of law;

2. To make certain additional and supplemental findings of fact and conclusions of law in accordance with (a) the opinion of the court handed down May 13, 1938 (23 Fed. Sup. 265) overruling the motions to dismiss filed by the defendants, which proposed supplemental findings of fact and conclusions of law are hereto attached and marked Exhibit A; and (b) the opinion of this court handed down and filed in this cause on March 23, 1940, on the merits, which proposed supplemental findings of fact and conclusions of law are hereto attached and marked Exhibit B.

EXHIBIT A

SUPPLEMENTAL CONCLUSIONS OF LAW REQUESTED BY PLAINTIFF IN CONFORMITY WITH OPINION ON MOTION TO DISMISS

1. The statute of limitations is not a defense. An action against shareholders for an assessment does not accrue until the assessment is due and payable, in this case, on April 1, 1931.

2. As to the alleged multifariousness of the bill—the very nature of this proceeding warrants the court in overruling the motion to dismiss on this ground. There can be no real prejudice to any defendant by proceeding in equity. The interest of the parties under the allegations of the bill are necessarily common in most respects. To dismiss the bill and require the receiver to sue each separate defendant at law would be to destroy the very essence of equity and be a gross injustice to all parties. It would involve years of litigation and expense over the determination of questions which must of necessity apply to each individual defendant. There is a community of interest between the defendants on all material questions of law and fact and equity can more efficiently, promptly, inexpensively, and practically attain the ends of justice. *A. M. Anderson, etc.* v. *Elizabeth Atkinson et al.*, 22 F. Supp. 853.

3. As to res judicata—in the case of *Laurent* v. *Anderson*, the same matters were not directly in question. We have for determination a question that has not been finally determined in any other proceeding. I am of the opinion that res judicata is not a good defense.

4. *Laurent* v. *Anderson* does not fall within the scope of estoppel by judgment. *Tait, Collector of Internal Revenue*, v. *Western Maryland Railway Co.*, 289 U. S. 620, and *Lyon* v. *Perin & G. Mfg. Co.*, 125 U. S. 698.

5. The defense of election of remedies and persons is not sustained.

6. Counsel for defendants seek to distinguish the case at bar from *Barbour* v. *Thomas*, 86 F. (2d) 510. I cannot agree that simply by contracting for the statutory liability and so advertising there was anything added to the force of the statute. Neither do I agree that the statement in that opinion that "none of its stock was sold to the public nor issued to any persons other than the stockholders of the banks or their assignees" destroys it as an authority here.

7. BancoKentucky was a record owner of ninety-five per cent of the shares of the National Bank of Kentucky. All of the stockholders of Banco profited from the dividends produced by the stock of the National Bank of Kentucky, and they should be charged with knowledge of the assets of a corporation (Banco) in whose stock they invested and from which assets they derived benefits.

EXHIBIT B

SUPPLEMENTAL FINDINGS OF FACT AND LAW SUGGESTED BY PLAINTIFF IN CONFORMITY WITH OPINION

1. This is a stock assessment suit.

2. The plaintiff is the Receiver of the National Bank of Kentucky, hereafter referred to as the Bank.

3. The defendants are stockholders in BancoKentucky.

4. The officers and directors of the Bank, a national banking corporation, in conjunction with the officers and directors of the Louisville Trust Company, caused to be organized the BancoKentucky Company as a Delaware corporation.

5. At the suggestion of and through information furnished them by the officers and directors of the Bank and

Trust Company and the Trustees under the trust agreement of April 22, 1927, the stockholders of National Bank of Kentucky and the Louisville Trust Company ratified the formation of said BancoKentucky Company by depositing their Trustees' Participation Certificates, which represented 95% of the stock of the National Bank of Kentucky and exchanged the same for the stock of the BancoKentucky Company, receiving two shares of Banco stock, having a par value of $10.00, for one Trustees' Participation Certificate, having a par value of $10.00.

6. The National Bank of Kentucky was one of the largest and oldest banks in the South. Early in 1927 its capital, surplus and undivided profits were shown by its books to be $6,800,000 represented by 25,000 shares of stock with a par value of $100.00 per share.

7. In April of 1927, by an arrangement with the Louisville Trust Company under a unification plan, all of the stock of the Bank was transferred to six trustees. Shareholders were given in lieu thereof Trustees' Participation Certificates. The Bank, in November of the same year, entered into a unification agreement or reorganization plan with the Louisville National Bank & Trust Company, which finally resulted in a merger in 1929.

8. As early as October, 1927, the National Bank Examiner began to criticize certain large loans made by the Bank as sources "of potential danger of the bank," and suggested that diligent efforts be made to collect "these substandard assets."

9. The Comptroller of the Currency on December 12, 1927, addressed a letter to the Board of Directors of the Bank in which he stated the report of examination shows the Bank to be in a most unsatisfactory condition and seemed to be growing worse. He then pointed out many things which should be corrected and called attention to

abnormal overdrafts and items of credit which were dangerous.

10. In the examination of the Bank in March, 1928, many of these criticisms were repeated and emphasized. In October of the same year the Chief National Bank Examiner in a report listed the more dangerous items and pointed out that there were overdrafts aggregating $271,502.88, the largest amount of published overdrafts that had ever come to his attention. Overdue loans amounted to $1,768,112.28. This item was much too large. Slow and doubtful loans over $6,000,000 should receive vigorous attention. These and many other criticisms were directed to the attention of the Directors by the National Bank Examiners in the office of the Comptroller in reports and letters.

11. From February 11, 1927, when the merger of the Bank and Trust Company started, to May 25, 1929, the bank's deposits had shrunk from $56,736,000 to $35,089,000, a decrease of $21,647,000 or 38 per cent.

12. The average daily borrowings went from $3,830,018 during February, 1929, to $12,546,262. The Bank was deficient in its legal reserves on 72 days from January 4, 1929, to July 15, 1929, in amounts up to $1,972,385.

13. It was during this time, beginning in February, 1929, that Banco was conceived in the minds of the officers and directors of these unified banking houses. This proposed new corporation was discussed and organized throughout the months from February to September, 1929. It was incorporated under the laws of the State of Delaware on July 16, 1929.

14. On July 19, 1929, there was sent out to all holders of Trustees' Participation Certificates a letter which is Exhibit 24-3. This letter was signed by James B. Brown as President of the National Bank of Kentucky, Mr. Richard Bean, as President of the Louisville Trust Company, by

the six Trustees and all of the Directors of the merged Bank and Trust Company.

15. Complying with the recommendation contained in this letter the stockholders of 95% of the stock of the Bank exchanged their T. P. Cs., representing the stock of the Bank, for the stock of Banco.

This was done by September 16, 1929.

16. The Directors of Banco were all directors of the Trust Company and of the Bank. The trustees were directors either in the Trust Company or the Bank, or both, and were also directors of Banco.

17. In statements and letters of the directors and officers of the Bank and the Trust Company, Banco was referred to as a holding company and the suggested preface to the prospectus which it was proposed to send to the shareholders recited that the officers and directors had been "considering a reorganization of your banking institutions . . . in which the first step to be taken by our shareholders in this reorganization is the creation of a third corporation."

18. It was provided in Banco's charter, "The private property of stockholders shall not be subject to the payment of corporate debts to any extent whatever."

19. After being launched in September, 1929, the Banco-Kentucky Company immediately proceeded to purchase stock in other banks.

20. On November 16, 1930, the directors of the Bank resolved to suspend the further operation of the Bank. The following day, November 17, 1930, the Comptroller appointed a receiver.

21. As a result of the closing of the Bank, Banco was placed in a precarious position which resulted in the filing of a petition on November 24, 1930, by six stockholders of Banco, individually and as executive committee of Banco

against Banco praying that a receiver be appointed for Banco.

22. Banco entered its appearance and confessed the allegations of the petition and a receiver was appointed. The receiver of the Bank proceeded against the receiver of Banco for the amount of the assessment and secured a judgment.

CONCLUSIONS OF LAW

1. If the stockholders of BancoKentucky Company are in reality stockholders of the Bank they are subject to the assessment in this case, regardless of an intermediate corporation.

2. Courts are slow to recognize any corporation that has apparently defeated the purpose of the statute. The general public is invited to deposit its money in banks and thus place it in the care of those charged with the affairs of the bank. But the law requires that a bank should be a bank and not a business house. Deposits are made and credit extended to banks with utmost confidence. The depositor and creditor know, either actually or with some general understanding that if those in charge of the affairs of the bank or those who profit as stockholders by reason of that deposit lose the depositor's money through credits or investments they are required to put back from their private estates a certain amount to cover, or at least partially cover, the loss.

3. Efforts have been made repeatedly to avoid the provisions of the double liability statutes. The courts have consistently upheld the statutes both in the letter and in the spirit. Stockholders cannot accept the benefits derived from bank stock on the one hand and avoid the statutory liability on the other. *Barbour* v. *Thomas*, 86 F. (2d) 510 (6 C. C. A.).

4. The courts will lift the veil of a bank stock holding corporation and find the beneficial and true owners of the bank stock.

5. Stockholders who protest that they had no knowledge of any fraudulent purpose in the setting up of such a corporation will not be excused. *Metropolitan Holding Company* v. *Snyder*, 79 Fed. (2d) 263 (8 C. C. A.); *Fors* v. *Ferrell*, 271 Mich. 358.

6. The officers and directors of the Bank who suggested the formation of Banco were looking for an associate corporation of the Bank with unlimited charter powers through which they could express financial genius unknown hitherto in the Ohio Valley in an extension of the Bank's business.

7. The decision in the case of *Atherton* v. *Anderson*, 86 Fed. (2d) 518, is not res adjudicata of this case.

8. There were in fact interlocking directorates and Banco controlled the Bank, but this identity of stockholders and ownership of stock does not merge them into one corporation.

9. Banco's contract to purchase a half interest in Caldwell and Company was never consummated.

OPINION OF THE COURT

(Filed March 23, 1940)

This is a stock assessment suit. Section 64 National Banking Act (12 U. S. C. A. 64). The Plaintiff is the Receiver of the National Bank of Kentucky (hereafter referred to as The Bank). The defendants are stockholders in BancoKentucky (hereafter referred to as Banco).

The officers and directors of The Bank, a national banking corporation, in conjunction with the officers and directors of The Louisville Trust Company caused to be organized Banco, a Delaware corporation. At the sugges-

of and through information furnished them by these same officers and directors the stockholders of The Bank exchanged 95% of the stock of The Bank for the stock of Banco.

The Plaintiff contends that Banco was organized as a holding company for the stock of The Bank and that its stockholders are in reality stockholders of The Bank and subject to double liability. The Defendants contend that Banco was not a holding company but an operating corporation organized to engage in extensive business enterprises and that while the buying and holding of bank stock was to be one of its functions that was only incidental. In order for the plaintiff to recover he must sustain the burden of proof. *Schlener* v. *Davis*, 75 F. (2d) 371 (5 C. C. A.).

The proof must establish that Banco was a holding company for the bank stock of The National Bank of Kentucky. Whether it was such a holding company by reason of a fraudulent design to avoid a stock assessment or was organized with the purest of motives is of no consequence. The question is was it a holding company for this particular bank stock.

The record discloses a great mass of evidence, both oral and documentary. It is neither practical nor necessary to review all of it in this opinion.

The National Bank of Kentucky was one of the largest and oldest banks in the South. Early in 1927 its capital, surplus and undivided profits were $6,800,000.00, represented by 25,000 shares of stock of the par value of $100.00 per share.

In April of 1927 by an arrangement with the Louisville Trust Company (hereafter referred to as the Trust Company) under a unification plan all of the stock of The Bank was transferred to six trustees. Shareholders were

given in lieu thereof Trustees' Participation Certificates (T. P. Cs.). The Bank, in November of the same year, also entered into a unification agreement or reorganization plan with the Louisville National Bank and Trust Company, which finally resulted in a merger in January, 1929.

As early as October, 1927, the National Bank examiner began to criticize certain large loans made by The Bank as sources "of potential danger to the bank," and suggested that diligent effort be made to collect what he termed "these substandard assets."

The Comptroller of the Currency on December 12, 1927, addressed a letter to the Board of Directors of The Bank in which he said the report of examination shows The Bank to be in a "most unsatisfactory condition" and seemed to "be growing worse." He then pointed out many things that should be corrected and called attention to "abnormal" over-drafts and items of credit which were termed "dangerous."

In the examination of The Bank in March, 1928, many of these criticisms were repeated and emphasized. In October of the same year the Chief National Bank Examiner in a report listed the more dangerous items and pointed out that there were overdrafts aggregating $271,502.88, "the largest amount of published overdrafts" that had ever come to his attention. That overdue loans amounted to $1,768,112.28, and that this item was "much too large." Slow and doubtful loans of over six million dollars should receive "vigorous attention." These and many other criticisms were directed to the attention of the directors by the National Bank Examiners and the office of the Comptroller in reports and letters.

Evidence is produced to show that from February 11, 1927, when the merger of The Bank and Trust Company started, to May 25, 1929, the bank's deposits had shrunk

from $56,736,000.00 to $35,089,000.00, a decrease of $21,647,000.00, or 38 per cent.

The average daily borrowings went from $3,830,018 during February, 1929, to $12,546,262. The Bank was deficient in its legal reserves on 72 days from January 4, 1929, to July 15, 1929, in amounts up to $1,972,385.

It was during this time beginning in February, 1929, that Banco was conceived in the minds of the officers and directors of these unified banking houses. This proposed new corporation was discussed and organized throughout the months from February to September, 1929. It was incorporated under the laws of the State of Delaware on July 16, 1929.

On July 19, 1929, there was sent out to all holders of Trustees' Participation Certificates a letter advising them of the formation, incorporation and avowed purposes of Banco. This letter was signed by Mr. James B. Brown, as President of The National Bank of Kentucky, Mr. Richard Bean, as President of The Louisville Trust Company, by the six Trustees and by the directors of the merged Bank and Trust Company.

I quote this letter in full as I feel it is important to an understanding of this opinion:

This letter is as follows:

> "To the Holders of Trustees' Participation Shares, National Bank of Kentucky and The Louisville Trust Company:
>
> "1. Your Officers and Directors have studied the rapidly changing conditions in the banking business in America, with a view to preparing the two banking institutions under their management, to meet these changed conditions, and to take early advantage of new opportunities presented thereby.
>
> "2. The conclusion unanimously reached, as a result of their deliberations, is that the two banks, and the

business conducted by them, should be reorganized by adding to this group a third corporation, which will make the operations of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections.

"3. Such a reorganization is in line with the trend of business and finances in this country; and the strength and influence of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities, frequently presented in the course of business of the two banks, but not available to them, because of the restrictions upon their powers and activities.

"4. The following is the Plan of Reorganization agreed upon by the Officers and Directors of the two banks, and approved by formal Resolutions of the Trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

"5. There has been organized under the laws of the State of Delaware, a corporation known as The Banco-Kentucky Company, with an authorized capital of 2,000,000 shares, having a par value of Ten ($10.00) Dollars each. The stock will be exchanged or sold, in accordance with this Plan, on the basis of Twenty-five ($25.00) Dollars per share, which will give the Company a capital of Twenty Million ($20,000,000.00) Dollars, and a surplus of Thirty Million ($30,000,000.00) Dollars, or a total capital and surplus of Fifty Million ($50,000,000.00) Dollars. No stock will be sold by the Company at less than Twenty-five ($25.00) Dollars per share.

"6. The corporation is given broad charter powers, including the right to acquire stocks, bonds and other

securities of other corporations, and evidences of indebtedness created or issued by other corporations; the power to underwrite securities and take part in syndicate management, and to charge fees and commissions for its services in connection with the reorganization of financing of other corporations; the power to issue bonds and to guarantee the obligations of others and to become surety, guarantor and endorser thereof. The foregoing is merely a brief summary of the broad powers given the corporation; complete details of these powers appear in the Certificate of Incorporation of the Company, copies of which may be examined at the offices of the two banks by any one interested.

"7. It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participation Shareholders, and that it be managed and operated by the Boards of Directors and the officers of the two banks. The BancoKentucky Company, therefore, offers to the Trustees' Participation Shareholders of the National Bank of Kentucky and The Louisville Trust Company, through the Trustees as agents in the transaction, its entire capital stock, on the bases and subject to the terms and conditions hereinafter set out;

"8. It is an essential part of this Plan that:

"(a) On or before September 19, 1929, the holders of the Trustees' Participation Shares must deposit their certificates with the Trustees for exchange into the shares of The BancoKentucky Company; and for each Participation Share thus deposited, the Trustees will cause to be issued to the holder thereof, Two (2) shares of the stock of the new corporation. In addition thereto the depositing shareholder will have the right to subscribe for as many additional shares of the stock of The BancoKentucky Company as he may desire at the price of Twenty-five ($25.00) Dollars per share subject to allotment ratably if oversubscribed. Trustees' Participation Shareholders who fail to deposit their

shares on or before September 19, 1929, will be deemed to have waived their rights to thus exchange their shares and subscribe for stock in the new Company, unless the Trustees shall extent the time for deposit and subscription (as they may do in their discretion), in which event the Trustees' Participation Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time.

"(b) The entire Plan of Reorganization, and the deposit and subscription privileges and rights hereinabove set out, are all, and each of them is conditioned expressly upon the acquisition by the Trustees' Participation Shareholders, either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of The BancoKentucky Company; and further conditioned upon the acquisition by The BancoKentucky Company of at least a majority of the Trustees' Participation Shares issued and outstanding as of September 19, 1929.

"9. It is the unanimous recommendation of your Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees' Participation shareholders immediately deposit their shares under this Reorganization Plan, and that they exercise their right to subscribe to the additional shares of stock of the BancoKentucky Company.

"10. There is enclosed herewith a subscription from covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees, at their office, 421 West Market Street, together with your Certificate or Certificates for Trustees' Participation Shares, endorsed in blank and witnessed. There will be issued to you an Interim Receipt for the shares deposited which, when the Plan has become effective as above set forth, may be presented for exchange for the permanent certificates of the BancoKentucky Company, in accordance with the Plan of Reorganization."

Complying with the recommendation contained in this letter the stockholders of 95% of the stock of the Bank exchanged their T. P. Cs., representing the stock of the Bank, for the stock of Banco.

This was done by September 16, 1929, and on September 19, 1929, Banco was launched for business.

The directors of Banco were all directors of the Trust Company and of the Bank. The trustees were directors either in the Trust Company or the Bank, or both, and were also directors of Banco.

It is further pointed out that in statements and letters of the directors and officers of the Bank and the Trust Company, Banco was referred to as a holding company and the suggested preface to the prospectus which it was proposed to send to the shareholders recited that the officers and directors had been "considering a reorganization of your banking institutions . . . in which the first step to be taken by our shareholders in this reorganization is the creation of a third corporation."

It was provided in Banco's charter, "The private property of stockholders shall not be subject to the payment of corporate debts to any extent whatever."

It is not contended by the plaintiff that the Bank was insolvent in any sense of the word when Banco was organized or the holders of T. P. Cs. exchanged them for stock of Banco with knowledge of the impending failure of the Bank or that they actually knew of the condition of the Bank in 1929. But, that the officers and directors of the Bank, organizers of Banco, did know that it was in a failing condition and that T. P. C. holders are chargeable with constructive knowledge.

In his report of October 27, 1928, just before Banco was first discussed in February, 1929, National Bank Examiner, John S. Wood, estimated losses in the Bank as of that time

at $115,761. This amount was charged off during the examination leaving in the Bank its capital of $4,000,000.00, surplus of $2,000,000.00, and undivided profits and reserves of $771,010.00.

The regular quarterly dividend of $160,000.00 had been declared through May, 1929, without criticism of the bank examiner.

Banco secured from T. P. C. holders and the stock buying public $10,000,000.00 for 400,000 shares of stock, and after being launched in September, 1929, immediately proceeded to purchase stock in other banks. It also bought a small amount of insurance stock.

In January, 1920, it increased its capital to $50,000,000.00. This was made necessary partially by a sale of 250,000 shares to one customer.

In May, 1930, Banco entered into a contract with Caldwell and Company for a half interest in that company. Caldwell and Company was generally known to be the largest investment and securities house in the South and its financial soundness was unquestioned. The Secretary of Caldwell and Company testified that it did a gross business in 1929 of $75,000,000.00, and of $37,000,000.00 in the first five months of 1930.

Banco had its own capital and cash resources much larger than the capital and total resources of the Bank. Six hundred and forty-six T. P. C. holders bought Banco stock. The total amount of certificates owned by this number of shareholders was 143,762 of the par value of $10.00 per share. The same individuals purchased or subscribed for an additional 178,878 shares of Banco stock at a price of $25.00 per share. The directors, who were the organizers of Banco, had a total of 76,115 T. P. Cs. of the par value of $10.00 per share. They subscribed for 47,188 shares of Banco at $25.00 per share.

On November 16, 1930, the directors of the Bank resolved to suspend the further operation of the Bank. The following day, November 17, 1930, the comptroller appointed a receiver.

As a result of the closing of the Bank, Banco was placed in a precarious position which resulted in the filing of a petition on November 24, 1930, by six stockholders of Banco, individually and as executive committee of Banco against Banco praying that a receiver be appointed for Banco.

Banco entered its appearance and confessed the allegations of the petition and a receiver was appointed. The receiver of the Bank proceeded against the receiver of Banco for the amount of the assessment and secured a judgment.

The record further contains evidence of the following facts urged by the defendants as positive proof that Banco was not merely a holding company but was an operating business corporation and that owning the stock of the Bank was only incidental to its avowed and actual purposes and functions.

That at all times prior to the formation of Banco and during the months it was under discussion that the Bank was in such a sound financial condition that future insolvency of the Bank never occurred to anyone connected with it. That the capital and surplus were intact and in addition it had undivided profits of never less than $234,000.00.

That the report of National Bank Examiner Wood of May 25, 1929, which is strongly urged upon the attention of the Court by the plaintiff, was not reported to the Board of Directors until August 23, 1929.

That there was a general belief that the locality needed a business house such as the proposed Banco to do a so-called general investment banking business, to underwrite

and float bond and stock issues, and to carry on many legitimate business enterprises to make money but which were prohibited to the banks.

I have in this statement of facts undertaken to give many of the important features of the evidence on which each side relies to sustain its case. I have not undertaken to set out all of the facts or all of the important facts. The record is so voluminous and there are so many details from which inferences have been drawn in briefs that it would be entirely impracticable to state all of them. Much of the evidence is wholly irrelevant and immaterial to the issues presented.

The liability of the defendants is entirely statutory. They must be stockholders in the Bank. If they are stockholders in reality, regardless of an intermediate corporation, they are subject to the assessment. They are not stockholders in the Bank if Banco was an operating company and not merely a holding company.

Courts are slow to recognize any corporation that has apparently defeated the purposes of the statute. The general public is invited to deposit its money in banks and thus place it in the care of those charged with the affairs of the bank. But the law requires that a bank should be a bank and not a business house. Deposits are made and credit extended to banks with utmost confidence. The depositor and creditor know, either actually or with some general understanding that if those in charge of the affairs of the bank or those who profit as stockholders by reason of that deposit lost the money through credits or investments they are required to put back from their private estates a certain amount to cover or at least partially cover the loss.

Efforts have been made repeatedly to avoid the provisions of the "double liability" statutes. The Courts have

consistently upheld the statutes both in the letter and in the spirit. Stockholders cannot accept the benefits derived from bank stock on the one hand and avoid the statutory liability on the other. *Barbour* v. *Thomas*, 86 F. (2d) 510 (6 C. C. A.).

The courts will lift the corporate veil of a sham corporation and find the beneficial and true owners of the bank stock. *Laurent* v. *Anderson*, 70 F. (2d) 819 (6 C. C. A.); *Pauly* v. *State Loan & Trust Co.*, 165 U. S. 606; *Early* v. *Richardson*, 280 U. S. 496; *Nettles* v. *Rhett*, 94 F. (2d) 42; *Ohio National Bank* v. *Hulitt*, 204 U. S. 162; *Christopher* v. *Norvell*, 201 U. S. 216, 5 Am. Cas. 740; *O'Keefe* v. *Pearson*, 73 F. (2d) 673 (1 C. C. A.); *Corker* v. *Soper*, 53 F. (2d) 190 (5 C. C. A.).

Stockholders who protest that they had no knowledge of any fraudulent purpose in the setting up of the corporate shell have not been excused. *Metropolitan Holding Company* v. *Snyder*, 79 F. (2d) 263, 103 A. L. R. 912 (8 C. C. A.); *Fors* v. *Farrell*, 271 Mich. 358, 260 N. W. 886.

Each case must, of course, rest on its own facts. I do not believe that the proof in the case at bar brings it within the rule. On the contrary I am of the opinion that Banco was established for its avowed purposes, with no thought, on the part of any of its organizers, of avoiding double liability on their bank stock.

The Court takes cognizance of the fact that at the time of the organization this country was probably in the highest state of credit inflation it has experienced. I do not think that the officers of the bank who suggested the formation of Banco entertained any suspicion that the Bank would ever fail. They were not looking for a holding company for the stock of the Bank, but for an associate corporation of the Bank with unlimited charter powers through which they could express financial genius hitherto unknown

in the Ohio Valley. They were suffering not so much from fear of impending disaster, but from a Napoleonic complex not uncommon to the times.

The stockholders and directors obligated themselves to pay more for the new issues of stock than their liability would have been on the stock of the Bank they held. The holders of T. P. Cs. had at the time Banco was formed a potential assessment liability of $1,437,620.00 in the event both the Bank and Trust Company failed. Their obligation for new stock purchased in addition to that exchanged was $4,471,950.00. The directors' greatest potential assessment on the T. P. Cs. held was $761,150. The directors purchased new stock in Banco for $1,179,750. They thus actually paid out or were obligated to pay more than their full assessment could have been.

I do not believe the decision in the case of *Atherton* v. *Anderson*, 86 F. (2d) 518, is res judicata of this case but it is certainly strong authority for the proposition that Banco was in reality what its sponsors claimed it to be in their letter of July 19, 1929. *Kentucky Coal Lands Co.* v. *Mineral Development Co.*, 219 Fed. 45 (6 C. C. A.).

I quote certain language of the opinion in the Atherton case which I consider very appropriate:

> "We come then to the question whether the relation between the bank and the BancoKentucky Company was such that a court of equity would be warranted in disregarding the existence of Banco as a separate corporate entity. It is true that Banco was conceived in the vaulting imagination of the president of the bank; that it was promoted and fostered by the appellants; that the directorates of the two corporations, though not identical, overlapped; that the great majority of trust participation certificates representing stock in the bank became the property of Banco, and that there is a suggestion of identity in the name adopted for the

new company. But Banco was not a mere holding company for the bank's stock. It was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegitimate nor unlawful. It had its own capital with resources at one period almost twice the entire capital and surplus of the bank. While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and it was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See *Laurent* v. *Anderson*, supra. Its separate corporate existence was recognized by the very receiver on whose behalf we are now asked to ignore it."

The facts do not establish that Banco was an empty shell, but a very real entity actively acquiring capital assets. To hold otherwise is to deny an established fact. *Laurent* v. *Anderson*, 70 F. (2d) 819.

There were in fact interlocking directorates and Banco controlled the Bank, but this identity of stockholders and ownership of stock does not merge them into one corporation. *Pittsburgh & Buffalo Co.* v. *Duncan*, 232 Fed. 584 (6 C. C. A.); *Kentucky Electric Power Co.* v. *Norton Coal Mining Co.*, 93 F. (2d) 923.

Although never consummated, Banco's contract to purchase a half interest in Caldwell and Company was a step toward carrying out its avowed purposes.

A review of the record is convincing that while there were irregularities in the handling of some of the credit

accounts and some of these accounts had become much too large the soundness of the Bank and its ability to meet its obligations could not be questioned until long after the formation of Banco.

Courts *should not lose sight of the fact that many things* which occurred in the late twenties may appear now to be both careless and corrupt. Many small men were pushed into positions of great power. Many men of character and ability were lulled into a false sense of security.

In the financial world apparently everything succeeded. Success was measured in terms of bigness and mass production. Unfortunately banks which we had learned to think of as safe investments for stockholders and security for savings in many instances led the parade in speculating with the funds entrusted to them.

The crash of October, 1929, was inevitable, but unexpected. We must realize that after all many institutions that failed would have been heralded as great successes for a few years at least had they been started in 1926 or 1927. Take for example the complex financial structure built up as Caldwell and Company. I am inclined to believe that Banco-Kentucky would have had a brilliant career of a few months if it had been launched in 1927 instead of 1929.

I do not mean that the courts should modify their judgment or depart from time honored principles of equity by constantly referring to the distinction between the fanciful prosperity of the late twenties and the grim realities of the early thirties.

We have used the "depression" as an excuse for too many things already. It should, however, be borne in mind in considering the motives in the minds of the organizers of Banco at the time it was discussed and finally chartered.

Interlocking directorates may not contribute to the free competition so necessary to the health and well being of

the body politic, but they were not unlawful. It may not have been good business to organize Banco and purchase its stock with T. P. Cs., but there was nothing in the law that prohibited it. A corporation could buy bank stock, either with money or by an exchange of stock. *Citizens Bank of Shelbyville* v. *Mutual Trust Co.*, 206 Ky. 86.

It is my opinion that Banco was not merely a holding company, but was formed for the purposes set out in the letter of July 19, 1929, and for no other purpose. That it was not formed as a medium or agency through which to avoid double liability on the stock of the Bank. The stockholders of Banco are not stockholders of the Bank within the meaning of the Statute.

The plaintiff's bill should be dismissed. Counsel will submit findings of fact, conclusions of law and judgment in accordance with this opinion.

MAC SWINFORD.

March 23, 1940.

FINDINGS OF FACT AND CONCLUSIONS OF LAW ENTERED JUNE 29, 1940

(Filed June 29, 1940)

1. The National Bank of Kentucky was, at all times mentioned in the Bill of Complaint, a national bank; The Louisville Trust Company was a State Bank and Trust Company organized under the laws of Kentucky. These corporations will be referred to as the Bank and the Trust Company, respectively.

2. The BancoKentucky Company was a corporation organized under the General Corporation Law of the State of Delaware and will be referred to as Banco.

3. The Trust Agreement was entered into as of April 22, 1927. In order that the Bank might have $4,000,000.00 out-

standing capital as of April 22, 1927, by resolution of its directors, and on approval of the Comptroller, it declared and paid a stock dividend of 60%, increasing its original capital from $2,500,000.00 to $4,000.000.00.

4. All of the stock of the Bank as well as all of the stock of the Trust Company, except five shares, were transferred to the Trustees under the trust aforesaid, of record, except qualifying shares of the directors of both institutions, and the directors of the Trust Company were elected as Directors of the Bank. Also, the Directors of the Bank were elected as directors of the Trust Company, immediately following the execution of the trust, and pursuant to its terms.

5. The directors of both institutions at that time, deposited their qualifying shares with the Trustees, upon an agreement in writing that these shares would be surrendered to the directors on demand, and these qualifying shares remained with the Trustees under the above agreement until the close of the Bank. Each director signed an agreement with the Trustees that upon his death, insolvency, attachment, or upon ceasing to be a director in either of the institutions, they or their heirs, assigns or personal representatives, would transfer their shares to the Trustees, and receive therefor Trustees' Participating Certificates. The directors regularly received the dividends on their shares from that time forward and during their terms of office. For each share of stock deposited with the Trustees of either the Bank or the Trust Company, they issued what is known in the record as Trustees' Participating Certificates or Receipts, par for par, and subsequently the Trustees reduced the par value of these Trustees' Participating Receipts from $100.00 per share to $10.00 per share. The Trustees' Participating Receipts will be hereinafter referred to as T. P. C.'s.

6. The Bank was one of the largest and oldest banks in the South. Early in 1927, its capital, surplus and undivided profits were $6,800,000.00, represented by 25,000 shares of stock of the par value of $100.00 per share.

7. In January, 1929, a consolidation was entered into between the Trust Company and the Louisville National Bank, another bank in Louisville, under the terms of which the Trust Company increased its capital from $1,000,000.00, divided into 10,000 shares, to $1,750,000.00, divided into 17,500 shares, and issued to the Trustees the increase of 7,500 shares, who, in turn, issued T. P. C.'s, against the same, which were delivered to the stockholders of the Louisville National Bank aforesaid, for this stock, and as a part of the merger, the directors of the Louisville National Bank were elected to the board of the Trust Company, and elected to the board of Banco, but were never elected to the board of the Bank.

8. Beginning as of July 1, 1927, and thereafter during the entire period from that time to November 16, 1930, the Bank and Trust Company regularly declared and paid dividends at the rate of $4.00 per share quarterly. The Trustees received these dividends, except on the qualifying shares of Directors, and made distribution thereof to the T. P. C. holders.

9. In 1927 and thereafter, the National Bank Examiners, in their reports, and the Comptroller of the Currency, in his letters addressed to the board, criticized certain large loans and overdrafts made by the Bank as sources of potential danger to the Bank, and made various suggestions as to, what was termed as, "substandard assets." The Bank was deficient in its legal reserves on seventy-two days, from January 4, 1929, to July 15, 1929, in amounts up to $1 /2,358.00. During the period from May 25, 1929,

to the date of the close of the Bank, its deposits varied in accordance with the following amounts:

	1927	1928	1929	1930
		(10)		
February 11,	56,741,470.31	47,261,239.08	45,821,333.86	43,507,978.86
		(10)		
March 11,	*51,888,778.07*	44,189,325.93	43,726,810.71	40,268,997.43
April 11,	50,777,172.35	44,650,366.22	38,016,688.75	36,822,560.13
				(12)
May 11,	51,164,355.18	42,323,744.22	36,624,369.67	36,929,297.02
June 11,	46,963,658.24	40,934,376.12	36,375,579.19	34,850,605.94
July 11,	45,115,620.20	40,942,412.73	34,915,232.93	35,953,029.09
		(10)	(10)	
August 11,	46,929,580.60	38,799,544.76	34,481,395.39	35,162,070.75
	(12)			
September 11,	48,898,923.35	39,774,825.90	38,148,064.58	40,969,642.91
October 11,	46,716,416.59	41,150,315.14	43,488,919.79	35,703,208.17
	(10)	(10)	(12)	(12)
November 11,	44,915,437.15	38,554,234.17	39,862,806.11	32,178,276.45
November 17,		37,698,845.82	38,332,650.10	27,028,157.66

(The above figures were taken from plaintiff's exhibit 12.)

10. Beginning in February, 1929, the officers and directors of the Bank and Trust Company, along with the Trustees under the unification plan, discussed and later organized the BancoKentucky Company, hereinafter referred to as Banco. It was organized under the laws of the State of Delaware on July 16, 1929.

11. The charter of Banco provided for the issues of 2,000,000 shares of its common capital stock of the par value of $10.00 each, and the scope of its business, under its charter, was:

> "The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State

of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds, of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation.

"The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.

"The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge, deed of trust or otherwise. The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

"The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety therefor and to become joint maker, endorser or acceptor of any such obligations and to charge fees and commissions for such services.

"The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

"In general, the corporation shall have full power to carry on any other business in connection with the foregoing whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

"The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation."

15. Section VIII of Banco's charter provided:

"The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever."

12. After a prospectus of Banco had been prepared, and on July 5, 1929, following a meeting of the Board of Directors of the Bank, James B. Brown, President of the Bank, requested of Robert F. Vaughan, member of the Board of the Trust Company and an attorney, an opinion as to whether there would be a taxable gain upon the exchange of Banco shares (it having been agreed that Banco would issue two of its shares for one T. P. C.).

13. On July 6, 1929, Vaughan addressed a letter to James B. Brown, President of the Bank, in which he called attention to certain provisions of the Federal Revenue Act and then said:

"(2) We believe that the BancoKentucky Company will be treated as a reorganization, provided it acquires not less than a majority of the Trustees' Participating Shares. A reorganization is defined in the Revenue Act as a merger or consolidation, including the acquisition by one corporation of at least a majority of the voting stock of another corporation. For the purposes of our transaction, it is our opinion that the Trustees for the National Bank of Kentucky and The Louisville Trust Company will be treated as an Association or corporation. This opinion is based upon two facts:

> "'a. Because the Rules and Regulations Section of the Income Tax Unit have held that Trustees, under similar trust agreements, are to be treated as an association or corporation for income tax purposes; and
>
> "'b. Because under Section 701 of the Revenue Act of 1918, the term, corporation, is defined to include "association."'

"Assuming that we are right in the foregoing conclusions, then, no taxable gain will be realized as a result of the exchange of the shares, under Subsection 3 of Section 112, Revenue Act of 1928, which reads as follows:

> "'No gain or loss shall be recognized if stock or securities in a corporation, a party to a reorganization, are in pursuance of the plan of reorganization, exchanged solely for stock or securities in such corporation, or, in another corporation, a party to the reorganization.'

"Of course, the foregoing section would apply only in the event the department should treat the Trustees, for the National Bank of Kentucky and The Louisville Trust Company, as a corporation, for, in that event, the Trustees would be a 'party to the reorganization' within the meaning of the above section, and the BancoKentucky Company would be the other party

thereto. It is our best opinion, as above stated, that the Trustees would be so treated by the department, and, therefore, that no taxable gain would result from these transfers.

"In order to clinch our right, as far as possible, to claim for our stockholders the immunity provided for in the above section, we believe it will be necessary to add a clause to the prospectus, providing that, the offer of the BancoKentucky Company stock on the plan outlined is conditional upon the acceptance thereof by at least a majority in interest of the Trustees' Participation Shareholders."

14. Before the opinion of Vaughan was written to Brown, a prospectus of Banco had been prepared, and did not contain any reference therein to the word "reorganization," nor did it provide for the necessity of securing a majority of the T. P. C.'s.

15. The Trustees under the Trust Agreement aforesaid, and following the opinion of Robert F. Vaughan aforesaid, employed Miller & Chevalier as attorneys in fact "for the purpose of obtaining a ruling as to whether the trust, created by said Trust Agreement, is an 'association' within the meaning of the Revenue Act of 1928, as applied to the provisions relating to stamp tax and income tax levied under the acts with powers of revocation and substitution."

16. An information ruling was obtained from the Revenue Department, and was reported to the Trustees as follows:

"The gentleman gave as his opinion (without opportunity to study the history of the entire transaction) that it was highly important that every preliminary paper, resolution, etc., dealing with this company and its reorganization, should clearly recite that the Company is a 'reorganization' within the purview of the Revenue Act of 1928.

"In other words, the issue and delivery of two shares of stock of the Company, for one Trustees' Participating Share, must be made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property.

"I believe we can accomplish this result, without in any wise impairing the structure of the set-up already agreed upon, by prefacing the prospectus with some general remarks, as per the enclosed draft herewith submitted for your criticism."

17. Mr. Vaughan then drew a preface to the suggested prospectus, conforming with the foregoing opinions as to the provisions of the income tax law.

18. The prospectus of the company was then rewritten in the form of a letter to the T. P. C. holders, dated July 19, 1929, which letter was as follows:

"OFFICE OF TRUSTEES
Louisville, Ky.
July 19, 1929.
Reorganization Plan
for
National Bank of Kentucky and The
Louisville Trust Company
In connection with
The BancoKentucky Company.

"To the Holders of Trustees' Participation Shares, National Bank of Kentucky and The Louisville Trust Company:

"Your officers and directors have been studying the rapidly changing conditions in the banking business in America, with a view of preparing the two banking institutions under their management to meet these

changed conditions, and to take early advantage of new opportunities presented thereby.

"The conclusion unanimously reached as a result of these deliberations, is that the two banks and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the assets of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections.

"Such a reorganization is in line with the trend of business and finance in this country; and there can be little doubt that the assets of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities frequently presented in the course of business of the two banks, but not available to them because of the restrictions upon their power and activities.

"The following is the Plan of reorganization agreed upon by the officers and directors of the two banks, and approved by formal Resolution of the trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

"1. There has been organized under the laws of the State of Delaware a corporation known as the Banco-Kentucky Company with an authorized capital of 2,000,000 shares, having a par value of ten ($10.00) dollars each. The stock will be exchanged or sold in accordance with this Plan on the basis of twenty-five ($25.00) dollars per share, which will give the Company a capital of twenty million ($20,000,000.00) dollars, and a surplus of thirty million ($30,000,000.00) dollars, or a total capital and surplus of fifty million ($50,000,000.00) dollars. No stock will be sold by the

company at less than twenty-five ($25.00) dollars per share.

"2. The corporation is given broad charter powers, including the right to acquire stocks, bonds and other securities of other corporations and evidences of indebtedness created or issued by other corporations; the power to underwrite securities and take part in syndicate management and to charge fees and commissions for its services in connection with the reorganization or refinancing of other corporations; the power to issue bonds and to guarantee the obligations of others and to become surety, guarantor and endorser thereof. The foregoing is merely a brief summary of the broad powers given the corporation; complete details of these powers appear in the Certificate of Incorporation of the Company, copies of which may be examined at the offices of the two banks by any one interested.

"3. It is an essential part of this reorganization that the shares of this Corporation (or at least a substantial majority thereof) be owned by the Trustees' Participating Shareholders, and that it be managed and operated by the Boards of Directors and the Officers of the two banks. The BancoKentucky Company, therefore, offers to the Trustees' Participating Shareholders of the National Bank of Kentucky and The Louisville Trust Company through the trustees as Agents in the transaction, its entire capital stock on the basis and subject to the terms and conditions hereinafter set out;

"It is an essential part of this Plan that:

"(a) On or before September 19, 1929, the holders of the Trustees' Participating Shares must deposit their certificates with the Trustees for exchange into the shares of the BancoKentucky Company; and for each Participating Share thus deposited, the Trustees will cause to be issued to the holder thereof, two (2) shares of the stock of the new corporation. In addition thereto, the depositing shareholder will have the right to subscribe for as many additional shares of the stock of the BancoKentucky Company as he may desire

at the price of Twenty-five ($25.00) Dollars per share, subject to allotment ratably if over-subscribed. Trustees' Participating Shareholders who fail to deposit their shares on or before September 19, 1929, will be deemed to have forfeited their rights to thus exchange their shares and subscribe for stock in the new company, unless the trustees shall extend the time for deposit and subscription (as they may do in their discretion), in which event the Trustees' Participating Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time.

"(b) The entire Plan of Reorganization and the deposit and subscription privileges and rights hereinabove set out are all, and each of them, is conditioned expressly upon the acquisition by the Trustees' Participating Shareholders either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of the BancoKentucky Company, and further conditioned upon the acquisition by the BancoKentucky Company of at least a majority of the Trustees' Participating Shares issued and outstanding as of September 19, 1929.

"4. It is the unanimous recommendation of the Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees' Participation Shareholders immediately exchange their shares under this Reorganization Plan and that they exercise their right to subscribe to the additional shares of stock of the BancoKentucky Company.

"There is enclosed herewith a subscription form covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees at their office, 421 West Market Street, together with your certificate or certificates for Trustees' Participation Shares endorsed in blank and witnessed. There will be issued to you an Interim Receipt for the shares deposited, which when the Plan has become effective as above set forth may be presented for ex-

change for the permanent Certificates of the Banco-Kentucky Company, in accordance with the Plan of Reorganization."

19. Banco was established for its avowed purposes with no thought on the part of any of its organizers of avoiding double liability on their Banco stock.

20. The prospectus of date July 19, 1929, was mailed to each T. P. C. holder.

21. On September 20, 1929, the day after the closed date for deposit and subscription for Banco stock, a meeting of its Directors was held. At this meeting it was reported to the Board that as a result of the efforts of the organizers of the Company, Six hundred thousand (600,000) shares of its stock had been subscribed for at $25.00 a share; that the deposit of T. P. C.'s for exchange was almost unanimous and the Board then reserved for exchange so as to cover all of the T. P. C.'s 1,150,000 shares of Banco stock, which, with the sale of 600,000 disposed of 1,750,000 shares, leaving 250,000 shares of the authorized issue undisposed of. Mr. Brown, President, asked the Board for and was granted authority to sell the 250,000 shares left at $25.00 per share.

22. When the Board ascertained that the deposit of T. P. C.'s for exchange for Banco stock on the ratio of two shares of Banco for one Participating Share was almost unanimous, it set in motion plans to amend the charter of Banco increasing its capital from 2,000,000 shares to 5,000,000 shares.

23. In January 1930, the charter of Banco was amended and its authorized capital increased from 2,000,000 shares to 5,000,000 shares, which was pursuant to the plans to that effect.

24. On September 27, 1929, and at a meeting of the Board of Banco, a minute was made authorizing a con-

tract with Blyth & Company and H. M. Byllesby & Company for the sale of 250,000 shares of Banco stock at $25.00 per share.

25. Banco collected on call, and from the subscribers to its stock, in cash $9,869,650.00 or $25.00 per share for 394,786 shares.

26. Although the prospectus of July 19, 1929, and subscriptions for stock thereunder were confined to the T. P. C. holders, the public generally subscribed for or bought stock of Banco, and the organizers of the company sought to sell stock generally to the public.

27. The Directors of Banco, at the time of the formation of that company, owned 76,115 T. P. C.'s, which they exchanged for 152,230 shares of Banco. The maximum possible assessment liability on these T. P. C.'s was $761,150.00.

28. In addition to the T. P. C.'s exchanged, the directors of Banco subscribed for 47,188 shares and paid to the company in cash $1,179,750.00.

29. Prior to the organization of Banco there were 2,225, in number, T. P. C. holders.

30. On January 1, 1930, Banco had 5,660 stockholders; on April 1, 1930, Banco had 5,717 stockholders; on July 1, 1930, Banco had 6,000 stockholders and on October 1, 1930, Banco had 5,930 stockholders.

31. Of the 2,225 T. P. C. holders, and as of October 21, 1929, 646 of them subscribed for 178,878 shares of Banco at $25.00 per share and paid to Banco in cash $4,471,950.00, in addition to the stock exchanged.

32. Between September 25, 1929, and November 22, 1930, Banco acquired either by cash or exchange of stock the following property:

540,484 T. P. C. shares of the Bank and Trust Company; 47,854 shares of Pearl-Market Bank and Trust Company,

Cincinnati, Ohio; 44,290 shares of capital stock of Brighton Bank & Trust Company of Cincinnati, Ohio; 548 shares of Central Savings Bank & Trust Company of Covington, Kentucky; 2,099 shares of Peoples-Liberty Bank & Trust Company of Covington, Kentucky; 6,925 shares of First National Bank of Paducah, Kentucky; 7,125 shares of Ashland National Bank of Ashland, Kentucky; 2,713 shares of Security Bank of Louisville, Kentucky; 575 shares of Mechanics Trust & Savings Bank of Paducah, Kentucky; $2,000,000.00 note of James B. Brown; 625 shares of Union Central Life Insurance Company; 10,000 shares of Caldwell & Company; $580,000.00 note of Murray Rubber Company of Trenton, New Jersey; $20,000.00 Participation in note of Louis C. Humphrey.

33. The condition of Banco, as shown by its records, as of December 31, 1929, was, as follows:

Investments (all bank stock)	$34,643,376.21
Bills Receivable	2,000,000.00
Cash	3,012,478.14
Total	$39,655,854.35
Liabilities:	
Capital	$15,326,690.00
Surplus and Profits	23,329,164.35
Bills Payable	1,000,000.00
Total	$39,655,854.35

34. A statement of the Bank was printed showing its capital, surplus and undivided profits, as follows:

Capital	$4,000,000.00
Surplus and Profits	3,235,673.27
Total	$7,235,673.27

35. A statement was printed showing the capital and surplus of the Trust Company as of December 31, 1929, as follows:

Capital	$1,750,000.00
Surplus	1,506,269.11
Total	$3,256,269.11

36. From the date of the organization of Banco to the date it contracted for an interest in Caldwell & Company, its directors regularly met separately, and had reports from its officers. Minutes were kept of its board meetings, and the directors continued throughout said period their endeavors to carry forward the original plan they had in mind for forming the company.

37. On June 1, 1930, Banco contracted for 10,000 shares of the capital stock of Caldwell & Company, which had an issued and outstanding capital of 20,000 shares of the par value of $100.00 each. At that time Caldwell & Company was engaged generally in the business of underwriting first mortgage bonds, financing, and was known as the largest and strongest investment house in the South.

38. In 1926 Caldwell & Company had sold and distributed about $40,000,000.00 in securities, and from then on, to and including 1929, its distribution had increased to where it sold and distributed $75,000,000.00 in securities in 1929, and for the first five months of 1930 its sales and distributions were around $37,000,000.00.

39. The contract for the acquisition of a one-half interest in Caldwell & Company was entered into in June, 1930, but the amount to be paid by Banco was subject to an ascertainment of the asset value of Caldwell & Company.

40. The contract between Caldwell & Company and Banco was, as follows:

> "MEMORANDA OF AGREEMENT, made this 28th day of May, 1930, by and between the BANCO-KENTUCKY COMPANY, a Delaware Corporation,

as first party, and CALDWELL & COMPANY, a Tennessee Corporation, as second party.

WITNESSETH:

For and in consideration of the mutual promises and covenants of the parties hereinafter contained, it is agreed:

1. The second party has increased its authorized capital stock from $1,000,000.00, divided into 10,000 shares of the par value of $100.00 each, to 20,000 shares of the par value of $100.00 each.

2. The first party will issue and deliver to the second party 900,000 shares of the par value of $10.00 each of its presently authorized but unissued stock for the additional 10,000 shares of stock of the second party, as provided in Section 1 hereof, which said 10,000 shares the second party will issue and deliver to the first party at the time of delivery to it of the aforesaid 900,000 shares of stock of the first party. Upon such mutual delivery of stock the second party will deposit 200,000 shares of the said 900,000 shares of capital stock of the first party with the Louisville Trust Company, Louisville, Kentucky, to be held by said Trust Company for redelivery to the second party upon the joint order of the presidents of the respective parties, pending such examinations and investigations as the first party may desire to make under Sections 7 and 8 of this agreement and as security of performance by the second party under said Sections 7 and 8.

3. At the time of such mutual delivery of stock, the first party will have 5,000,000 shares of stock of the par value of $10.00 each authorized, of which, exclusive of the aforesaid 900,000 shares to be issued to the second party 1,633,705 shares shall have been issued, and there is no option or contract of sale of stock of the first party outstanding (with exception of options on an aggregate amount of 250,000 shares of Common Capital Stock to H. M. Byllesby & Company, Blythe & Company, and Wakefield & Company at $26.50 per share, such option expires June 1, 1930).

4. At the time of said mutual delivery of stock, the second party will have an authorized capital stock of 20,000 shares of the par value of $100.00 each, of which, exclusive of the 10,000 shares to be issued to the first party, 10,000 shares shall have been issued.

5. Neither party, pending consummation of this transaction by the mutual delivery of said stocks, will make any disposition of any material portion of its assets nor take any unusual step or one other than in the due course of busines except with the written consent of the other.

6. The first party covenants that it owns the following amounts of the total issued and outstanding stock of the following banks:

NAME	LOCATION	TOTAL CAPITAL PAR VALUE	AMOUNTS OF STOCK OWNED
National Bank of Ky. Louisville Trust Co.	Louisville	5,750,000.00	5,391,190.00
The Brighton Bk. & Tr. Co.	Cincinnati, Ohio	500,000.00	442,900.00
The Pearl-Market Bk. & Tr. Co.	Cincinnati, Ohio	600,000.00	472,160.00
Peoples Liberty Bk. & Tr. Co.	Covington, Ky.	650,000.00	169,800.00
Cent. Sav. Bk. & Tr. Co.	Covington, Ky.	60,000.00	54,800.00
Ashland National Bank	Ashland, Ky.	800,000.00	626,300.00
First National Bank	Paducah, Ky.	150,000.00	136,500.00
Security Bank	Louisville, Ky.	300,000.00	209,000.00

"The first party represents that on May 1, 1930 the combined or total capital, surplus and undivided profits of the aforesaid banks, as shown by their books, were $17,192,870.76, and that the total assets of said banks, as shown by their books, were $124,129,966.95; that the first party had no liabilities and on said date it had cash to the amount of $1,297,893.47 and good and collectible notes in the principal amount of not less than $2,000,000.00.

7. The second party represents that, as of May 28, 1930, its assets were of such fair aggregate value that,

after deducting therefrom all of its liabilities, it had a net worth of not less than $9,000,000.00.

8. The first party shall within twelve (12) months from the date hereof, satisfy itself as to the valuation of the assets of the second party in the computation of the net worth of the second party, as set forth in Section 7, of this agreement.

The President of BancoKentucky Company and the President of Caldwell & Company will determine the valuation of such assets in the computation of the net worth of the second party with the right in either party to have competent assistants in reaching a determination. If the Presidents of the respective parties are unable to agree upon the valuation of any asset or assets, then and in that event, they will select a third party as arbitrator, who will then determine said valuation. If the Presidents of the respective parties are unable to agree upon a third party to act as arbitrator as aforesaid, then and in that event they will select Mr. Whiteford R. Cole who will, in turn, select an arbitrator.

If the net worth of the second party is ascertained to be less than $9,000,000.00 based upon such valuation of its assets, then and in that event the second party at its option will deliver to the first party $2.22 in cash or stock of the first part (on basis of $25.00 per share) for each $1.00 of such deficit or the second party may forfeit any dividends on such part of its stock as is not owned by the first party until an amount equivalent to such deficit is accumulated in the treasury of the second party (provided its stockholders other than the first party shall agree to such forfeiture of dividends). If the net worth of the second party is ascertained to be more than Ten Million ($10,000,000.00) Dollars, then and in that event the first party will deliver to the second party $1.00 of its capital stock (on basis of $25.00 per share) for each $1.00 of such excess.

9. The first party agrees that in the event it desires to sell or otherwise dispose of all or any part of its stock interest in the second party at any time subse-

quent to the consummation of this contract, that it will not sell or otherwise dispose of said stock without first offering same to Rogers Caldwell, his successors and assigns, for an amount not in excess of bona fide offers obtained for such stock from other parties.

10. The first party agrees to establish and maintain a co-operative working agreement between the security departments of its several banks and the second party in the distribution and underwriting of securities.

11. The second party will retain a substantial investment in the insurance business and may carry further its program to acquire, direct and develop insurance companies.

12. The general spirit and purpose of this agreement and the consolidation of the interests of the first and second parties is to further the development of each company and to create a vehicle for further extension and development in the commercial and investment banking and insurance fields.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate through their officers duly authorized to act by their respective boards of directors on the day and date first above written.

THE BANCOKENTUCKY COMPANY
(Signed) By JAMES B. BROWN,
President First Party

CALDWELL & COMPANY
(Signed) By ROGERS CALDWELL,
President Second Party

(Handwritten initials, "J. B. B." and "R. C." on margin.)"

The above contract was never fully consummated.

41. The total resources of Banco, according to its Balance Sheet, as of September 18, 1930, were $62,936,724.23, and its net worth $61,886,724.23.

42. The published statements of the Bank, beginning on January 11, 1927, and ending on October 11, 1930, showed

the capital of the Bank to be intact, and in addition thereto, surplus, undivided profits and reserves as follows:

July 11, 1927	4,601,379.47
April 2, 1927	4,678,416.90
July 12, 1927	3,082,438.49
October 21, 1927	3,105,662.87
January 11, 1928	3,096,290.51
March 16, 1928	3,007,996.91
July 28, 1928	2,901,899.65
October 18, 1928	2,817,753.00
January 13, 1929	2,855,342.40
April 8, 1929	2,918,910.53
July 11, 1929	2,929,034.48
October 18, 1929	2,838,539.96
July 15, 1930	3,011,826.23
April 9, 1930	2,835,656.80
July 11, 1930	2,658,133.68
October 11, 1930	2,728,745.29

The capital of the Bank, as shown by the statements, at the date of the publication of the statements of January 11, 1927, and April 2, 1927, was $2,500,000.00, with a surplus of an equal amount. Thereafter, the capital was $4,000,000.00, with a surplus of $2,000.000.00.

43. The bank declared and paid dividends amounting to $160,000.00 a quarter to its stockholders, beginning June 10, 1927, and ending September 17, 1930. Following each dividend declared and paid, and pursuant to the United States Revised Statutes, the Cashier of the Bank, under oath, filled in a form provided by the Comptroller of the Currency showing the net earnings available for dividends in excess of the capital and surplus of the Bank, and after deducting known losses and statutory bad debts, and in each instance said report showed that there were sufficient net earnings available for dividends to leave the capital of $4,000,000.00 and the surplus of $2,000,000.00 intact, each of which reports was received by the Comptroller.

44. The Bank was examined twice a year, beginning April 23, 1927, and ending September 17, 1930, by a representative of the Comptroller's office. Each of said reports was on a form prepared by the Comptroller of the Currency and contained a questionnaire as to dividends and surplus, requiring the Examiner to give the date of the declaration of the last dividend, the amount of same, and to state whether the last report of earnings and dividends was correct, and in each instance the Examiner reported in each of said reports that all earnings and dividends were correct. A copy of each of said reports was sent to the Comptroller by the Examiner directly upon its completion and was received by him.

45. Not one of the dividends declared and paid by the Bank during the period from April, 1927 to September, 1930, was criticized by the Comptroller of the Currency, either in the letters of the Comptroller to the Bank or in the reports of the Examiners.

46. Caldwell & Company failed on the 5th day of November, 1930, and following that failure $12,000,000.00 was withdrawn by the depositors of the Bank from the Bank.

47. On November 17, 1930, the Comptroller of the Currency appointed Paul C. Keyes as Receiver of the Bank.

48. On November 24, 1930, a petition was filed in the Jefferson Circuit Court, for the appointment of a receiver for Banco, and thereafter Joseph Laurent was appointed Receiver.

49. On February 20, 1931, the Comptroller of the Currency, upon an accounting had by the Receiver of the Bank, and upon a valuation of the uncollected assets of the Bank remaining in his hands, determined that it was necessary to enforce the individual liability of the stockholders thereon under Sections 5151 and 5234 of the Revised Statutes,

and thereupon made an assessment upon the stockholders of the Bank of the full par value thereof of $4,000,000.00.

50. On March 20, 1931, Paul C. Keyes, then Receiver of the Bank, sent by registered mail to the stockholders of Banco the following notice:

"Louisville, Ky., March 20, 1931.

"As a stockholder in The BancoKentucky Company you will please take notice, that the Comptroller of the Currency has on February 20, 1931, levied an assessment upon the stockholders of The National Bank of Kentueky, Louisville, Kentucky, on the par value of each and every share, payable at the office of the Receiver, on or before April 1, 1931. A notice of such assessment and a demand for payment of the same has been served upon the Receiver of the BancoKentucky Company as the holder of 540,484 Trustees' Participating Certificates, issued under a certain trust agreement of April 22, 1927, which Trustees' Participation Certificates represent the ownership of 37,721,624 shares of stock in The National Bank of Kentucky. You will, therefore, take notice that it is the intention of the undersigned, as Receiver of the National Bank of Kentucky, to proceed against you for the collection of the aforesaid assessment liability represented by the said Trustees participation certificates held by said BancoKentucky Company, to the extent that the undersigned, as Receiver of the National Bank of Kentucky is unable to collect said assessment from The BancoKentucky Company or its Receiver."

51. On March 31, 1931, the said Paul C. Keyes, as Receiver of the Bank, filed Equity Action No. 649 in the Federal District Court for the Western District of Kentucky, in which he sought to recover more than $14,000,000.00 from those who were directors of the Bank from 1926 to 1930, the date of its close.

52. In the suit filed by Paul C. Keyes, as aforesaid, the basis for the recovery against the directors was: (a) For common law negligence, and (b) violation of the federal statutes.

53. The defendant directors in said action No. 649 filed an answer controverting the allegations of the Bill of Complaint.

54. After the issues were joined on the various allegations of the Bill of Complaint in equity action No. 649 aforesaid, an order was made referring the case to the Hon. W. P. Sandidge, Special Master, with directions to make findings of fact and conclusions of law and to file his report with the court.

55. The Special Master made his report consisting of 362 printed pages.

56. The T.P.C.'s before the par value was reduced and after the consolidation of the Trust Company and Louisville National Bank, were currently selling at $460.00 per share.

57. After the par value of these certificates was reduced from $100.00 to $10.00, they were currently selling at $46.00 per share, and this price advanced until October 1st, when they were selling at $50.00 per share.

58. On December 27, 1929, certain directors of the Bank executed a surety bond guaranteeing certain City of Louisville deposits in the Bank, which bond was for $500,000.00.

59. At the time of the exchange of Banco shares for T.P.C.'s, the latter had a market in Louisville of "46 bid and 48 asked."

60. The stockholders of Banco had, at the time the Bank and Trust Company closed, deposits, in the Trust Company of $858,093.71, of which the deposits of approximately 80% of the stockholders were net, after offsets, and the balance of 20% were gross deposits of stockholders, or before off-

sets; and net deposits, after offsets, in the Bank of $1,254,783.27, or a total in both of $2,112,876.98.

61. Banco was organized in good faith.

62. Banco was "certainly not a sham."

63. Banco was "not organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the Bank."

64. Banco was not a mere holding company.

65. Banco "was formed for the purpose set out in the letter of July 19, 1929, and for no other purpose."

66. Banco "was not formed as a medium or agency thorough which to avoid double liability on the stock of the Bank."

67. There were irregularities in the handling of some of the credit accounts of the Bank, but the soundness of the Bank and its ability to meet its obligations could not be questioned, until long after the formation of Banco.

CONCLUSIONS OF LAW

1. The alleged liability, if any, of the defendants, is entirely statutory.

2. Before they can be held subject to assessment, they must, in effect, be stockholders of the Bank.

3. The burden of proof was on the plaintiff.

4. Banco was not an empty shell, but was a very real entity, actively acquiring capital assets.

5. Banco directors controlled the Bank, but the identity of directors of ownership of stock did not merge them into one corporation.

6. It was legal for Banco to purchase T.P.C.'s by exchange of its stock or for cash.

7. Banco was not a mere holding company, but was formed for the purpose set out in the letter of July 19, 1929, and for no other purpose.

8. Banco was not formed as a medium or agency through which to avoid double liability on the stock of the Bank.

9. Banco was the true, legal and beneficial owner of the stock of the Bank.

10. The transfers of the T.P.C.'s to Banco were out and out transfers, and Banco thereby acquired full legal title thereto.

11. The stockholders of Banco were not stockholders of the Bank within the meaning of the statute.

12. Plaintiff's Bill should be dismissed.

13. The judgment in *Atherton* v. *Anderson*, 86 F. (2d), 518, is not res judicata of this case, and defendants' pleas of res judicata, election, estoppel and estoppel by judgment should be overruled.

14. In view of the conclusion reached, to dismiss the Bill, it becomes unnecessary to consider the many special defenses interposed by a great number of the defendants.

Exceptions are reserved for the plaintiff to each and all of the foregoing Findings and Conclusions, and to the defendants as to legal conclusion No. 13.

MAC SWINFORD (signed)
Judge

June 29, 1940

DEFENDANTS' MOTION FOR ADDITIONAL FINDINGS OF FACT

(Filed June 29, 1940)

Come the defendants, by their counsel, and move the Court for further and additional Findings of Fact in the following particulars, to-wit:

1. The stockholders of the Bank and Trust Company, agreed, prior to April, 1927, to unify their stock by creating a trust, consisting of the capital stock of both insti-

tutions, to be deposited thereunder. The par value of the shares of each institution was $100.00. The basis of contribution to the trust was 4 shares of Bank stock to 1 share of Trust Company stock. The net worth of the Bank at that time was $7,189,292.25, and the net worth of the Trust Company was $1,830,123.32. The issued and outstanding capital of the Bank at the time of the unification was 40,000 shares, and the issued and outstanding capital stock of the Trust Company was 10,000 shares.

2. Each of these dividends so declared and paid was approved by the National Bank Examiners in their reports down to and including the dividend of July 1, 1930, and the one paid on October 1, 1930, was not criticized.

3. The criticisms of the Bank by the Comptroller of the Currency during the periods above referred to, were concealed from the non-officer Directors, by the officers of the Bank principally Brown, from the dates they were made, down to the close of the Bank.

4. The parties to the Reorganization Plan, referred to in the July 19, 1929, letter, and in the opinions of the attorneys, were "the Trustees for the Trustees' Participation Shareholders under the agreement of April 22, 1927, on the one part, and the BancoKentucky Company on the other," and the purpose of the Trustees in procuring a ruling from the Revenue Department was to ascertain whether or not the Trustees were an "association or corporation within the definition or meaning of the Revenue Act."

5. Neither the Bank nor the Trust Company was a party to any reorganization, and the shares of neither the Bank nor Trust Company were to be or were acquired by Banco in the reorganization.

6. The question of an amendment or reorganization of either the Trust Company or the Bank was not discussed

by the directors of the Bank or Trust Company, and those two institutions "were to be left exactly as they were then existing, and they were so left without any authority to change or reorganize them in any manner or form."

7. There was no contract drawn or entered into between the Bank or Trust Company and Banco for the reorganization of the Bank or Trust Company.

8. The directors of Banco did not, in their plans for its organization, contemplate that more than 350,000 shares of the T. P. C.s would be deposited for exchange in response to the letter of July 19th, and fully expected to have, out of the 2,000,000 shares of Banco authorized, approximately 1,300,000 shares for sale at $25.00 per share, so as to provide a working capital in cash of $30,000,000.00 or more.

9. The original plan, as discussed by the Board, was to have in Banco working capital in cash at not less than $30,000,000.00 and when they ascertained on September 20, 1929, that the deposit of the T. P. Cs. for exchange required, to meet those exchanges, approximately 1,150,000 of its shares, they determined that there was not sufficient stock left for sale for cash to provide the working capital thought to be necessary, which prompted the amendment to the charter of Banco, increasing its capital from 2,000,000 shares to 5,000,000 shares.

10. At the time plans were set in motion to increase the capital stock so as to provide additional shares, and in October, 1929, the stock market crash occurred, which made it impossible to sell new issues, and which interfered with the directors in carrying forward the plan to have the working capital above referred to, although it was discussed by the Board of Directors from time to time and the original plan was never abandoned.

11. The purchase of a one-half interest in Caldwell & Company was discussed by the Board over a period of

sixty to ninety days, and it was generally believed by the directors that it was an opportunity to do a general investment banking business and in purchasing the half interest it appeared to them that it was a good opportunity to get in the general security business without the expense incident to organization. It was an established business with offices in many cities, with a name and good will and was thought at the time to be doing what Banco was chiefly organized to do.

12. It had theretofore been invited into the general financing field by J. P. Morgan, Halsey Stewart and Dillon Read, and had established a reputation as a distributing house with offices in twenty-two cities in the United States.

13. The investment of Caldwell & Company in bank stocks between January and May, 1930, was not more than 5% of its total investments in securities.

14. Caldwell & Company received 900,000 shares of the capital stock of Banco in exchange for 10,000 shares of its stock, but it was agreed between the parties to the contract that Caldwell & Company was not entitled to any dividends upon Banco stock prior to the valuation of Caldwell's assets.

15. Robert Neill, Chief National Bank Examiner, made a last examination of the bank. He approved the dividend declared June 20, 1930, and paid July 1, 1930. He saw the resolution of the Board declaring the dividend as of September 19, 1930, six days before that dividend was paid. He did not criticize the payment of the dividend and it was subsequently paid.

16. With few immaterial exceptions, all of the proof introduced in this cause was introduced by the plaintiff in Equity Action No. 649.

17. On the claim asserted in the Bill, in Equity Action No. 649, based upon the statutory violations and common

law negligence, the two sharp issues of fact were necessary to be determined, and those were:

(a) Whether or not the letters from the Comptroller of the Currency ever reached the non-officer directors of the Bank, or whether they knew of such letters having been written at any time during their terms of office;

(b) Whether or not the minute books of the Bank showing that such letters were read to the Board, were false and fraudulent; and on the issues thus joined the Master found:

> "I don't think that any of these letters reached the board of directors, notwithstanding the recitation in the minutes to that effect. The minute book now indicates that there were six such letters presented and read to the board, namely, December 16, 1927, p. 304, of the minute book; June 1, 1928, p. 318 of the minute book; June 8, 1928, p. 319 of the minute book; June 22, 1928, p. 320 of the minute book; August 31, 1928, p. 325 of the minute book, and December 7, 1928, p. 332 of the minute book. It is satisfactorily established that the minutes, after being read to the board, were fraudulently altered so as to show the presentation and consideration of these letters. The concealment of these letters from the Board and the fact that such questionable, not to say dangerous, means were resorted to to accomplish it, demonstrates the character of the collusion with which the directors were unknowingly surrounded."

18. Another issue presented in Equity Action No. 649, which was necessary to be decided by that Court, in order to determine the claims of the plaintiff therein, was whether or not the criticisms contained in the National Bank Examiners' reports ever reached the board and were known to the board, and on the issue thus joined the Master found:

> "It is perfectly apparent that Brown and Jones, without protest from any member of the loan committee, were designedly omitting to read parts of the re-

ports of the Examiners, concealing letters from the Comptroller, fraudulently evading the demands of that office, and continuously misleading the non-officer directors. The covering up which Brown and Jones were guilty of, and their acts of concealment in the presence, and with the acquiescence, of the other officers while the board of directors was in session, strongly indicates collusion between these parties, the purpose of which was to enable Brown, without the knowledge of the non-officer directors, to successfully extract funds from the bank in the name of Wakefield & Company or its employees."

19. Exceptions were filed to the report of the Master involving the above findings as to the Bank Examiners' reports, and letters from the Comptroller by the plaintiff in said action, No. 649, and the case came on to be heard before the Hon. Arthur Tuttle, sitting by designation, as Judge of the Federal District Court for the Western District of Kentucky, and Judge Tuttle sustained the Master in the above respects in the following language:

"The Special Master found .... further, he fraudulently caused to be concealed from the non-officer directors reports of the bank examiners, letters from the Comptroller of the Currency and other information which would have disclosed the character of such loans, as loans to Wakefield & Company in excess of the statutory limit. That such directors did not have such information, had no reason to doubt the propriety of such loans, and, in approving them, relied on the officers of the bank to whom they had entrusted the administration of the details of its affairs; that such directors were not guilty of negligence in connection with such loans, and that, although the defendant officers were liable for the loss resulting from the making of these loans because they knew that such loans should be grouped together as Wakefield & Company loans, and, when so grouped, were in excess of the said

statutory limit, yet, the other defendants being without that knowledge, were not so liable, except as hereinafter pointed out. I am satisfied by the record that the findings of the Master just mentioned are supported by substantial evidence and that the Court would not be warranted in setting such findings aside."

20. An appeal was prosecuted from the judgment entered by the Hon. Arthur J. Tuttle, following his opinion, to the Circuit Court of Appeals for the Sixth Circuit, and that Court confirmed and approved the findings of the Master and the District Court, as set forth in the next above two preceding paragraphs on the issues thus joined, and those findings of fact are still in full force and effect.

21. That another issue in said Equity Action No. 649, filed in the District Court of the United States for the Western District of Kentucky against all of the directors of the Bank, was whether or not the dividends declared and paid by the Bank, from June 10, 1927, to September 30, 1930, amounting to $160,000.00 per quarter, or $2,240,000.00 as a whole, had been unlawfully paid, and upon the issue the plaintiff in said action sought judgment against the directors for $2,240,000.00. Upon the issue thus joined, and after a full hearing, the Master, in his report, held that each of said dividends had been lawfully declared and lawfully paid.

22. Thereafter, exceptions were filed to the Master's report by the plaintiff in that cause, and came on to be heard before the Western District Court aforesaid, and the Western District Court affirmed and approved the findings of the Master with reference to the claim of illegality of such dividends in the following language:

"The Master disallowed this claim in its entirety, finding that the evidence failed to show any facts indicating any statutory violation of any of the directors

or any negligence on their part in connection with these dividends. The Master discussed and analyzed, at great length and in much detail, numerous debts which the plaintiff claims should have been charged off as statutory bad debts, and after painstaking and thorough consideration of such debts and of the other relevant facts and circumstances, the Master found that the evidence did not sustain this claim of the plaintiff. To recite or review these details would unduly prolong this opinion and would serve no useful purpose. It is sufficient to say that the findings of the Master are convincingly supported by the record. It is entirely clear and I find, that the witnesses on whom the plaintiff relied in this connection had no personal knowledge of the facts concerning which they assumed to testify. There is no competent evidence to sustain the burden resting on the plaintiff of proving that any of these dividends were paid out of capital of the bank or were not paid out of its net profits after deducting therefrom its losses and bad debts, including all debts on which interest was past due and unpaid for a period of six months and which were not all secured and all debts in process of collection. It appearing that the findings of the Master are supported by the record, such findings are affirmed, and no recovery against these directors by reason of the declaration or payment of these dividends will be awarded."

23. Following the opinion of the District Court for the Western District of Kentucky, and on July 8, 1935, a judgment was entered therein dismissing the Bill of Complaint in so far as it sought recovery of the aforesaid dividends, and no appeal has been prosecuted therefrom in that respect, and accordingly it is final.

24. Another issue asserted in Equity Action No. 649, Federal District Court for the Western District of Kentucky, was upon a claim made against the directors of the Bank amounting to more than $1,700,000.00, based upon

loans made by the Bank secured by stock of Banco, it being claimed by the plaintiff in said action that loans made on Banco stock was equivalent to loans being made upon the stock of the Bank itself.

25. On the issue as to whether or not Banco was organized as merely a holding company for holding stock of the Bank, and the issue as to whether the Bank could legally take the stock of Banco as collateral security, the Master found:

> "(a) In the organization of the BancoKentucky Company it was contemplated that the company should purchase as many of such participating certificates as possible, paying for same with stock of the Banco-Kentucky Company at $25.00 a share. It was estimated that 350,000 participating certificates would be thus acquired. It turned out, however, that there were turned in for exchange about 470,000 certificates out of a total of 575,000 participating certificates."

(Master's Report, 161.)

> "It was thus clearly not contemplated in the beginning or intended at any time, that the Banco-Kentucky Company should be organized merely as a holding company for the stock of the National Bank of Kentucky.
>
> "In fact, the participating certificates above referred to represented an interest in the Louisville Trust Company as well as the National Bank of Kentucky. Furthermore, before the BancoKentucky Company acquired title to any of the participating certificates representing the ownership of the National Bank of Kentucky and the Louisville Trust Company, it had arranged for a sale of a large part of its authorized capital to the public for cash. Shortly after the purchase of the two Cincinnati banks, it proceeded to take over the Central Savings Bank & Trust Company of Covington, Kentucky, certain stock in the Union Cen-

tral Life Insurance Company of Cincinnati, the Peoples-Liberty Bank & Trust Company of Covington, the Ashland National Bank, Mechanics Savings Bank, the First National Bank of Paducah, Kentucky. . . . The value represented by the ownership of the banks and properties, other than National Bank of Kentucky, soon exceeded the value of the assets represented by its purchase of participating certificates covering its interest in the National Bank of Kentucky.

"I think it goes without saying, or serious argument, that the National Bank of Kentucky could legally take stock of the BancoKentucky Company as collateral security on notes executed to it by borrowers. I think there was in this instance no such identity between the two companies as would make the taking of such stock a violation of Section 83, United States Code, 'Title—Banks & Banking,' Revised Statutes 5201."

26. Exceptions were filed by the plaintiff in Equity Action No. 649 to the report of the Master, making the findings in the next paragraph above stated. On a hearing before the District Court (7 F. Sup. 924), the District Court said:

"The Master, although not making any findings of fact inconsistent with the findings of this Court just stated, held that, on these facts, the plaintiff had not shown such a connection or relation between the Bank and BancoKentucky Company as to render the making of these loans on this collateral a violation of the statute in question. With this conclusion of the Master, I am unable to agree."

"Applying these principles to the situation here presented, the National Bank of Kentucky could not make a loan to itself and could not make loans to anyone else and take its own capital as collateral for such loans. The directors of the National Bank of Kentucky caused to be organized this holding company, to which was given the suggested name of BancoKentucky, which was, indeed, intended to be and was, in many

important respects and in a very real sense, as the record abundantly shows, the National Bank of Kentucky Company. It owned, as already indicated, a substantial amount of the stock of the Bank of Kentucky which was in fact, at the outset, its principal asset, and at all times thereafter continued to be its most valuable single asset, so that it was forced to close its doors a few days after the closing of the Bank. During this brief life of the Banco-Kentucky Company, and while the Bank could not loan money on its own stock as collateral, it made the loans now under consideration in the aggregate amount already mentioned, and took BancoKentucky Company, which was, in substance and effect, not only its own holding company but also, at least in equity, its alter ego, so to speak."

27. On July 8, 1935, and following the decision made by Judge Tuttle, sitting by designation as District Judge for the Western District of Kentucky, that Court entered a judgment against the directors for all loans made on the security of Banco stock, which were adjudged to be, in the opinion of the Court, "loans on the security of the Bank's own stock," for approximately $1,600,000.00.

28. An appeal was prosecuted by the directors from that section of the judgment to the Circuit Court of Appeals for the Sixth Circuit, and that Court, on the issue thus joined, said:

"Prior to September 11, 1929 negotiations had been begun by the BancoKentucky Company for the purchase of two Cincinnati banks, Pearl-Market Bank & Trust Company, and the Brighton Bank & Trust Company, and on September 25, 1929, a contract for the purchase of the controlling interest in each was concluded—though they were actually taken over some time later. The consideration included shares of Banco, which, on the basis of $25. per share, represented a total of $2,159,875.00. When most of the assailed loans

were made on Banco stock, the situation was substantially as follows: Banco owned 470,000 of a total of 575,000 trust participating certificates representing ownership of stock in the Bank and in the Louisville Trust Company, it had subscriptions to its own stock in the amount of $10,000,000, on which $5,784,875 had been paid by October 1, 1929, and $9,222,451.21 by October 10, 1929, and it had concluded the purchase of a controlling interest in the two Cincinnati banks. The master accordingly found that 'It was thus clearly not contemplated in the beginning, or intended at any time, that the Banco Kentucky Company should be organized merely as a holding company for the stock of the National Bank of Kentucky,' a finding not rejected by the District Court."

"We come now to the question whether the relation between the bank and the Banco Kentucky Company was such that a court of equity would be warranted in disregarding the existence of Banco as a separate corporate entity. It is true that Banco was conceived in the vaulting imagination of the president of the bank; that it was promoted and fostered by the appellants; that the directors of the two corporations, though not identical, overlapped; that the great majority of trust participation certificates representing stock in the bank became the property of Banco, and that there is a suggestion of identity in the name adopted by the new company.

"But Banco was not a mere holding company for the bank's stock. It was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegitimate nor unlawful. It had its own capital with cash resources at one period almost twice the entire capital and surplus of the bank. While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and it was warrantable inference at the time of its organization and for a substantial period thereafter that

it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See *Laurent* v. *Anderson*, supra. Its separate corporate existence was recognized by the very receiver on whose behalf we are now askd to ignore it.

"The Banco Kentucky Company was certainly not a sham, for nearly ten million dollars of actual cash paid for its stock attest its reality; and there is nothing in the record to point to it as an instrumentality of the bank. Nor was it organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the bank. The master absolved the appellants of all suspicion of bad faith and the court approved his finding in the last of three carefully reasoned opinions (D. C. 11 Fed. Supp. 9, 14).

"Certainly we must accept this as the deliberate judgment of the court rather than as a euphemism, easing the blow to the sensibilities as it fell heavily upon the purse."

29. Following the opinion of the Circuit Court of Appeals aforesaid and after various steps, the Circuit Court of Appeals issued its mandate on the opinion aforesaid, which was filed in the District Court of the United States for the Western District of Kentueky, and pursuant thereto a judgment was duly entered in said Court dismissing so much of the Bill of Complaint as sought judgment against the directors by reason of the loans on the collateral of Banco stock.

30. Among the directors of the bank sued in equity action No. 649, aforesaid, were: Dr. Oscar E. Bloch, Charles H. Bohmer, Anthony J. Carroll, George M. Clark, Samuel W. Coons, Allen P. Dodd, Estate of E. M. Drummond, Stuart E. Duncan, Joseph H. Durham, James Garnett, Angereau

Gray, T. Kennedy Helm, Baylor O. Hickman, Saunders P. Jones, Estate of Milburn P. Kelley, Walter I. Kohn, Estate of Brainard Lemon, Thomas J. Minary, E. J. O'Brien, Jr., Estate of Arthur M. Rutledge, William S. Speed, John Stites, Henry Vogt, Estate of John B. Pirtle and Henry D. Ormsby. These same directors, or the estates of those dying, and the assignee of Director Clark, were *used* in this action brought by the plaintiff receiver herein, who is the same plaintiff receiver who succeeded Paul C. Keyes, the original receiver.

31. After the notice of assessment was sent to the stockholders of Banco on March 20, 1931, the receiver of the Bank, A. M. Anderson, who had theretofore succeeded Paul C. Keyes, filed a petition in the Jefferson Circuit Court, Chancery Branch, Second Division, being No. 205,223, asking leave to sue Banco as the true, lawful and beneficial owner of the stock of the Bank and was granted leave by the Jefferson Circuit Court to file suit; the petition and order granting the right to bring such a suit having been prepared by the same attorneys who are attorneys for the plaintiff in this suit.

32. Following the order granting authority to bring such a suit, the said A. M. Anderson, Receiver, on October 31, 1931, filed his suit in the District Court for the Western District of Kentucky, in which he, among other things, alleged:

> "Plaintiff says that said money is due him as an assessment upon the shares of stock of the National Bank of Kentucky owned by the BancoKentucky Company at the time plaintiff was appointed Receiver or upon certain Trustees Participation Certificates representing the National Bank of Kentucky stock, owned by the BancoKentucky Company at the time of said appointment of plaintiff as Receiver.

"The BancoKentucky Company was at the time of the closing of the National Bank of Kentucky, and the appointment of the plaintiff as Receiver, the holder of record of five hundred forty thousand four hundred eighty-four (540,484) Trustees Participation Certificates, having a par value of $10.00, which Trustees Participation Certificates were issued under the terms of a certain trust agreement of April 22, 1927, and which Trustees' Participation Certificates represent the ownership of 37,721.624 shares of stock of the National Bank of Kentucky of Louisville, as hereinafter more fully set forth.

(Receiver served notice on Banco)

"Advising the defendant that the BancoKentucky Company was the holder of five hundred forty thousand four hundred eighty-four (540,484) Trustees Participation Certificates issued under the terms of said trust agreement of April 22, 1927, which said Trustees Participation Certificates represent the ownership of 37,721.624 shares of stock in the National Bank of Kentucky, and making demand upon the defendant to pay the assessment on 37,721.624 shares of the National Bank of Kentucky, represented by the aforesaid Trustees Participation Certificates, in accordance with said order and assessment of the Comptroller of the Currency and said notice."

"Notwithstanding said assessment notice and demand upon the defendant, no part of said assessment has been paid and said defendant has refused to pay said assessment or any part thereof, and there is now due and owing to the plaintiff as Receiver of the National Bank of Kentucky the sum of Three Million Seven Hundred Seventy-two Thousand, One Hundred Sixty-two and 40/100 ($3,772,162.40) Dollars as the assessment and requisition duly made upon the defendant as a shareholder of the National Bank of Kentucky by the Comptroller of the Currency, as aforesaid."

In the aforesaid suit, Anderson recovered a judgment against Laurent, Receiver of Banco, for the full amount of the assessment made upon the stock of the Bank as to T. P. C.'s owned by Banco, and from that judgment an appeal was prosecuted to the Circuit Court of Appeals for the Sixth Circuit, and that Court affirmed the judgment of the lower Court, awarding a judgment against Banco alone for all of the statutory liability covered by the T. P. C.'s and adjudging it to be the true and lawful owner of such certificates, the Court saying:

> ". . . Banco never held stock in the National Bank of Kentucky, but several years after the date of the agreement purchased the Trustees' Participation Certificates, which had been issued under the agreement.
>
> "The sole question for determination is whether Banco is liable to respond as a stockholder in the National Bank of Kentucky as the real and beneficial owner of the stock under Title 12, U. S. C. A. Sec. 64, or whether it is exempt from liability under Title 12, U. S. C. A. Sec. 66." (relieving Trustees of personal liability).
>
> "The evidence establishes that Banco was in every sense the true and beneficial owner of the National Bank stock involved.
>
> "The petition and especially the evidence sustain recovery against Banco as the real and beneficial owner under Section 64 of the National Banking Act (12 U. S. C. A.)."

ORDER OVERRULING DEFENDANTS' MOTION FOR ADDITIONAL FINDINGS OF FACT

(Filed June 29, 1940)

This day came on to be heard the defendants' motion for additional Findings of Fact, and the Court being advised, overruled said motion, to which action of the Court the defendants object and except.

It is further ordered by the Court that said motion for additional Findings of Fact is made a part of the record herein.

MAC SWINFORD (signed)
Judge

FINAL JUDGMENT

(Entered June 29, 1940)

This cause coming on to be heard upon the pleadings, proof and exhibits filed, and after hearing oral arguments of counsel for the parties, and considering the briefs on file, together with the record herein, and the Court being sufficiently advised as to all matters in the record contained, delivered his opinion herein, which has been heretofore filed, and now files his separate findings of fact and conclusions of law, which are ordered made a part of the record.

Pursuant to the opinion of the Court and the Findings of Fact and Conclusions of Law on file, it is now ordered, adjudged and decreed by the Court, that the Bill herein and the amendments thereto be and the same are dismissed, and that the defendants do have and recover of the plaintiff their costs herein expended, to all of which the plaintiff objects and excepts.

This matter having also come on for hearing on the counter-claim and cross action and amendments thereto of Susie E. Tellman, Frieda Gudex, administratrix of the estate of Emily E. Bischoff, Mary Christine Watkins, Administratrix of the estate of P. A. Gaertner, deceased, Henry M. Johnson, Dr. Charles O. Neff, and Mrs. Pearl G. Shepherd, and on the responsive pleadings of the Receiver of the National Bank of Kentucky to said counter-claim and cross action, and the Court being advised, it is

now ordered, adjudged and decreed by the court that the counter-claim and cross action filed by the above defendants, be and the same is now dismissed, to all of which the said defendants listed in this paragraph who filed said counter-claim and cross action object and except.

This cause having also come on to be heard on the amended answer and cross complaint of Mrs. Bertha Pottinger, Leonard B. McClellan, Sarah McClellan, Louise M. Nachand, S. H. Armes and R. L. Armes (hereinafter called "six cross-plaintiffs") against The Louisville Trust Company, the amendments and purported amendments to said cross complaint, and the motion to dismiss such cross complaint and the amendments thereto, and the Court being advised, it is ordered and adjudged that the amended cross complaint of said six cross plaintiffs and all amendments and purported amendments thereto be and they are hereby dismissed, to which the said six cross plaintiffs object and except.

MAC SWINFORD,
Judge.

NOTICE OF APPEAL

(Filed July 30, 1940)

Notice is hereby given that A. M. Anderson, Receiver of the National Bank of Kentucky, an insolvent national banking association, by direction of the Comptroller of the Currency, Department of the Treasury of the Government of the United States, hereby appeals to the United States Circuit Court of Appeals for the Sixth Circuit from the Judgment and decree entered in this action on June 29, 1940, by the Honorable Mac Swinford, District Judge, dismissing plaintiff's bill of complaint and amendments thereto at plaintiff's costs.

STAY OF OPERATION OF JUDGMENT

(Entered July 30, 1940)

This day came on to be heard plaintiff's motion for a stay of the operation and enforcement of the judgment entered herein on June 29, 1940, dismissing plaintiff's bill of complaint, at plaintiff's costs, and it appearing to the court that notice of appeal to secure the review of said judgment by the United States Circuit Court of Appeals for the Sixth Circuit has been filed with this court by plaintiff, A. M. Anderson, Receiver of the National Bank of Kentucky, an insolvent National bank, by direction of the Comptroller of Currency, Department of the Treasury of the Government of the United States:

It is ordered that the operation and enforcement of said judgment and decree be and the same is hereby stayed, without the execution by said Receiver of any supersedeas or other bond, obligation or security to answer for costs or in damages until the final determination of this cause or until the further orders of the Court.

MAC SWINFORD, *Judge*.

PLAINTIFF'S DESIGNATION OF CONTENTS OF RECORD ON APPEAL

To the Clerk of the United States District Court
Western District of Kentucky,

You are hereby authorized to prepare and certify a transcript of the record in the above entitled cause to the United States Circuit Court of Appeals for the Sixth Circuit, pursuant to the appeal heretofore taken, and to include therein the following:

1. BILL OF COMPLAINT—Filed February 17, 1936—but omitting therefrom the caption listing the names

of defendants and "Exhibit A," attached thereto, also listing defendants, the number of shares owned by each, and the amount of the assessment claimed by plaintiff.

2. AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT—Filed March 28, 1936—but omitting therefrom all except typical paragraphs numbered 2, 32, 66, 122, 130 and 135.

3. SECOND AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT—Filed March 30, 1936—but omitting therefrom all except typical paragraph No. 76.

4. THIRD AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT—Filed April 11, 1936—but omitting therefrom all except typical paragraphs numbered I and II.

5. FOURTH AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT—Filed June 9, 1936—but omitting therefrom all except sub-paragraph 5 of Paragraph I.

6. FIFTH AMENDED AND SUPPLEMENTAL BILL OF COMPLAINT—Filed January 5, 1937—but omitting all except the allegation that Fannie Owen Woolfolk, defendant in plaintiff's original Bill of Complaint, died testate February 18, 1936, prior to service, and that Matalea Mourning Bickel was appointed executrix of her estate on March 26, 1936, and that claim is made against said executrix.

7. AMENDMENT TO BILL OF COMPLAINT—ordered made part of record August 2, 1939—but omitting exhibit A attached thereto except the information with respect to the estate of Addison Dimmitt, deceased.

8. MOTION TO DISMISS—Filed April 15, 1936, by Fidelity & Columbia Trust Company, et al.—but omitting the names of the other moving defendants and setting forth only the grounds of said motion.

9. SUBSTITUTED ANSWER OF KATHERINE K. ABBOTT, ADMINISTRATRIX—Filed August 30, 1938.
10. REPLY TO ANSWER OF DAVID J. ABBOTT—Filed February 16, 1937.
11. ANSWER OF WILLIAM S. SPEED, SAUNDERS P. JONES, G. A. HEUSER, EXECUTOR OF THE ESTATE OF HENRY VOGT, DECEASED, ALLEN P. DODD, ET AL.—Filed December 7, 1937 and refiled Feb. 3, 1939—but omitting all except Paragraphs III, IV and V.
12. MOTION OF DEFENDANTS PURSUANT TO EQUITY RULE 29—Filed December 7, 1937—that the court hear and determine the matters therein set out before trial.
13. OPINION OF JUDGE MAC SWINFORD—Filed May 13, 1938.
14. ORDER OVERRULING MOTIONS TO DISMISS—Entered July 12, 1938.
15. SEPARATE ANSWER, COUNTERCLAIM AND CROSS ACTION OF HENRY M. JOHNSON, ET AL.—Filed September 8, 1938.
16. AMENDED ANSWER, COUNTERCLAIM AND CROSS PETITION AND MOTION FOR SUMMARY JUDGMENT OF SUSIE E. TELLMAN ET AL.—Filed November 1, 1938.
17. REPLY TO COUNTERCLAIM OF HENRY M. JOHNSON, ET AL.—Filed November 15, 1939.
18. ORDER MAKING OBJECTIONS AND EXCEPTIONS OF ONE DEFENDANT AVAILABLE TO ALL DEFENDANTS: making the response of the Defense Counsel Committee to plaintiff's request for admissions, the response of all defendants; making defendants' request upon plaintiff for admissions the request of all defendants, and plaintiff's response thereto available to all defendants; and making all pleadings and motions filed by any defendant, relating to the merits of the cause in general, inure to the benefit of all defendants—Entered October 31, 1938.

Plaintiff's Designation of Contents of Record on Appeal

19. AGREED ORDER AS TO TESTIMONY OF ALL DEFENDANTS, OTHER THAN OFFICERS, DIRECTORS OR EMPLOYEES OF THE BANK & TRUST COMPANY—Entered February 3, 1939.
20. STATEMENT AS TO SPECIAL DEFENSES.
21. FINDINGS OF FACT AND CONCLUSIONS OF LAW REQUESTED BY PLAINTIFF—Filed with the Court January 5, 1940.
22. PLAINTIFF'S MOTION TO MAKE CERTAIN SPECIFIED FINDINGS OF FACT AND CONCLUSIONS OF LAW—Filed June 5, 1940; Overruled in open court June 5, 1940.
23. OPINION OF JUDGE MAC SWINFORD—Filed March 23, 1940.
24. FINDINGS OF FACT AND CONCLUSIONS OF LAW—Entered June 29, 1940.
25. DEFENDANTS' MOTION FOR ADDITIONAL FINDINGS OF FACT AND CONCLUSIONS OF LAW—Filed June 29, 1940.
26. ORDER OVERRULING DEFENDANTS' MOTION FOR ADDITIONAL FINDINGS OF FACT—Entered June 29, 1940.
27. FINAL JUDGMENT AND DECREE—Entered June 29, 1940.
28. NOTICE OF APPEAL—Filed July 30, 1940.
29. STAY OF OPERATION AND ENFORCEMENT OF JUDGMENT—Entered July 30, 1940.
30. DESIGNATION OF PORTIONS OF RECORD, PROCEEDINGS AND EVIDENCE TO BE CONTAINED IN THE RECORD ON APPEAL—Filed September 30, 1940.
31. STATEMENT OF POINTS ON WHICH APPELLANT INTENDS TO RELY ON APPEAL—Filed September 30, 1940.
32. CONDENSED NARRATIVE STATEMENT OF THE TESTIMONY AND EVIDENCE AND CERTAIN RULINGS AND ORDERS MADE IN

COURSE OF TRIAL—Hearing of evidence began October 1, 1938, and concluded February 3, 1939. Filed September 30, 1940.

33. ORDER EXTENDING TIME FOR FILING AND DOCKETING RECORD—Filed Sept. 4, 1940.
34. ORDER TRANSMITTING EXHIBITS TO CIRCUIT COURT OF APPEALS UNDER RULE 75 (i)—Filed
35. ALL EXHIBITS FILED IN EVIDENCE.
36. ORDER FOR PRINTING PORTIONS OF RECORD.

STATEMENT OF THE POINTS ON WHICH APPELLANT INTENDS TO RELY ON THE APPEAL

(Filed September 30, 1940.)

Now comes the plaintiff, having taken an appeal from the judgment and decree entered in this cause on June 29, 1940, dismissing plaintiff's bill of complaint and the amendments thereto at plaintiff's costs, and states that the District Court committed error in rendering said final judgment and decree and that the points on which he intends to rely on said appeal are as follows:

1. The District Court erred in holding that the defendants are not the real, true and beneficial owners of stock of the National Bank of Kentucky in proportion to their respective stock holdings in BancoKentucky Company, and proportionately liable for the assessment levied upon shareholders and stockholders of said National Bank.

2. The District Court erred in holding that the defendants were not estopped, by reason of their receipt of the benefits of the ownership and the control of the stock of said National Bank of Kentucky, from denying their liability to assessment as the real, true and beneficial shareholders and stockholders of said national bank.

Statement of Points on Which Appellant Intends to Rely

3. The District Court erred in holding that the organization and operation of the BancoKentucky Company did not defeat, evade and avoid the spirit and intent of public statutes of the United States, State of Kentucky and State of Delaware, designed for the protection of depositors in national and state banks and trust companies, and that this corporate entity could be interposed by defendants as an insulator or nonconductor of liability for said assessment.

4. The District Court erred in holding that BancoKentucky Company did not hold Trustees' Participation Certificates, representing stock of the National Bank of Kentucky, as the corporate convenience, instrumentality and agency of defendants.

5. The District Court erred in failing to hold that the organization and operation of BancoKentucky Company for the purpose of holding the stock of the National Bank of Kentucky and the stock of other banks and trust companies and the operation of a group or chain of banks in the Ohio Valley, without providing for the continuance or assumption of personal liability to assessment on the part of the holders of shares in said BancoKentucky Company and without provision for the satisfaction of any assessment which might be levied upon shareholders of the National Bank of Kentucky or other banks and trust companies operated and controlled through said Delaware corporation, was constructively fraudulent as to depositors and creditors of said National Bank of Kentucky and that said corporate entity should be disregarded.

6. The District Court erred in failing to hold that the directors and shareholders of the National Bank of Kentucky and of BancoKentucky Company were chargeable with the knowledge of the officers of the National Bank of Kentucky, who suggested the organization of said BancoKentucky Company and participated in its organization

and operation, with respect to the precarious financial condition of said National Bank of Kentucky and with knowledge of their purpose to avoid or limit the personal liability to assessment of shareholders of the National Bank of Kentucky by the interposition of the corporate entity of said BancoKentucky Company between defendants and the direct ownership of the shares of said National Bank of Kentucky.

7. The District Court erred in failing to hold that defendants who exchanged Trustees' Participation Certificates for shares of BancoKentucky Company stock did not thereby terminate their statutory and contractual liability to assessment as shareholders and stockholders of the National Bank of Kentucky.

8. The District Court erred in failing to follow principles of law decided by the United States Circuit Court of Appeals for the Sixth Circuit in Barbour v. Thomas, *86 Fed. 2d 510* and Ullrich v. Schram, *86 Fed. 2d 678*.

9. The District Court erred in holding applicable to this case statements appearing in the opinion of the United States Circuit Court of Appeals for the Sixth Circuit in Atherton v. Anderson, *86 Fed. 2d 518*.

10. The District Court erred in approving and entering the following Findings of Fact, suggested by the defendants, numbered 4, 5, 14, 19, 21, 22, 24, 25, 26, 28, 31, 36, 37, 38, 41, 43, 44, 45, 61, 62, 63, 64, 65, 66 and 67.

11. The District Court erred in adopting the following Conclusions of Law, proposed by defendants, numbered 1, 4, 6, 7, 8, 9, 10, 11 and 12.

12. The District Court erred in failing to adopt and enter each of the Findings of Fact and Conclusions of Law suggested by plaintiff and in refusing to make each of the additional and supplemental Findings of Fact and Conclusions of Law proposed by plaintiff in accordance with the

opinions of the Court filed May 13, 1938 (23 Fed. Supp. 265) and March 23, 1940.

13. The District Court erred in overruling plaintiff's objection to the introduction of evidence offered by defendants and in sustaining objections to the introduction of evidence offered by plaintiff.

14. The District Court erred in dismissing plaintiff's Bill of Complaint and the amendments thereto and in refusing to enter judgment in favor of plaintiff and against the defendants as prayed for therein.

ORDER EXTENDING TIME FOR FILING AND DOCKETING RECORD

(Entered September 4, 1940)

This day, for good cause shown, and upon the application of the plaintiff, it is ordered that the time for filing the record on appeal and docketing the above styled action in the United States Circuit Court of Appeals for the Sixth Circuit be and the same is hereby extended sixty (60) days.

ORDER EXTENDING TIME FOR FILING AND DOCKETING RECORD

(Entered by United States Circuit Court of Appeals on October 28, 1940.)

This day, for a good cause shown and upon application of the plaintiff, it is ordered that the time for filing the record on appeal and docketing the above styled action in this Court, be and the same is hereby extended thirty days from and after October 29, 1940.

ORDER FOR EXTENDING TIME FOR FILING AND DOCKETING RECORD ENTERED BY UNITED STATES CIRCUIT COURT OF APPEALS NOVEMBER 14, 1940

This day, for a good cause shown and upon application of the plaintiff, it is ordered that the time for filing the record on appeal and docketing the above styled action in this Court, be and the same is hereby extended thirty days from and after November 28, 1940.

ORDER FOR TRANSMISSION OF EXHIBITS TO UNITED STATES CIRCUIT COURT OF APPEALS

(Entered October 9, 1940)

On motion of plaintiff-appellant, A. M. Anderson, receiver of the National Bank of Kentucky, upon stipulation of the undersigned counsel, and the Court being of the opinion that the original exhibits should be sent to the United States Circuit Court of Appeals in lieu of copies under Rule 75(i) of the Rules of Civil Procedure;

It is hereby ordered that the Clerk of this Court cause the original exhibits filed in evidence in this case to be transmitted to the Clerk of the United States Circuit Court of Appeals for the Sixth Circuit, and that the exhibits be reurned to the Clerk of this Court upon the final determination of this cause.

ORDER FOR PRINTING PORTIONS OF RECORD

(Entered by U. S. Circuit Court of Appeals, Oct. 24, 1940.)

On motion of Appellant, A. M. Anderson, receiver of the National Bank of Kentucky, and for good cause shown, it is hereby directed that the portions of the record on appeal to be printed shall consist of the portions designated in

Items 1 to 34 inclusive of Plaintiff's Designation of Contents of Record on Appeal, and that the original exhibits filed in evidence by the parties and made part of the record on appeal in Item 35 of said designation, to be transmitted to the Clerk of this Court, shall not be printed.

It is further ordered that the records on file with the Clerk of this Court, in *Atherton* v. *Anderson,* No. 7298, and in *Laurent* v. *Anderson,* No. 6384, be considered part of the record on this appeal in lieu of Appellees' exhibits, "Defendants' Exhibit No. 1" and "Defendants' Exhibit No. 23."

It is further ordered that the Clerk of this Court accept for filing copies of the photostatic reproductions of such exhibits as have been reproduced for the Court's use in considering this appeal.

Approved:

XEN HICKS,
Circuit Judge.

NOTICE OF APPEAL TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT OF SUSIE E. TELLMAN, ET AL.

(Filed Sept. 26, 1940)

Notice is hereby given that Susie E. Tellman, Frieda Gudex, Administratrix Estate of Emily E. Bischoff, and Mary Christine Cottell, Administratrix Estate of P. A. Gaertner, deceased, hereby appeal to the United States Circuit Court of Appeals for the Sixth Circuit from so much of the Judgment and Decree entered in this action on June 29, 1940 by the Honorable Mac Swinford, District Judge, as dismissed the Counterclaim and Cross-action filed herein, and amendments thereto, by above named parties against A. M. Anderson, Receiver of the National Bank of Kentucky.

TELLMAN, ET AL. DESIGNATION OF CONTENTS OF RECORD ON APPEAL

(Filed Sept. 30, 1940)

You are hereby authorized to prepare a certificate and copy of Tellman, et al. Notice of Appeal to the United States Circuit Court of Appeals for the Sixth Circuit filed on September 26, 1940, and copy of Tellman, et al. "Statement of Points on which Tellman, et al. intend to rely" filed on October 4th, 1940, and to include same with copies of papers entitled "Plaintiffs designation of points of record on appeal" filed in your Court on September 30, 1940, and copy of opening statement of Judge Robert S. Marx of date Oct. 31, 1938, all of which are to constitute the record on the appeal herein.

HENRY M. JOHNSON,
LUCIAN L. JOHNSON,
Attorneys for Tellman, et al.

Service of copy of above Designation acknowledged this 9th day of Oct. 1940.

NICHOLS, WOOD, MARX & GINTER,
Attys. for A. M. ANDERSON, *Rec.*

STATEMENT OF POINTS ON WHICH APPELLANTS, TELLMAN, ET AL. INTEND TO RELY

(Filed Oct. 4, 1940)

Now comes Susie E. Tellman, Frieda Gudex, Administratrix Estate of Emily E. Bischoff, and Mary Christine Cottell, Administratrix Estate of P. A. Gaertner, deceased, having taken an appeal from a portion of the judgment entered in this cause on June 29, 1940, dismissing their Counterclaim and Cross-action filed herein, and amendments thereto, and state that the District Court committed error in entering final judgment dismissing their Counter-

Statement of Points on Which Appellants Intend to Rely

claim and Cross-action herein, and that the points on which Tellman, et al. intend to rely on said appeal are as follows:

In the event on appeal the United States Circuit Court of Appeals for the Sixth Circuit should reverse this case, and hold, as A. M. Anderson, Receiver of the National Bank of Kentucky contends, in his statement of Points on which said Receiver intends to rely on appeal, namely, that the organization and operation of BancoKentucky "was constructively fraudulent as to depositors and creditors of the said National Bank of Kentucky, and that said corporate entity should be disregarded," then the Court should hold that the said Corporation's organization and operation and sale of stock to innocent stockholders, such as Tellman, et al. was fraudulent, so as to ground a Cross-action and Counterclaim, in favor of Tellman and others of such innocent purchasers of stock in Banco, against the assets of the National Bank of Kentucky in the hands of A. M. Anderson, Receiver of the National Bank of Kentucky, for the amount they lost in purchasing the said fraudulent Banco stock.

CLERK'S CERTIFICATE

United States of America,
Western District of Kentucky. } ss:

I, W. T. Beckham, Clerk of the District Court of the United States, for the Western District of Kentucky, do hereby certify that the foregoing volume consisting of 297 pages, together with the two volumes of evidence consisting of 306 and 309 pages respectively, constitutes a true and complete transcript of the record and proceedings in said court upon the trial in the case of A. M. Anderson, Receiver of the National Bank of Kentucky v. Katherine Kirkpatrick Abbott and others as the same appears of record and on file in my said office.

Witness my hand and the official seal of said court this ..... day of December, 1940.

.....,

Clerk of the United States District Court, for the Western District of Kentucky.

CLERK'S COPY.

Vol. II

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. 497

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

October Term, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

v. *Petitioner,*

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

VOLUME II

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,

ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

Volume II

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District Court of the United States

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

Appellant,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Appellees.

OPENING STATEMENT OF MR. MARX ON BEHALF OF PLAINTIFF

(Included in record pursuant to designation cross-appellants Susie E. Tellman et al., Vol. I, p. 296.)

Mr. Marx: If the Court please, it is not our purpose to make too elaborate a statement, nor to go into all of the evidential facts which are necessary to support the allegations in the Bill of Complaint. Your Honor has suggested, however, that some outline of the claims of the plaintiff might be helpful, and I will state those verbally and without any detailed notes, facts or figures before me, so that I don't want to be held too closely to any statement of dates or figures, just to the general outline. I had not originally intended to make an opening statement, thinking we might save time by waiving it; I have not prepared a statement and I will just talk ad lib.

The Court: It is not necessary to go into the history of the matter; just state the issue on which you want to introduce proof.

Mr. Marx: Well, I think it is necessary, however, to state very succinctly a little bit of the history in order to bring

out the sequence of events, because prior to April 22, 1927, this was just the ordinary relationship of stockholders of a bank of record on one side and the depositors of the bank on the other. I mean by that, in 1925 or 1926 a depositor put his money into the bank and there stood of record a long list of individuals on the Stock Ledger of the bank who had invested their money in the shares of stock in the bank, and who were subject to a stock assessment in the event of the failure of the bank. These individuals, who were the stockholders of the bank and were liable for double assessment were the real, actual, and at that time, prior to April 22, 1927, the record holders on the stock ledger of the bank, and they well knew then and at all subsequent times, that they were liable, under Federal law, to the payment of double the amount of their investment as an assessment.

The proof will show that along in April of 1927 these stockholders, who were the real, true, actual and record holders of the stock of the National Bank of Kentucky, and who were making the profits out of the operation of the bank and the use of the depositors' money, conceived the idea of joining forces with a state institution known as the Louisville Trust Company. They, I think the evidence will show, wrote to the Comptroller of Currency of the United States about it and were advised that under the applicable federal laws there was a legal way by which they could merge or consolidate. However, they chose to do it another way, without going through the process required by law to accomplish a merger or consolidation. They undertook to accomplish indirectly the same thing, and they, the stockholders of the National Bank of Kentucky and the stockholders of the Louisville Trust Company, put all of their stock into the hands of six men whom they designated as Trustees. I think the evidence will show that all of the certificates of stock of both the National Bank of Kentucky

and the Louisville Trust Company were placed in the hands of these Trustees. Subsequently the Trustees caused to be registered in the name of the directors of the bank and the trust company, ten shares of stock apiece, in order to qualify them to act as directors. Whether or not that was a real qualification, as contemplated within the spirit of the law and letter of the law, Your Honor will have to determine, but the physical possession and custody of the stock was in the hands of these Trustees.

I may say the evidence will show there was a formal trust instrument executed, dated April 22, 1927, the detailed terms of which I will omit at this time, except to say that under that instrument the man who owned a $100 stock certificate in the National Bank of Kentucky received in exchange from the trustees a $100 trust certificate. In other words, they exchanged their bank stock for trust certificates par for par. Now, the effect of that exchange, however, was that a man who had been a stockholder in the National Bank of Kentucky continued to be a stockholder in the National Bank of Kentucky, but in a somewhat different proportion. Originally he owned $100 interest in the National Bank of Kentucky, but when he got a Trust Certificate for $100 his interest became relatively about $70 in the National Bank of Kentucky and $30—$20, originally—in the Louisville Trust Company. In like manner, if a man owned only $100 of Louisville Trust Company stock, when he received a $100 Trust Certificate, he acquired a $80 interest, at the start, later reduced to $70, in the National Bank of Kentucky, and a $20 interest in the Louisville Trust Company, so that his proportionate interest changed, but the Trust Certificate at all times represented the bank stock.

Now, while I am on the subject of the difference between $70 and $80, I may say that some time after the organiza-

tion of this trust, they took in another bank, the Louisville National Bank. They took it in not by purchase money but they took it in simply by an exchange of Trust Certificates for Louisville National Bank stock, of which they issued something like 7,500 shares of the Trust Certificates —that is; 7,500 Trust Certificates in exchange for 7,500 shares of the Louisville National Bank stock, and they merged that Louisville National into the Louisville Trust Company. When that merger or consolidation came about, then the proportionate interest of a certificate holder again changed, so that whereas originally his Trust Certificate represented $80 worth of National Bank of Kentucky and $20 worth of Louisville Trust Company, after they took in the Louisville National his Trustees' Certificates represented $70 in the National Bank of Kentucky and $30 in the Louisville Trust Company. Now, I am giving these figures from memory and they are approximations.

The Trust Certificate represented the bank stock; these six trustees had no real, independent function; they were the trustees of the bank stockholders. For example, the principal reason men invest money in a bank is to derive dividends and earn profits that come from owning bank stock for his own enrichment, and the dividends after the bank stock was trusteed were received by the trustees and then paid out to the bank stockholders without any deduction, even for expenses, so that the bank stockholder continued to get his dividends from his bank stock from the trustees, just the same as he had previously got it from the bank, so that in every sense of the word he was still a bank stockholder. The trustees, of course, acted for the Certificate holders to such an extent that the trustees' certificate holder had a right to vote his trust certificate, directing the trustees how to vote the bank stock, so that though the trustees he even continued to exercise his voting privilege of the bank stock.

That, as stated, happened in April of 1927, and that condition continued until the organization of the BancoKentucky Company about two years later.

Now, if the Court please, the evidence will show beyond any possible dispute, and the other side will have to admit it, that during the years 1927, 1928 and 1929 up to the time they undertook to shake off their double liability these bank stockholders knew that they were liable to a double assessment under the laws of the United States, and they knew they could not shake off that liability by organizing this trust, and have it a valid and legal thing. Whether that trust was a valid method of combining a national and a state bank may or may not be important in this case, depending upon certain rules of law and certain phases of the case, but one thing is clear, that when they organized that trust, and their banks were in whatever condition the evidence will show they were in, these stockholders knew that they were liable for double assessment, and they wrote into the Trust Agreement that they would indemnify these six men who were the trustees against any liability for stock assessment by reason of the fact that the stock in the bank was then registered in the names of the trustees, because from the day they instituted that trust, Your Honor will see immediately that the situation between the depositors, whom we represent on this side of the table, and the shareholders, who are represented on the other side of the table, changed, in this particular, that the depositors could no longer go to the stock ledger and ascertain the names of record of the certificate holders directly; he had to do it indirectly, because when he looked at the stock ledger it stated that all the stock, except the stock in the names of the directors, ten shares each to qualify them, was in the names of these six trustees—all of it, if Your Honor please—there wasn't any outside of the trust, save and except the

shares that were registered of record in the names of these directors, ten shares each, but the certificates of which were in a safety deposit box controlled by the trustees.

Furthermore, the evidence will show as to those directors' qualifying shares, that they were under a contract made with the trustees that upon the failure of a director to be elected or his resignation or the attachment of the stock which he claimed, as far as the record showed, to own, by a creditor, he lost those certificates instanter, so that he, in effect, and in reality, was simply a nominee of the six trustees who held his certificates and who held a contract, if Your Honor please, providing that he lost the certificate on death, resignation, failure of election, or even attachment by a creditor.

Now, then, when he looked at the stock record he saw eighteen directors at ten shares each and all the rest of the stock of the National Bank of Kentucky was in the name of six trustees under the trust instrument of April 22, 1927. Now, they kept a stock ledger, however, of those who owned the Trustees' Certificates and a man could go to that record and see who owned the Trustees' Certificates, which represented the stock of the bank, and everybody on that record agreed, in his Trustees' Certificates, to respond to his double liability. He knew from the Trustees' Certificates and knew personally that he was subject to double liability, and that the Trustees' Certificate was subject to double liability, and that the Federal law required him to pay that liability if the bank failed. Furthermore, the depositors who put their money in that bank, and for whose benefit alone this suit is brought, had as their only guarantee in the event of the failure of the bank, the obligation of the shareholders of this bank who now held not stock but Trustees' Certificates to respond to that double liability.

Well, if Your Honor please, the evidence will show that after they organized this trust and combined the National

Bank of Kentucky in this method with the Louisville National and Louisville Trust Company, the National Bank of Kentucky was gradually slipping down hill. It is immaterial for this argument or statement of facts I am making whether or not the National Bank of Kentucky was solvent or insolvent in a legal sense; in a factual sense it was going down hill; it was slipping fast; its deposits—how much were they when they started the trust—dropped probably from something like $60,000,000 to something a little over $30,000,000. It was losing deposits rapidly. Furthermore, if the Court please, its asset condition was becoming continually worse. I think the evidence will show here that the amount of money that it was lending to concerns like the Kentucky Wagon Works, Wakefield & Company and Caldwell & Company—loans which proved to be bad—was gradually increasing. I think the evidence will show here that the amount of money that the National Bank of Kentucky was forced to borrow was gradually increased, and I think the evidence will show here that it was unable to maintain its reserves with the Federal Reserve Bank and the amount that it was in default for its reserves was gradually increasing. It could have borrowed money to make good those reserves but its assets which it could have discounted for those loans had all been pledged, so it was required to pay penalties to the Federal Reserve Bank for failure to maintain the reserve required by law. Of course, that Federal Reserve is a requirement for the protection of depositors; they are required—I don't know the exact figures offhand—to have, say, ten per cent—well, the Federal statute covers it, but I think it is ten per cent of certain deposits and three per cent of others. Just what it was at that time will have to be shown to Your Honor by evidence. This reserve is required in order that it may have a liquid condition, so that if a run occurs it will have the resources to pay off the depositors who demand

their money, and yet daily its reserve position was getting worse, so that this bank was going down hill, and it went down hill rather rapidly towards the final days, and with that condition staring them in the face, the shareholders of this bank undertook to shake off their double liability on the one hand and unload it on a holding company of their own creation. They undertook to shake off their double liability on the one hand and unload it onto a holding company of their own creation, and on the other hand, while unloading their liability, they held onto every dollar of dividends and profits that came from the bank stock; they kept every benefit of the control of their bank stock while they sought to unload their double liability onto this holding company designed primarily and principally to hold the bank stock, of their own bank stock, and to keep control of their own bank stock, and the Supreme Court of the United States and every Court of Appeals in the country has said that if you hold onto the benefits and you get the dividends and advantages of your investment in bank stock you have to respond to your liability and you cannot say the liability goes on to the holding company whose dividends go into our own pockets, but we will take millions out of the bank in dividends, but if the bank busts, then the depositors can shout for their money because they will have nothing but a busted holding company to look to. That is the law of this land and there wouldn't be a thread of confidence left in a national bank if it wasn't——

The Court: Just confine your statements, Judge, to the facts.

Mr. Marx: Well, that is what they did. Now, how did they do it? They undertook to organize a general corporation under the laws of the State of Delaware, and almost the first article that they wrote into that corporation charter was—these men sitting as bank directors, these men who were the shareholders of that bank, these men

who knew that they were subject to double liability, wrote into that article of incorporation "The personal property of the shareholders thereof shall be exempt from the payment of its debts," and then, on top of that, they caused stock certificates in the company to be printed, and put on the face of them "fully paid and non-assessable" and then they said "One of the great advantages now of transferring your Trust Certificates into Banco stock is that you won't have any assessment to pay if the bank fails," and that is their position today.

Now, then, if Your Honor please, in July they organized this Delaware corporation. Who organized it? The shareholders of the bank, of the National Bank of Kentucky, and of the Louisville Trust Company, and the six trustees, and they put up the money to organize it, a $1,000 corporation fee, out of the National Bank of Kentucky, and they sent their lawyer, Mr. Carroll, to Dover, Delaware in order to organize it. He reported back to them that it was done, and then, if the Court please, having done that, they sent out a letter to every shareholder of bank stock—I would like to read that letter to Your Honor.

The Court: That is the same letter that was discussed here on the motion to dismiss, was it not? I am familiar with its contents, having heretofore read it.

Mr. Marx: I won't read it all, then, but I do want to direct Your Honor's attention to certain parts: In the first place, this letter is sent by whom? It is sent by every director of the National Bank of Kentucky and every director of the Louisville Trust Company and every one of the six trustees, and by James B. Brown, President of the National Bank of Kentucky, and by Richard Bean, President of the Louisville Trust Company, as such. I want to stop long enough to say to Your Honor that this—it pertains to some of the defenses that the evidence will show—that this is not like a suit against the directors to

recover liability for the mismanagement of their trust, in which event they may plead, say, lack of knowledge and the Court will hold only certain directors who had knowledge and certain officers who had knowledge. A stockholder could himself sue the directors for mismanagement. This is a suit between the depositors only, and they alone can participate in the suit. Against the stockholders on the other side, who chose those officers, James Brown, who signed this, Richard Bean, who signed it, and these directors who signed it, and act as their officers and their agents and their directors in the conduct of the business of this bank, all these allegations with reference to whether an individual director knew or didn't know are wholly immaterial as against the innocent depositor who is suing the corporation and its shareholders to recover what the law provides he shall have. Now, this is addressed to the holders of Trustees' Participation Shares of the National Bank of Kentucky-Louisville Trust Company—to all of them, if the Court please, and it begins "Your Officers and Directors have studied the rapidly changing conditions in the banking business in America, with a view to preparing the two banking institutions under their management, to meet these changed conditions, and to take early advantage of new opportunities presented thereby.

"2. The conclusion unanimously reached, as a result of their deliberations, is that the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the operations of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections."

Now, I call Your Honor's attention to this reorganization, to the use of this word, because the evidence will show to Your Honor—these gentlemen have asked us to admit

and we have denied it, that the BancoKentucky Company —I think Your Honor already knows, although I have omitted it in the statement of facts, that when they organized the BancoKentucky Company they offered to every shareholder in the bank two shares of BancoKentucky Company stock in exchange for one share, for one Trustees' Certificate, and those two shares, they represented, were worth $25 apiece. In other words, they said to the shareholder of the bank, whose share was now represented by a Trustees' Certificate "If you will give us your bank stock in exchange for holding company stock we will give you $50 in holding company stock, two shares of $25 each." Now, mind you, the evidence will show that not a single dollar was ever put up by the BancoKentucky Company for one share of National Bank of Kentucky stock; the BancoKentucky Company never invested a single cent in the National Bank of Kentucky stock; every share of stock it got it got by an exchange of its paper, BancoKentucky Company stock, alleged to be nonassessable, in return for bank stock, which had written on its face that it was assessable.

Now, then, they asked us to admit, and we have denied, that the BancoKentucky Company, by the process of exchanging its paper for the Trust Certificates, became the true and actual owner by sale of the bank stock. Now, Your Honor will observe that under the federal laws as they then stood, if a man purchased his bank stock, say, for $25 and he sold it to BancoKentucky for $50 he made a capital gain of $25, which was taxable income under the revenue laws of the United States, and this proposal was not designed as a sale, but as a reorganization, in order to escape, shall we say, or not, the federal income tax laws.

Now, the facts are that that was what they represented it to be; it was an exchange of one type of paper, representing bank stock, for another type of paper representing

bank stock, an exchange of Banco, or as Judge Cochran used to call it "Bunco" shares for Trustees' Certificate Shares. Both were bank stocks, and therefore there was no capital gain, because it was merely the exchange of one form of paper for another form of paper, both of which were identical in the eyes of the law; the only difference was that one was assessable on its face and in the other they undertook to get rid of the assessment. The gentlemen on the other side are in this dilemna: That either they were honestly and seriously doing what their letters say, which we believe, or otherwise they were engaged in a gigantic scheme to cheat and defraud the United States out of hundreds of thousands of justly due income taxes. We don't charge them with any such scheme, but if they say what they got was not in pursuance to a reorganization, that the BancoKentucky Company actually got by sale a good title, and that they lost forever to this corporation their bank stock, then they are liable to the United States Government for those income taxes, which is due, and their plan to simply have a reorganization was a hoax and a fraud, and they cannot hide behind nor shield themselves behind a corporation which was created to defraud the Government of the United States, or which had that effect. So, there are the horns of the dilemma. We charge them with no such fraud; we accept them at their own word and we ask the Court to accept them at their own word, but if they take the other horn of the dilemma, they are equally liable for the assessment, because the law does not allow you to shield yourself behind a corporation which is part of an unlawful scheme.

Now, if Your Honor please, these documents are admitted to be authentic. Mr. Robert F. Vaughan, a distinguished lawyer of this city and a man for whom I personally have a great deal of respect, was attorney for this bank.

He wrote this letter to Mr. James B. Brown, President of the National Bank of Kentucky: "July 9, 1929. Dear Mr. Brown. In re: The BancoKentucky Company"—and he wrote this letter to him, as President of the National Bank of Kentucky, because Banco had not been organized—

> "Supplementing my former letter to you under date of July 6th, on yesterday I had a conversation with a lawyer, representing the Income Tax Unit at Washington, in the General Counsel's Department, who shortly expects to become a member of the firm of Miller and Chevalier, my office associates in Louisville, which firm, as heretofore explained, specializes in Federal Tax cases, with offices in Washington and New York.
>
> "The gentleman gave as his opinion (without opportunity to study the history of the entire transaction) that it was highly important that every preliminary paper, resolution, etc., dealing with this Company and its organization, should clearly recite that the Company is a 'reorganization,' within the purview of the Revenue Act of 1928.
>
> "In other words, the issue and delivery of two shares of stock of the Company, for one Trustees Participation Share, must be made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property.
>
> "I believe we can accomplish this result, without in anywise impairing the structure of the setup already agreed upon, by prefacing the prospectus with some general remarks, as per the enclosed draft herewith submitted for your criticism."

And with it was a draft, in substance, of this letter of July 19th. Now, I haven't read it all but there will be a lot of evidence on this income tax subject and there will be a lot

of evidence showing that this is what these gentlemen honestly set out to do, exchange one property for another property in the same form and not to close a transaction wherein they parted with one species of property for another, different species of property, but unless they were honest in what they said—and we believe they were sincere in what Mr. Vaughan said, as I believe he was—then, the thing was a scheme to cheat the United States out of more money than, perhaps, is involved in this stock assessment.

Now, when they did that, after that advice, they send this circular out—I have only read, Your Honor, from parts 1 and 2. Here is 3: "Such a reorganization is in line with the trend of business and finance in this country; and the strength and influence of the new corporation will not only greatly benefit the two banks and the territory they now serve, but wil also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise"—proving that these bank directors and stockholders set out, indirectly, to do things forbidden to them by law if they attempted to do them directly—"and can take advantage of many sound and profitable financial opportunities, frequently presented in the course of business of the two banks, but not available to them, because of the restrictions upon their powers and activities.

"4. The following is the Plan of Reorganization agreed upon by the Officers and Directors of the two banks, and approved by formal Resolutions of the Trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

"5. There has been organized under the laws of the State of Delaware, a corporation known as The Banco-Kentucky Company, with an authorized capital of 2,000,000 shares, having a par value of Ten ($10.00) Dollars each.

The stock will be exchanged or sold, in accordance with this plan, on the basis of Twenty-five ($25.00) Dollars per share, which will give the Company a capital of Twenty Million ($20,000,000.00) Dollars, and a surplus of Thirty Million ($30,000,000.00) Dollars, or a total capital and surplus of Fifty Million ($50,000,000.00) Dollars. No stock will be sold by the Company at less than Twenty-five ($25.00) Dollars per share."

The Court: Does that letter make any reference to a sale of the stock generally?

Mr. Marx: Under the Reorganization Plan yes, and it preempts all the stock for the bank shareholders. In other words, it invites them, as we view it, to increase their investments in bank stock—I will come to that in a minute.

"6. The corporation is given broad charter powers, including the right to acquire stocks, bonds and other securities"—and so forth.

"7. It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participation Shareholders, and that it be managed and operated"—by whom, does Your Honor think? It is an essential thing that this new corporation that we are setting up has the majority of its stock owned by the same persons who now own the bank, and that the new corporation be run, managed and operated—this is quoted—"by the Boards of Directors and the officers of the two banks. The Banco-Kentucky Company, therefore, offers to the Trustees' Participation Shareholders of the National Bank of Kentucky and The Louisville Trust Company, through the trustees as agents"—and I call Your Honor's attention to the fact that the trustees are specifically designated to be the agents of the shareholders of the bank who set up this claim—"through the Trustees as agents in the transaction, its

entire capital stock, on the bases and subject to the terms and conditions hereinafter set out":

I am emphasizing some of this, Your Honor, because when you come to read the decision in the case of Barbour v. Thomas in the United States Circuit Court of Appeals, you will see that it parallels this case as we intend to put the evidence in almost line for line; the scheme there was almost the same as the scheme here, save and except that when they organized the Detroit Bank's Holding Company for the Detroit Bank and other banks, they honestly set out in their Articles of Incorporation that each stockholder would assume his proportionate part of his double liability which necessarily flowed from the ownership of bank stock, but here they set out to escape from that liability. In the Detroit case, the stockholders, when they were asked to make good on their promise, came in and said, "Because we frankly assumed it, we ought not to be held liable, because that means there was no fraud. If we denied our liability, then it would not have been immoral, but it would have been a constructive fraud, because it would have evidenced our intention to escape it." But the Court said there, "Because you were frank and assumed what the law required you to pay is no more reason for you to escape from it than if you had sought to evade it by denying liability as they did in the Metropolitan Holding Company case in the Seventh Circuit Court." They also had a non-assessable stock, and they said, "You can't get out of that," in other words, the Judge said in his opinion the purpose of the bank and trust company stockholders in forming this company was not only to extend the operation of the banks beyond the scope authorized by law under which the banks were organized, but they also deliberately sought to evade the operation of the National Bank Act and avoid liability on the bank stock. Through the Trust Agreement of 1927 the shareholders expressly acknowl-

edged their liability; in the second step involving the reorganization of the bank and trust company and their business, the shareholders deliberately sought to eliminate their individual liability and to defraud depositors and creditors of the bank of the protection contemplated by the statutes, meaning the assessment liability, and we expect to prove just what Judge Sullivan says.

Now, he says the BancoKentucky Company was organized under the general laws of Delaware authorizing it to do any business except banking, and one of its purposes was to engage in speculative enterprises forbidden to banks, and while the bank had apparently a separate existence, it was intended to be and was the agent of the bank, and it was operated by the bank officers. That is what they said in this letter (indicating), that the bank's shareholders were to own the bank, and that the Banco Company was to be operated by the directors and officers of the bank, and through it the bank's shareholders were to engage in general banking, and through it they hoped to defraud the depositors by substituting for the stockholders' personal liability only the bank stock itself.

Now, No. 8 says: "It is an essential part of this Plan that:

(a) On or before September 19, 1929, the holders of the Trustees' Participation Shares must deposit their Certificates with the Trustees for exchange into the shares of The BancoKentucky Company; and for each Participation Share thus deposited, the Trustees will cause to be issued to the holder thereof, Two (2) shares of the stock of the new corporation. In addition thereto the depositing shareholder"—that means the bank shareholder only—"will have the right to subscribe for as many additional shares of the stock of The BancoKentucky Company as he may desire at the price of Twenty-five ($25.00) Dollars per share subject to allotment ratably if over-subscribed.

Trustees' Participation Shareholders who fail to deposit their shares on or before September 19, 1929, will be deemed to have waived their rights to thus exchange their shares and subscribe for stock in the new company, unless the Trustees shall extend the time for deposit and subscription (as they may do in their discretion), in which event the Trustees' Participation Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time."

Your Honor will see that they preempted the right of subscription to shareholders of the National Bank of Kentucky and the Louisville Trust Company, and nobody else, until September 19th, could get one share of this stock under this plan.

Now, the evidence will also show that when they sought to induce persons to subscribe for stock of this reorganization, this third company that they were adding to the two banks, that they had in mind that one of its advantages was that you would get out of your stock assessment; so we have Richard Bean, the same Richard Bean the facsimile of whose signature is attached to this letter of July 19th, and one of the organizers, writing a letter over his signature to James B. Brown, the other man a facsimile of whose signature is attached to the letter, and President of the National Bank of Kentucky—the heads of the two banks that were setting up the BancoKentucky Company. This letter is dated July 26th, and reads: "My dear Mr. Brown, before beginning our campaign to get everybody in, I think we will want to send out several letters, because it is utterly impossible for us to handle 1500 people personally.

"I enclose some suggestions, but I have serious doubts about paragraphs 3—6—7."

And well he might have a doubt about including paragraph 7 in any circular broadcast.

"If this general idea appeals to you, please whip it into shape and let me see what it looks like. Very truly yours, Richard Bean, President."

And here is paragraph 7—I might read the beginning; it is on stationery of the Louisville Trust Company and it is addressed "To Our Stockholders:" and says: "Quite a number of our friends are asking questions which doubtless have occurred to others, and we are glad to give this information generally.

"7. Does the 'double liability' apply to BancoKentucky stock as it does to stock in the banks?" Answer: "No; one of the advantages of transferring your bank stock for BancoKentucky Company stock is that you are relieved of the double liability clause which applies under the Kentucky law."

If that had ever been broadcast in that way and had come into the hands of the Federal Government, or if it had been known generally to the depositors of this bank, how it would have shaken, instantaneously, the confidence of those depositors, and yet that was what was in the minds of Mr. Bean and Mr. Brown, as evidenced by this letter. That was in the minds of the stockholders when they bought their stock. As evidence of this, there went out with this letter a so-called subscription, which reads: "Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929. To the Trustees of National Bank of Kentucky and The Louisville Trust Company: 1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of ..... Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable."

In other words, take my assessable stock and give me back non-assessable bank stock, or an interest in it. Now, I say that it was an interest in bank stock because they said so. He was to get non-assessable shares, not under an outright scheme of sale, but under a reorganization plan, and so he says "cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each participation share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, and when and as said Plan shall become effective as therein provided.

"2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for ..... additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following date said Plan become effective."

Now, if Your Honor please, there were a lot of people who exchanged—ninety-five per cent of them, so that the BancoKentucky Company got, by the process of exchange, and only by that process, ninety-five per cent of the National Bank of Kentucky. The National Bank of Kentucky was at that time represented by, roughly, 570,000 odd shares of Trustees' Certificates, and in exchange there was issued by Banco 1,140,000 shares of BancoKentucky stock certificates.

Now, "(b) The entire Plan of Reorganization and the deposit and subscription privileges and rights hereinabove set out, are all, and each of them is, conditioned expressly upon the acquisition by the Trustees' Participation Shareholders, either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of the BancoKentucky Company"—in other words, "this Plan is conditioned on the fact that the bank stockholders will own, operate, control and manage this new company we are

setting up, and if they don't own, operate and control it, there is no plan." It didn't become effective—it is "further conditioned upon the acquisition by the Banco-Kentucky Company of at least a majority of the Trustees' Participation Shares issued and outstanding as of September 19th, 1929."

The second condition was that the new corporation be managed by the shareholders of the National Bank of Kentucky, and this new convenience they were setting up was to be owned by them—they were to own the stock of their bank so they would get the dividends on it. I might cite here that it did have it, and cent for cent the dividends on the stock of the National Bank of Kentucky went into the pockets of the shareholders of the National Bank of Kentucky, in exactly the same sum of money as if they had stood of record as the owners of that bank stock on the stock ledger of the bank. In other words, this split-up two for one and the dividend declared on the BancoKentucky Company stock were so devised and arranged that if I was a stockholder and I got $100 as my dividend on National Bank of Kentucky stock, represented by the Participation Shares, I got $100 on my BancoKentucky stock after I had exchanged it. I have a table here, which we will offer in evidence, which shows that quite clearly.

The Court: You mean they made a distinction among the stockholders of BancoKentucky Company between those that had exchanged their Participation Certificates and those that bought theirs in the open market?

Mr. Marx: No, just the opposite: Whether you exchanged or didn't exchange you got exactly the same amount of money in dividends. In other words, my point is that by depositing, exchanging your Trust Certificates for BancoKentucky Company stock you did not give up your dividends or one fraction of a penny of your dividends; you kept them.

The Court: What about the man that bought stock on the open market?

Mr. Marx: I would rather deal with that man somewhat separately, because it is our contention that he bought an interest in that stock.

The Court: Was there any distinction made between him and the man who exchanged his Participation Certificates?

Mr. Marx: No.

The Court: Go ahead.

Mr. Marx: Judge Sullivan dealt with that point, if Your Honor please, in an addenda to his Opinion which said that the entire assets of the holding company consisted of Trustees' Participation Certificates, which in turn represented the stock of the National Bank of Kentucky, and its affiliates, and every one dealing in Banco was bound to know what its assets consisted of. They were, then, bound to know that the statutory liability was imposed upon such stock by statute, and that the Court look through the entire involved financial structure and hold the owners of the stock liable for the statutory assessment. Your Honor, if I am pardoned, dealt with the same thing in a somewhat more extended way in your opinion, and fortified your opinion with a citation of authorities, particularly two cases from the United States Circuit Court of Appeals.

We contend that those persons who bought stock in the open market—and they were in the minority—I mean persons who had never owned stock in the National Bank of Kentucky, but just walked in to a broker and bought the stock—knew what it was and that it was bank stock. In the first place, the name "BancoKentucky" challenged their attention that it was bank stock that they were buying.

The Court: My question was not addressed to asking their identity, but I understood you to say there was a table there, and I thought it might be there was something contained in the articles or the by-laws of the corporation

which gave in the nature of a preference to dividends, or something of that kind.

Mr. Marx: No, they didn't; the preferred position that they got, that the bank shareholders got, was the guarantee that they would continue to manage, operate and control the BancoKentucky Company through the officers, and directors of their bank, and through the ownership of more than a majority of its shares, and through the preemption of the Banco stock in their favor before the plan started: So, the bank shareholder started out in a preferred position to that extent, but not as to dividends. Now, the table as to dividends will show that on January 2, 1930 the Banco Kentucky Company received from the National Bank of Kentucky and from the Louisville Trust Company, as dividends, $224,620, and disbursed as dividends in the same identical amount to its stockholders on the same day. On April 1, 1930 it got $228,100, and disbursed that amount to its stockholders on the same day; on July 1st it got the same amount and disbursed it to its stockholders on the same day, and on October 1, 1930 the same thing.

The Court: That was the case in every instance where they received stock dividends from the bank? You have read a number of dates: Were they the only dates, or were there others?

Mr. Marx: No, those were the only dates. It was very short lived.

The Court: Those were the only dates on which they received dividends?

Mr. Marx: That is right. Now, then, this letter of July 19th, the organizing letter, says: "9. It is the unanimous recommendation of your Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees' Participation Shareholders immediately deposit their shares under this Reorganization Plan, and that they exercise their right to subscribe

to the additional shares of stock of the BancoKentucky Company."

We shall introduce another letter from Mr. Brown in which he said in reality what the bank shareholders are asked to do is to increase their investment in bank stock.

"10. There is enclosed herewith a subscription form covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees at their office, 421 West Market Street, together with your Certificate or Certificates for Trustees' Participation Shares, endorsed in blank and witnessed. There will be issued to you an interim receipt for the shares deposited which, when the Plan has become effective as above set forth, may be presented for exchange for the permanent certificates of the BancoKentucky Company, in accordance with the Plan of Reorganization."—you don't get the certificates except as part of the reorganization plan; you don't get them as an outright sale.

Now, that plan became effective, as Your Honor knows, and Your Honor also knows that the bank shareholders subscribed some $9,000,000 as an increase in their investment in bank stock, and they subscribed it with the knowledge and the announcement that it was to be used to buy more bank stock in other banks.

Now, we have a lot of evidence which proves, indelibly, irrefragably and indisputably that the purpose and intent of the stockholders and directors of these banks, and the officers of these banks, was to organize the BancoKentucky Company primarily as a bank holding company; it was not to be organized as a general mercantile corporation, although it was organized under general laws, and although its charter powers gave it the right to own all the stock of all the corporations in the United States. Its purpose was to own bank stock, and that purpose was announced to every agency that inquired. We have here the question-

naire of the Federal Reserve Bank on credit and chain banking: "What is your purpose?", and the answer, "To hold the stocks of banks and trust companies." They wanted to register their stock on the Chicago Stock Exchange, and the Chicago Stock Exchange said "What is your purpose?", and they said, "To own and hold bank stock."

Now, if your Honor please, the National Bank of Kentucky was forbidden by Federal law to engage in branch banking; it was forbidden to operate a bank outside of the corporate limits where it was domiciled and chartered. There is a sound policy behind that federal law; it was prohibited from going into partnership with a state bank, which is examined under a different supervisory authority, and subject to different laws, because federal banks are a special depository of the Federal Government, for one thing, and it is prohibited from crossing the state lines and to engage in interstate banking. It is prohibited from engaging in trust business, except as specifically licensed. It has to deposit its monies, a certain percentage of them, in the Federal Reserve Bank as a reserve against runs or other emergencies; it is limited specifically by federal law, and that is what has made the strength of the federal banks in this country and given the people confidence in them. These people undertook to avoid the law, and we can prove it by the records, written records. They set out to do a general banking business—they set out to do indirectly what the law forbade them to do directly, to engage in branch banking. They were not content to go into partnership with a state bank in Louisville, but they wanted to have a chain of banks throughout the country and monopolize banking as far as possible, although the Solicitor General of the United States, Mr. Layman, one of the greatest Solicitor Generals this country has ever known, in a written Opinion, which is recorded—and they could have

read it—said that this thing is unlawful, contrary to the public policy of the United States and would inevitably lead to disaster, just as it did lead to disaster. They went ahead anyhow; they went over into Ohio and acquired banks, and towards their dying days they acquired some kind of tenuous interest, which proved to be a will-o'-the-wisp, in a chain of banks in the South.

Now, if Your Honor please, before the $9,000,000 which was subscribed came in they had already pledged it out; they had already contracted to buy the Brighton Bank at Cincinnati; they had already contracted to buy the Pearl Market Bank in Ohio, and subsequently they bought a bank in Covington, one in Newport, one in Ashland, and so on down the line. They bought those banks by an exchange of their own stock and by disbursing the cash they had, so that in a very short time this company, which was avowedly organized as a bank stock holding corporation, owned nothing but bank stock.

Your Honor may say that it had some independent property. In the way of what? It may amuse Your Honor to learn that so far as it was concerned it was no operating company at all; its office, if it had one, was in a drawer in the desk of the cashier of the National Bank of Kentucky. Its books were kept by employees of the National Bank of Kentucky, and it only had skeleton books, three of them, a Ledger, Cash Journal and memorandum book of stock subscriptions. It only had fourteen transactions. It had officers, but it paid them no salaries, and it had no paid employees. It was a holding company for bank stock. Oh, yes, it owned a few other small things—it owned $25,000 worth of stock in the Union Central Life Insurance Company, a business forbidden to banks, and my associate, Judge Wood, reminds me that this corporation, this holding company which had no office, no officers on salary, no employees and not even any independent correspondence

files, was not even qualified to do business in the State of Kentucky. Your Honor knows that there are certain laws in the State of Kentucky which require a foreign corporation desiring to engage in business here to pay a certain tax and to file certain reports and to designate an agent for the service of summons. It did none of those things, and was not qualified to do business here.

Now, they owned a few other insubstantial things, but nothing that proved to be of any real value. Their only operations were to buy these banks and hold their stock, and the evidence will show Your Honor here that in absolute defiance of the law against interlocking directorates and in defiance of the law which requires a director of a national bank to take oath that he owns, in his own name, unqualified, unpledged and unassigned, the absolute ownership of ten shares of stock, this holding company proceeded to stick its nominees in all this chain of banks. Why, those nominees did not even get the dividends on the ten shares of stock that stood in their names, and as fast as a bank declared a dividend the BancoKentucky Company wrote the bank directors around the country to send the dividends in to the BancoKentucky Company. They didn't even hold the certificates; they were put in the files of the National Bank of Kentucky and in the desk of its Cashier.

Why, if Your Honor please, theer is a law in the State of Kentucky that forbids a corporation to own—or an individual, I think—more than fifty per cent of the stock of a bank, and yet the BancoKentucky Company proceeded to violate that law with absolute impunity, and to own more than fifty per cent—they owned ninety-five per cent of the National Bank of Kentucky and of the Louisville Trust Company for example—all of which was well known, because it was set forth in this notice that the plan did not go unless that illegal condition came about.

Now, the inevitable results of a bank that was already started downhill—whether solvent or insolvent, it was going downhill in July, 1929 and continued to go downhill during the short year that this bank stock holding company lived—was that within the brief space of one year's time the whole thing folds up. The National Bank of Kentucky fails; the Louisville Trust Company fails; other banks fail, and I might say to Your Honor that before the year's time—in just a few months—this $9,000,000 subscribed as additional investment in bank stock, which they used to buy more bank stock, was gone, but the holding company was borrowing $1,600,000 in New York City. So, it not only was stripped of all tangible assets except bank stock, but it was in debt to the Chemical Bank for $1,600,000, and it pledged as security some of those very bank stocks. It was less than a hollow shell, and so when it busted, or when these banks broke, the very thing that Solicitor General Layman said was bound to happen, the holding company also busted, and its assets were bank stock subject to double liability, so that in a year's time what happened? I have told you all, save and except one thing: In the space of that short year, it is now claimed, the depositors of this bank lost the double liability provided by federal law, and we say that didn't happen.

My partner, Judge Wood, has asked me to call Your Honor's attention to another indisputable, irrefragable, documentary fact, and we expect to show it so overwhelmingly that nobody can deny it: They were going downhill so rapidly at the time of the organization of BancoKentucky, when they tried to shake off this double liability, that they solemnly passed resolutions to get out of the national banking system, so they could escape from the Federal Reserve Bank and escape from the Federal Bank Examiners and escape from the demands of the Comptroller of

the Currency that they set their house in order, and they went down to Frankfort and paid $4,000 of the depositors' money to incorporate a state bank called the Bank of Kentucky, and notified the Comptroller of the Currency that they were going into voluntary liquidation, and quit. But, they had obligations to the Federal Reserve Bank, and they could not do business unless their new institution was a member of the Federal Reserve. So, in this very period—the BancoKentucky Company did not start to function until the 15th of October, 1929—in this very period and at that very time when they wrote the Federal Reserve Bank and asked them if they would admit their new bank, the Federal Reserve Bank had written them and sends a letter, I think to Mr. Vaughan and to the Cashier or Vice-President—I don't know who it went to, some officer of the bank, telling them that we can't quit.

Banco began to function October 15th, and this letter is dated October 22nd, and is in reply to a letter from the bank dated October 15th, apparently a coincidence. It is addressed to Mr. Charles F. Jones, National Bank of Kentucky, Louisville, Kentucky. "Dear Mr. Jones: Your attorney, Mr. Robert F. Vaughan, advises us that another stockholders' meeting was held on October 15, 1929, at which it was voted to make the liquidation of the National Bank of Kentucky effective close of business November 15 instead of October 15. He suggested that we make an examination of the Bank within the extended period so that when the transfers are made to the new State bank it will be immediately admitted to membership without interruption of the rediscounting privilege.

"We prefer to defer the examination until the new State bank has received its charter and has taken over such assets and liabilities of the national bank as it is going to have. This will give the management ample opportunity to correct

the criticisms contained in the last examination of the national bank as of May 25, 1929. In this connection, I attach a list of the sub-standard assets which we feel should not be taken over by the new State bank."—and that attached list of sub-standard assets is here. It says "Sub-standard assets that apparently should be removed from National Bank of Kentucky, Louisville, Kentucky, based on examination of May 25, 1929 by Chief National Bank Examiner," and the amount of those sub-standard assets which they were asked in June, 1929, just a few days before they organized Banco, to take out of the National Bank of Kentucky totaled $4,023,171.41, and that was more than the entire capital of the National Bank of Kentucky, if Your Honor please. At the very time these men set out to get rid of their stockholders' liability they had been told by the Federal Reserve Bank and the Chief National Bank Examiner that their bank was in such a precarious position that they ought to remove the bad assets and doubtful assets—sub-standard assets, they called them—equal to more than the capital of the bank. No wonder Mr. Bean wrote to Mr. Brown "One of the chief advantages is that you will not be subject to stock assessment if you make the exchange."

The letter goes on: "In the meantime, I suggest that the National Bank of Kentucky make application in behalf of the Bank of Kentucky for membership in the Federal Reserve System if and when the conversion takes place. This could be passed upon by the Federal Reserve Board before November 15, so that if approved there would be no interruption in the membership of the institution.

"I enclose a copy of Form 83a, changed so that application could be made by the National Bank of Kentucky in behalf of the proposed State bank. The resolution embodied therein could be adopted by the Executive Committee pro-

vided it has full powers between Board meetings. The application should be accompanied by a copy of the articles of incorporation of the State bank. When it received its charter a copy of it should also be furnished us.

"Of course, if the application is approved it would be done subject to the conditions contained in Regulation H issued by the Federal Reserve Board, Series of 1928, and also upon condition that certain objectionable assets are not taken over by the new institution and other criticisms corrected. Shortly after the new bank opens for business our examiners would make an examination to see that the conditions have been complied with.

"In case you would like to call to discuss the situation in person, we shall be glad to see you at any time.

Yours very truly,

C. M. Stewart.

Asst. Federal Reserve Agent."

Now, Your Honor may wonder what happened to the solemn resolutions to denationalize or liquidate the National Bank of Kentucky. They postponed it from month to month and week to week and finally, unable to remove $4,000,000 worth of sub-standard assets, unable because of the weakened condition of their bank and the criticisms, they rescinded the whole set of resolutions, and on November 15th the Board of Directors of this bank decided they could not go on and voted to close the bank and asked the Comptroller of Currency to liquidate it. The next day the Comptroller of the Currency of the United States found the bank insolvent; and there was no change between that night, when they voted to close, and the next morning, when the Comptroller found it insolvent.

Now, one other word about this new money that went into the BancoKentucky Company by subscription. Appar-

ently the Federal Reserve Board suspected what had happened, because on October 22, 1929 they added a footnote after the $4,000,000 assets they asked to be removed, as follows: "If there is any undue concentration of loans on stock of the new holding company, corporation in which officers and directors are interested, or any other corporations, same should be reduced to within reasonable limits."

The evidence will show Your Honor that when they set out to organize the BancoKentucky Company and to begin this campaign that is referred to in the letters between Mr. Bean and Mr. Brown that the banks undertook to make it possible for this money to go into the holding company to buy more bank stock by making loans on the new holding company stock for the full face value of that stock plus the amount added for surplus; in other words, they loaned $25 on a $10 par certificate issued at a $25 price; and they made many loans on the sole security of that stock, so that at the time the National Bank of Kentucky closed, I think the total of loans on Banco stock, or in which Banco was either sole security or a large part of the security, ran somewhere close to $5,000,000—worthless collateral. And that isn't all; the Louisville Trust Company, the Siamese twin of the National Bank of Kentucky, also made loans totaling $1,700,000, so that means that the money that the holding company got with which to buy bank stock in Cincinnati, Ohio and Newport and other towns came right out of the National Bank of Kentucky and the Louisville Trust Company, to such an extent, that I think the total loans at one time ran either $7,000,000 or $8,000,000 from the two banks—more than the entire capital of both banks was loaned out on Banco stock and transferred from the banks into the holding company. Hence, the warning of the Federal Reserve Board "If there is any undue concentration of loans on the stock of the new holding company, it should be reduced to reasonable limits."

If I went on I could broaden this, that probably is now already unduly long, but I don't think Your Honor can get this picture unless you hear this evidence in detail, which shows it. I think it should be clear to Your Honor that a holding company for bank stock—the people who own shares of that company own an interest in bank stock; they are the real, substantial or beneficial owners of stock in bank. They get the dividends on the stock in the bank, and when their banks fail they have to respond for their double assessment, and that is true whether they are innocent of any wrongful intent or whether they are guilty of a wrongful intent; the law does not inquire as to your intent when you organize such a company. Broadly stated, although variously expressed, the general ground is that you cannot have the benefits or the profits of bank stock without responding to the liability. You cannot keep the dividends and shake off the liability, and those who are the beneficial owners—what does beneficial mean? Those who get the benefits—they have to respond to the double liability. Another broad ground of liability broadly stated is that you cannot organize a holding corporation for your own bank stock and put that stock in the holding corporation and then shield yourself behind the corporation of your own creation. Now, what Your Honor cannot do as an individual, a thousand people cannot do in the aggregate. If this letter of July 19th had been sent from Tom Jones to Tom Smith, stating "We two fellows are going to organize a company and it is going to own all our bank stock, and we are going to be the Board of Directors; we are going to be the officers," there is not the slightest—there would not be the slightest doubt in Your Honor's mind that they could not shield themselves behind that corporation. That is exactly what one thousand Tom Joneses did here, and the fact that the number of people is large does not make that

without the law; and the fact that the people are prominent does not take them without the law, because in a large institution, although the number of stockholders is large, that number is small alongside the thousands who trust their money to the banks as depositors.

There are numerous cases now—five years ago there weren't so many, but now there are legions of them, which state you cannot organize a holding company of your own creation and then shield yourself behind it. Another broad ground of liability, if the Court please, is that you cannot have a corporation as your own convenience or instrumentality, in which you pull the strings, name the officers, name the directors and dictate their movements, and which you control, just like you would control marionettes—you cannot have a corporation as an instrumentality any more than you can have an individual for your agent and escape liability. What you do through this corporate instrumentality the law says you do yourself, fundamentally. Your Honor, you cannot have a corporation—this is another broad ground of liability—you cannot have a corporation which does by circumvention or by indirection or by subterfuge what you cannot do directly. In other words, the law says that when a bank is prohibited from doing certain things—engaging in chain banking or branch banking or owning insurance company stock or making speculative loans—that bank cannot cause a third corporation to be organized and take itself from without the law and do under that third corporation what it could not do under its own name. When men set out to do by circumvention what they are prohibited from doing directly the law disregards the corporate convenience they set up in order to do those things which would otherwise be unlawful, and holds them to the liabilities that the law generally imposes on them. I think it will develop here that there are additional grounds for holding the stockholders.

If the Court please, Judge Wood has called my attention to the fact that I have not stated what I think, however, is implied in what I have stated: That when you set up a holding corporation of this character, in order that it be lawful, you must assume the liability that goes with that stock, and if you set out to evade it or avoid it by denying the liability, the law deems that no matter how innocent your intention, no matter how good your motive, the law says that that denial of assessment liability is an evasion of the federal statute, and the law says the act is a constructive fraud, and that that fraud is committed even though the men who do it are good men, with honest motives. If the effect of their act is to evade or avoid the law, therefore it will be deemed in law a fraud. The best case on that, I think, is the Metropolitan Holding Company, where they didn't want to assume liability and they organized this holding corporation. They chartered it with express powers to do a manufacturing business in addition to all other business. They transferred their bank stocks to it, because they said, "We don't want to increase our interest in bank stock; let this new holding company do it," and the Court said, "the effect of that is constructively fraudulent; you can't do it."

I want to call Your Honor's attention to Judge Hicks' Opinion in Barbour v. Thomas, because that went to the Supreme Court of the United States—particularly the statement of facts. Just as here, there were five independent banks at the outset, in Detroit—here there were three, the Louisville National, the Louisville Trust Company and the National Bank of Kentucky. They organized a holding company, and Judge Hicks says: "1929 was a year of bank consolidations and mergers in Detroit." "In this atmosphere the idea of the formation of the Detroit Bankers Company herein called the 'holding company' was

born. It was nurtured by the soaring market price of the stock of the two older companies and by notions of business expedience." And here these stockholders of the National Bank of Kentucky—their Trustees' Participation Certificates were soaring in the market; their original investment in bank stock had been small but the market price had increased—"It was thought that smaller independent banks were at a disadvantage in competing for the business of large concerns with huge monetary requirements. To continue to exist, these banks had to have business and to obtain it they had to operate as a unit large enough to meet the demands. The organizers were also impressed with the possibilities of more economical control and operation of grouped units through the elimination of duplicating facilities. Certain of their officers and stockholders believed it would be beneficial to organize a corporation under the general corporation law of the state of Michigan to acquire the stock of each of them. Committees were formed, meetings were held and a plan was formulated." And exactly that occurred here. "The purpose of this new corporation was stated in its articles of association as follows"—they are a little shorter than those set out here, but they are broad. "Under the Michigan statute there was nothing per se illegal in the organization of the holding company for such a purpose.

"It was not difficult for the organizing committee, consisting of two representatives from each of the units, to persuade the boards of directors to endorse the project and the stockholders later to acquiesce therein." Exactly what was done here. "The five boards met separately on September 27, 1929, and recommended the plan to the stockholders"—same here. It called for the same capital as here and the proposed dividend rate was set at 17 per cent, or $3.40 per share, which was slightly in excess of the rate

then paid on an equal value of the bank shares. Here they didn't increase the dividend rate but kept it exactly the same.

"On September 27th and 28th, 1929 the organizers announced through the newspapers that the new group would be one of the strongest institutions in the country, with a capital, surplus, and undivided profits of around $90,000,000, and resources of over $725,000,000." The same thing, we will show, happened here; all over Kentucky and the United States, particularly where the stock was sold.

"On October 5, 1929, a joint letter was sent by the officers of the five banks to their stockholders, describing the proposed agreement and recommending the exchange of their stock for that of the holding company, and the signing of the agreement and of a power of attorney to a named committee to put the scheme into effect." Exactly as was done in this case. The Committee was to consist of the directors and President of the bank. "The plan was to become effective," so Judge Hicks says, "as soon as two-thirds in amount of the stock of the united was deposited for exchange." Here the plan was to become effective when a majority was deposited. "More than 97 per cent of the stockholders signed the agreement"—we will show that more than 95 per cent signed, 2 per cent less than in Detroit. "This instrument designated the 'committee' as the agent and attorney of all the stockholders signing it." Here the instrument designated the trustees as agents of the stockholders. "It authorized the committee to organize the holding company for the initial purpose of acquiring the shares of the five several banks." We will show the purpose here to acquire the shares of the Louisville Trust Company, the National Bank of Kentucky, the Pearl Market Bank and two banks across the river--there were six banks, instead of five, here. It provided that the trustees' shares

which they had here should not participate in the dividends, and these six trustees did not participate personally in getting any dividend. It provided that only persons holding trustees' shares should be elected directors, and upon the removal of a director or his death, his shares should be surrendered and his successor elected from the unit company which he represented. This was subsequently modified to permit an increase in the directors. We will show that although the Louisville plan was, in its mechanics, slightly different, in substance it was the same as the plan in Detroit with reference to directors.

Then it says: "During its existence the holding company, as authorized by its charter, exchanged its stock for the stock of other banks in and around Detroit and thereafter many of these banks were consolidated with others of the group. Because of its position as the sole stockholder of record of these many institutions, the holding company prior to each annual meeting listed the persons it wished elected to the various boards." And here the BancoKentucky Company told the trustees who it wanted elected as directors. "There was never any doubt that the holding company's slate would be elected. The holding company would issue to newly elected directors qualifying shares of stock but by an agreement with the directors these shares remained the property of the holding company upon which it received dividends." And to a large extent that precise plan was followed by the BancoKentucky Company.

The dividends on the holding company stock were paid out of dividends received from the bank, and "to meet them the directors of the holding company would suggest to the various units the amount each would be expected to pay and with that exception these recommendations were followed by the directors of the individual units, some of whom were always holding company directors." That was

not necessary here; the Board of Directors of the Banco-Kentucky Company was the Board of Directors of the bank.

They just told the bank how much money they were to be allowed for expenses each month, and supervised them in other ways. The holding company bought an interest in other banks for $7,200,000, and then the holding company borrowed money in New York to liquidate this indebtedness and made repayments from dividends received from the bank, just like this holding company paid out its money to buy banks and borrowed money in New York on those bank stocks.

"Since the holding company had no substantial assets except the stock of its units, it was manifest that the creditors and depositors of the component banks were afforded no real protection either under the federal statute providing for double liability of shareholders or under a statute of the state of Michigan with similar provisions. This was a matter of vital importance not only to the holding company and the banks, but to the public." So, in Detroit they would not let them function in this way until they assumed such double liability, but Delaware had no such restrictions and had no Attorney General who inquired into it. He didn't notify the State of Kentucky and he didn't require it to put on the certificates that you will pay your proportion of the double liability.

The Receiver of that bank, it recites here that the assessment was levied on the shares of stock of the First National Bank, of which the holding company was the record owner, but the holding company, just like this holding company, when its biggest unit failed—public confidence was gone and the holding company was busted and could not pay the double assessment, because it had no assets—no substantial assets independent of bank stock out of which to pay it. It is quite different when the United States Steel Company

buys a few shares of bank stock; it has millions of dollars of assets with which to respond to a double assessment, and its principal business is not that of a holding company of bank stock.

Receiver Thomas announced his intention of collecting about $14 a share from the shareholders of the holding company. Each share represented the ownership of .14055 shares of the First National Bank-Detroit stock. Here the assessment is only $2 something per share.

Then he states here—it is very interesting, and I would like to challenge Your Honor's attention to it—the defenses there—they are too long to read now, but Your Honor will find the defenses set up in Detroit are very similar to the defenses set up in numerous answers here. In Detroit the Comptroller of the Currency himself closed the bank after the Detroit bank holiday. Of course, here the Board of Directors of this bank closed it themselves. They set up there that the Comptroller of the Currency made the bank insolvent. The Court struck them all out; they were not defenses to a stock assessment. It was urged that this was error. Judge Hicks says: "We cannot yield to this insistence. These averments and the evidence offered to sustain them could not have been put in issue here. They constitute a purely collateral attack upon the action of the Comptroller (not a party litigant) in declaring the bank insolvent, and upon his judgment as to the necessity for the assessments and the amount thereof. His determination of these matters was conclusive." And then he cites a long list of cases.

Now, I want to point out in this case that the Comptroller of the Currency is not a party to this case. The Receiver, under the federal law, is the officer of the United States and represents, in this action, the Government in its endeavor to recoup for the depositors their losses, and in

this action there can be no attack of any kind on the order of the Comptroller of the Currency. If he were himself a party his action could be directly attacked, on the ground that he was guilty of fraud in levying the assessment, let's say, if that is the charge, or that his finding of insolvency was a fraudulent finding. But, he is not a party and no such attack has ever been made upon him here or any other place, and in this action, in which an officer of the United States is enforcing the federal law, there can be no collateral attack on the Comptroller of the Currency. Therefore, we have refused to admit that this bank was not insolvent, as they have requested, because in an action between the depositors and the shareholders that issue is foreclosed, and we shall contend, at the proper time and place, that Your Honor would be in error receiving any evidence contradicting that ruling.

"Appellants concede the widely adjudicated immunity of the Comptroller from collateral attack on the wisdom of his determination of insolvency, etc., but their argument is that the statute (section 191 supra) should have no application where insolvency was caused by unwarranted interference and control of governmental agencies and where the circumstances were so extraordinary as not to have been anticipated.

"We are not in accord with appellants' contention."

It says here that the liability of the stockholder of the National Bank of Kentucky does not depend upon judicial determination "whether the banking holidays were well advised, whether the conservator discreetly managed the assets, or whether crucial and unforeseen circumstances led to insolvency. His obligation is fixed by statute. When he subscribes for his stock he agrees to be 'responsible for all contracts, debts and engagements of association, each to the amount of his stock therein, at the par value thereof, in

addition to the amount invested in such stock.' Upon the insolvency of the bank he agrees to discharge his obligation in such amounts and in such manner as shall be determined by the Comptroller. The statute admits of no exception and we can make none. Creditors and depositors have a right to expect that it will be observed and complied with as it is written.

"The Congress probably did not forsee the cataclysmic conditions existing in and around Detroit in the early part of 1929, but we see no logic in, nor necessity for, abrogating the statute simply because the circumstances were unusual. On the other hand, it seems to us that the more unparalleled the situation, the greater the need for depositors' protection."

Now, then, they say all this as "proceeded upon the assumption that appellants were stockholders of the bank. They insist that they were not, that they had exchanged their certificates for those of the holding company, the stockholder of record. Ninety-one and three-tenths per cent of appellants were signers of the 'Agreement and Power' and owners of their holding company stock by original exchange, one-half of one per cent obtained their stock in exchange for the stock of others of subsequently acquired institutions. The remainder obtained their certificates in other ways." The other ways, if Your Honor please, was purchased in the open market. The Detroit Bankers Company stock was freely traded in up to the day it closed in 1933; this institution here only lived a year, and the one in Detroit lived three years.

Then Judge Hicks says: "But the Statute does not restrict liability for assessments to stockholders of record or to those holding certificates. Congress wisely declined to limit the term 'stockholders.' It recognized that bank

stock is capable of ownership without any certificate therefor having been either issued, recorded, or delivered; and, further, that stock might be owned by one person and the certificate registered in the name of another. It has been uniformly and wisely held that the actual owners of the capital of a national bank, that is, those who have their money invested therein, are 'shareholders' and liable to assessment."

The evidence will show that the only persons who invested money in the stock of the National Bank of Kentucky are the people we are suing in this case; there is nobody else. The BancoKentucky Corporation—the holding corporation—never invested a single, solitary cent in the National Bank of Kentucky. The test is "Who invested their money in the national bank stock?" "The law fixes the obligation upon those who profit from the confidence of the depositors and from the use of their money."

The Court: You are pretty far afield along that line. Let's conclude your statement, Judge.

Mr. Marx: I want to show Your Honor the applicability——

The Court: I understand, you are trying to parallel that case to this one, but I think some of those questions might be raised on questions of evidence.

Mr. Marx: Well, I think Your Honor is undoubtedly correct about that, but Your Honor suggested something that caused me to go into this. That was the fact that Your Honor thought perhaps the evidence ought to be circumscribed, and I just wanted to point out that the evidence we are going to offer will follow the evidence that we did offer and that the Court held applicable in the Barbour v. Thomas case.

OPENING STATEMENT OF MR. ALLEN P. DODD, ON BEHALF OF DEFENDANTS

If the Court please, I shall undertake to confine myself to the issues that we are called upon to try, an outline of the facts, and the position of counsel for defendants to those facts, in order that Your Honor may have in advance the position of the defendant. The basis for this lawsuit is a statute. In other words, there would be no lawsuit here against the stockholders, whatever company they held stock in, unless there was a statutory right for a double assessment, and in order, therefore, that we may clearly define the issue at the outset, I want to read the statute, as it presents the issue as I see it. I think it well to get back to fundamental principles at the start. "The stockholders of every national banking association shall be held individually responsible for all contracts, debts and engagements of such association, each to the amount of his stock therein at the par value thereof in addition to the amount invested in such stock. The stockholders in any national bank who shall have transferred their shares or registered the transfer thereof within sixty days next before the date of the failure of such association to meet its obligations, or with knowledge of such impending failure, shall be liable to the same extent as if they had made no such transfer." The statute then proceeds further, but I don't think it material to the issue.

In applying that statute to this case and applying the facts, even as conceded by our opponents, all of this stock—and, by the way, we are talking about National Bank of Kentucky stock—all of it was transferred by all of these defendants more than a year before the National Bank of Kentucky failed, and therefore, if the plaintiff is entitled to recover it comes under the second provision, and that is, if they sold this stock or transferred it with knowledge of impending failure.

Now, what are the major issues you are called on to decide? First, did these stockholders have knowledge of the impending failure of the National Bank of Kentucky—that is secondary—primarily "Was the National Bank of Kentucky insolvent and was its failure impending at the time they transferred their stock?" In other words, the insolvency of the bank. Now, the second proposition presented by the bill is: Did they sell their stock or transfer it to the BancoKentucky Company for the purpose of avoiding double liability—knowing its failure, did they transfer to avoid double liability? Now, third: Was the BancoKentucky Company as organized a bona fide corporation, capable of accepting the transfer, and did it accept the transfer of this stock at the time our opponents speak of?

Now, those are the three things you are called on to decide, and the burden is on the plaintiff to establish those three fundamental facts.

Now comes the proposition of inquiring as to who are the parties here—let's discuss that just a moment: Who are the parties to this lawsuit? There are some 3,200 of them here sued in this jurisdiction as stockholders of the BancoKentucky Company, and various suits are filed in every jurisdiction in this immediate locality against stockholders of the BancoKentucky Company. Now, those are the parties and those are the issues that you are going to be called on to decide. Now, let's trace, as briefly as we can, without any opinion of myself as to the effect of any facts that I may state, or any argument as to the position of the people who were acting parties at the time—trace this situation from—I will accept the date of opposing counsel—the making of the Trustees' Agreement, if you please, April 22, 1927, down to the BancoKentucky Company or its formation first.

Now, this Trust Agreement of April 22, 1927, was entered into between the stockholders of the Louisville Trust

Company and of the National Bank of Kentucky. Ultimately all of the stockholders of the National Bank of Kentucky deposited their stock under that Trust Agreement, and all of the stock of the Louisville Trust Company, except five shares, was deposited under that agreement. Now, that agreement, as the facts will show, was entered into and before it was completed, was submitted to the Federal Reserve Bank in St. Louis, and to the Comptroller's Office at Washington, and all of its terms were looked into and approved by everyone that came in contact with this proposition, on the proposition as to whether or not any director qualifying, in the light of that agreement, was violating the interlocking directorate provision of the United States statute, and the Federal Reserve System at St. Louis and the Comptroller's Office at Washington approved it.

Now, then, not only that, but the National Bank of Kentucky at the time of this unification had a capital stock of $2,500,000 and the Louisville Trust Company had a capital stock of $1,000,000. The unification was on the basis of three things: Asset value of the stock; earning capacity of the stock; and dividends to be paid. The stockholders, represented by the directors at the time, never left it to their own judgment as to the asset value of the banks at that time; Humphrey Robinson of this city had been a clearing house examiner for years, so the asset value of the two banks was fixed by him; he fixed that asset value at $7,289,316 for the Bank of Kentucky, and of the Louisville Trust Company it was approximately $1,800,000. Therefore, the asset value of the Bank of Kentucky was four times that of the Louisville Trust Company. It became necessary, in order to work out the agreement, that the capital stock of the National Bank of Kentucky be increased to four times that of the Louisville Trust Company. It had a capital of $2,500,000 and a surplus of

$2,500,000 and undivided profits of over $1,000,000. Of course, it had to get the Comptroller's consent; that was submitted to the Comptroller and a dividend was declared, by consent of the Comptroller, of sixty per cent, making its capital $4,000,000, and the Louisville Trust Company's capital of $1,000,000, making a total of $5,000;000 of capital that went into this trust estate, and the trustees authorized the issue of Trustees' Participating Receipts, 50,000 shares.

Now, let's devote a moment to the position of the directors. Under the terms of this Trust Agreement there was approved by these different agencies whose duty it was to supervise it—under the terms of that agreement a stockholder signing and depositing his stock automatically transferred his stock to the trustees. A director had the right to have the trustees, under the terms of the instrument, to, in lieu of his stock deposited issued to him, out of his own stock, if you please, ten qualifying shares. That was under the terms of the Trust Agreement, so that his ten qualifying shares that belonged to him would be free and clear and meet all the terms of the statute as to the ownership of qualifying shares of a bank. The facts will show that Judge Alexander Humphrey and Mr. Kennedy Helm drew that Trust Agreement. Judge Humphrey—one of the last things of his lifetime was to carefully provide that the stock that went to the directors to qualify them in these two institutions remained free and clear from any claims of any sort, and that that condition continued, it isn't worth while to refer to it again, down to the close of the bank. The dividends were paid direct to them down to the close of the bank, and they responded in double liability later on.

These trustees received dividends of the banks and distributed them to the holders of the Trustees' Participation Shares. They were under the supervision of an Advisory Committee made up of the directors of these two banks.

In order that you may fully understand the work of that committee, I will give you my own personal experience there on that Board. I had twenty shares of stock of the Louisville Trust Company. I deposited that twenty shares of stock with the trustees and they immediately issued back to me ten shares of stock of the Louisville Trust Company and ten shares of stock of the National Bank of Kentucky. In order that that stock might continue to be free, and in order that the man depositing, like myself, would continue to adhere to the terms of that Trust Agreement, it was provided that if I resigned or if I died or if my stock was attached, it was provided that that stock would go back to the trustees and participating shares would go to the estate, or to me, if I resigned, or to my creditors if it were attached. In other words, it was free stock. That stock was kept in a box in the Louisville Trust Building in the names of the directors and under their control.

Now, let's take the Trust Agreement down to the next step: Under the original agreement, the Bank of Kentucky contributed to the trust estate eighty per cent, or $4,000,000 capital, and the Louisville Trust Company twenty per cent, or $1,000,000 capital. In January, 1929, the Louisville National Bank & Trust Company, another very old institution of this city, came into the group. It was merged into the Louisville Trust Company by the Louisville Trust Company increasing its capital from $1,000,000 to $1,750,000. The independent group owning $750,000 worth of the stock of the Louisville National Bank & Trust Company unanimously approved the merger and surrendered the charter the comptroller had issued to it. That brought the trust estate up to $5,750,000, lacking five shares of the Louisville Trust Company stock.

Now, again, the Louisville National Bank & Trust Company was a national bank, and its directors, also, of course,

had submitted again to the Comptroller's Office the plan of denationalization and its entry into this group. I want to call Your Honor's attention again that when the Louisville Trust Company, which was not a national bank, sent its representatives to the Comptroller's Office along with the representatives of the National Bank of Kentucky to the Comptroller of the Currency—those representatives of the Louisville Trust Company being Judge Stites and Kennedy Helm, the Comptroller . the Currency took time to congratulate this group for its affiliation with this splendid bank, the National Bank of Kentucky, and again, in 1929, just a little over a year before the closing of the bank, the same Comptroller's Office through its representative, took occasion—there was no necessity for it, for approving what had already been done—to congratulate Mr. Bean for the splendid affiliation of this splendid group, the Louisville Trust Company and this splendid National Bank.

The trust estate was $5,750,000. Shortly after that it was conceived, and by agreement the par value of the stock—the stock at that time was $100 par—they reduced the par to $10. They reduced it to $10, so the trust estate, represented by the Trustees' Participating Certificates, was authorized to issue 575,000 shares of $10 each. In February and March and April of 1929 the BancoKentucky Company was discussed—the formation of the company, to do and perform certain things that have been gone into. I want to tell Your Honor the facts as they occurred at the time. A man's conduct should be governed by his conduct then, his intentions, as it appears then, and the proof that will come on this witness stand will so advise you.

The Bank of Kentucky and the Louisville Trust Company, as they then existed, believed, and I mean by that their directors, that there was a field in the Ohio Valley for the underwriting of securities. The investment banking

business had grown from 1920 through the prosperity of this country to 1929 to where every banking institution had some kind of affiliates to accompany it, the affiliates engaging in perfectly legitimate business of buying and selling bonds, but no company in this community was going into the business of underwriting securities. To illustrate it briefly, here was the bridge out here, with bridge bonds of $5,000,000 issued just before this, and underwritten by a concern in Cleveland that made a huge underwriter's profit, and the Gas Company and electric companies and various industries who were depositors of the National Bank of Kentucky, some of whom were represented on the Board and found it difficult, due to their requirements, to get sufficient capital to carry on their business. The directors thought that this company could possibly do that. The business of selling first mortgage bonds in this community had not at that time, and was not believed to be even touched. The National Bank of Kentucky was the depository of some 300 country banks, and its depositors were asking for first mortgage bonds, and it could not supply the bonds. The Louisville Trust Company was issuing first mortgage bonds, but it could not supply the market. Both institutions were coming across many people's orders for thousands and thousands of different bonds. It was conceived by the Directors at the Bank of Kentucky that this company could originate mortgages, and that there were large profits to be made by it. It was conceived also that title insurance was a business that was profitable at the time, and that this company could go into that field, and that went so far that Mr. Hugh Fleece who was President of the Bankers Trust Company at that time, gave up his position in order to take a position with the BancoKentucky Company in order to form and work out plans during the organization of BancoKentucky to make a set-up that it

might get into the business. In this effort to get an avenue for business for profit that neither bank could do, the Banco-Kentucky Company could furnish that business. It would be interested in or have banks in Ohio. It could place business along that line. It was an underwriter. It could place the business of first mortgage bonds that was well developed at the time. None of that could be done by the banks.

Thus, negotiations started in February, March, April, May and June, and every feature of that business was argued out by the directors in its meetings immediately after the business of the bank of Kentucky was attended to. That was a company, an affiliate of these companies to be formed to meet this competition referred to by Judge Hicks as the prevalent competition that was confronting these two institutions at this time from the East, New York, Chicago. It was a question of meeting that to survive, to meet and conquer and get a part of that business, to exist. Of course, these matters were discussed by the members of the Board of Directors of the National Bank of Kentucky. The BancoKentucky Company was to furnish a service that neither of these two banks could furnish; it was to originate bonds and underwrite them—I am telling you the facts. It came up finally after the Board of Directors of the Bank of Kentucky came to the conclusion in June that the prospective company and the business it would perform would be helpful to the bank. They passed a resolution and placed it on the minutes, and Mr. Brown was authorized to go ahead. Now, the capital structure they had in mind—and there wasn't a thing done that wasn't thought out over weeks of time—was 2,000,000 shares with a par value of $10 and paid in value of $25, or a total capital structure of $50,000,000. It was conceived by the directors that they would get in exchange for Banco-Kentucky stock at least a majority of the Trustees' Par-

ticipating Receipts of $10 each, and that was the condition upon which the projection of this company was made dependent, and they set aside—the plan was to set aside to make the exchange 750,000 shares of BancoKentucky Company for not less than 350,000 shares of Trustees' Participation Certificates. I am telling you what actually happened. That would dispose of 700,000 shares of their stock with the control of the National Bank of Kentucky and the Louisville Trust Company. Then, they would have 1,300,000 shares for sale, and I want you to bear those figures in mind, that when this company was launched, fully launched, according to the plans, it would have control of these two institutions and more than $30,000,000 of backlog. I want to say to you that but for that backlog of $30,000,000 this company would never have been formed or proposed. The July 19th letter—take its terms, and all of them comply with the schedule of what had been discussed throughout these meetings. It was sent out to the Trustees' Participation Receiptholders and September 19th was fixed as the last day for the deposit of subscriptions. On September 20th, 1929, a meeting of the directors of the National Bank of Kentucky—the BancoKentucky Company, was held.

Now, let's go back: Much was said about the organization of Banco and the procuring of the charter by counsel for plaintiff. That charter was written and carried by Mr. Carroll, who happened to be in New York—happened to be going to New York on his vacation—he went to Dover and filed the charter and got a certified copy of it and mailed it back to Mr. C. F. Jones, one of the Trusted Officers of the Bank of Kentucky, and one of the officers to be in this company. They said the charter failed to comply with Section 571 of the Kentucky Statutes. Mr. Carroll wrote out a statement to be filed with the Secretary of State, had it prepared and sent it to Mr. Jones with directions that it be filed, and to pay $1 at Frankfort, but that wasn't done.

Another matter that was not done before the September 20th meeting, I should have stated—September 19th being the closing date: The Commonwealth of Kentucky had, since at least prior to 1849, owned stock in the National Bank of Kentucky. In 1927 it exchanged that stock for the Trustees' Participation Receipts, and as I remember had 760 shares of the Trustees' Participation Receipts with a par value of $100. It further exchanged those Participation Receipts for the $10 par shares, and it got this notice; the July, 1929, letter came to it, and Mr. Carroll, Mr. Bean and Mr. Helm went before the Board of Education for the State of Kentucky and there met Judge Cammack in that Board and the whole plan was explained to them, as the testimony will show, and the chief law enforcing agency of the State of Kentucky was present and approved the plan, so far as he could approve. The only reason why that stock was not exchanged for Banco was because the Attorney-General conceived it, under 184 and 185 of the Statutes, necessary to have an enabling act to exchange that. Mr. Helm will be on the witness stand and will tell you about that and will give you the reaction of the Attorney-General about that.

In other words, I want to call your attention to the fact that from the time Banco was conceived and the letter was sent out down to September 20th and afterwards too, and I am pointing your attention to that now, publicity of every kind and character was given to every step. The letter was published. There have been introduced as exhibits here paper after paper showing the outline of this; they are in the record.

Now, September 20th was an important meeting for the BancoKentucky Company. The moment it was organized it had a Board of Directors meeting and the minutes were recorded. The reason it did not meet September 19th, 1929, was because September 19th was the closing date for

subscriptions. That meeting had a report from its President, Mr. James B. Brown—its Secretary, Mr. Tom ZurSchmiede, and instead of having deposited for exchange a majority of the Trustees' Participation Receipts there were 520,000 shares of 575,000 Trustees' Participation Receipts Deposited, and it was reported at that meeting by those officers that 600,000 shares had been subscribed for at $25 a share, and in view of the fact that so many Trustees' Participation Receipts were deposited, and there was a great indication that more wanted to exchange, they set aside 1,150,000 shares, and adding 600,000 to that made it 1,750,000, and they only had 250,000 shares left, and asked for authority to sell them through an underwriting company. Now, what else did BancoKentucky Company do? It made a call for subscriptions and listed the stock on the Chicago Exchange and Louisville Exchange, because it was organized and a company on its way from September 20th. Mr. ZurSchmiede listed the stock on the Chicago Exchange under the resolution of the Board. Mr. Brown, the President of that company, after reciting the facts with reference to the subscription said to them, "Our plan can't go through with this limitation; too much of this stock has been taken up in the exchange and we must have more stock to have the backlog of $30,000,000." A plan was set in motion—discussed very quickly and set in motion to increase that capital from 2,000,000 shares to 5,000,000. What became of those directors at that meeting? Those directors had reason to believe and did believe—I was one of them—that that company would have 21,250,000 in cash as quick as the subscriptions were collected.

Now, loans on Banco stock: There hasn't been a syllable of proof ever produced from any responsible source that the Directors of the Louisville Trust Company or of the National Bank of Kentucky ever made the proposition or

ever did loan the face amount of BancoKentucky stock on the security of BancoKentucky stock alone. They made many loans for the exact purchase price of the stock, and I want to stop there a moment and call your attention to some other issues of the law. They have proposed to file here a list of loans on Banco by the Bank of Kentucky, and a list of loans on Banco by the Louisville Trust Company. That same thing was made an issue in the suit against the Bank Directors, on the same ground, and after weeks and weeks of trial—and that is one of the points I believe Your Honor can shorten this case—the Master found—what did he find? On the original hearing Judge Dennison, designated by the Circuit Court of Appeals—and this is a fact in that record—as to the Banco loans, made the ruling that the solvency of the maker plus the collateral was a basis for holding the directors not liable. Judge Sandidge held the loans on Banco stock were legal. Judge Sandidge, the Master Commissioner, held that these loans were all legal on the contention and on the issue raised, that the loaning of money on Banco stock was loaning money on Bank of Kentucky stock, the same issue that we have got here, and therefore, violative of another section of the United States Statutes. That case reached the Circuit Court of Appeals and Judge Simons delivered the opinion, and he sustained the Master on that issue and that opinion stands now. I will read it before I get through——

The Court: Do you mean in the Directors' suit?

Mr. Dodd: Yes.

The Court: The same case that went to the Supreme Court?

Mr. Dodd: It went to the Supreme Court on a question of negligence, not violation of statutes.

The Court: It was sent back to determine the question of common law negligence.

Mr. Dodd: That is right.

The Court: Was it in there that they sent it back on that point?

Mr. Dodd: Yes.

The Court: Is that a final determination?

Mr. Dodd: I am satisfied it is. I was present when the argument was made in the Circuit Court of Appeals on the rehearing for negligence, and the attorneys for the Receiver—they were shut off at once on the ground that they were hearing another matter. That opinion stands; it is a further inquiry into the question of negligence that the Court is engaged in now, and that finding, however, concurred in by the Circuit Court of Appeals, now stands. I have got a reference here to show it.

Mr. Marx: I don't want to interrupt, but I don't think that is a correct statement; the Supreme Court reversed the appeal and has granted certiorari in the case and has taken jurisdiction. They have only sent that other back on the ground of common law negligence.

The Court: I have gained the impression that they stated they would not take only part of the case.

Mr. Dodd: They reversed it.

The Court: When it goes to the Supreme Court, after the questions now before the Circuit Court of Appeals are decided, it will then have all questions before it.

Mr. Dodd: There will have to be another petition. I will read it—I have it right here: "October 18, 1937. The Court is of the opinion that the Circuit Court of Appeals was in error in ruling that, in the absence of a cross-appeal, the question of whether common law liability for negligence would support the decree was not before the court for review. The decree of the Circuit Court of Appeals is reversed and the cause is remanded to that court for the determination of that question."

The Court: Then it will go back to the Supreme Court for determination of all questions.

Mr. Dodd: When another certiorari is granted.

The Court: It doesn't automatically go back?

Mr. Dodd: No; that is the point I make.

Now, following September 19th a call was made for the payment of stock subscriptions and there will come before Your Honor the total amount of stock subscribed, the total number of stockholders at that time. In fact, on the first day of October following there were 2,446 people that owned Trustees' Participating Receipts of the Louisville Trust Company—National Bank of Kentucky as it then existed. When you go to count the large number of names and undertake to add them up—I have a list of them here—and ascertaining the exact number of shareholders, you find yourself differing with other people, adding up two shares here and a few there, so in order that Your Honor might know exactly how many shareholders the BancoKentucky Company had after the subscription, we undertook to trace it as best we could, and that was to get the dividend record of the BancoKentucky Company, of dividends it had paid, and the nearest date was January 1, 1930, which was three months after this corporation was organized. On that date there were 5,670 shareholders of the BancoKentucky Company. In other words, there were investors of some character that came into this organization and paying for this stock to the number of 3,226.

Now, let's trace some of the buyers of that stock—in volume only, based upon these figures on the adding machine. We are going to trace the fraud or motives, and let's take the directors first. Mr. Marx said, very correctly, that he is not interested in that case, that he is suing the stockholders and not the directors. The directors of this corporation owned, at the time of the transfer of stock, which

was October 1, 1929, 71,757.5 shares with a par value of $717,575. They exchanged this 71,000 shares for 142,000 shares of Banco stock. Now, they went out on the market and bought 53,920 shares for which they paid $1,348,000. There was a double liability on all the Trustees' Participating Receipts they owned of $717,000. If they were undertaking to avoid—the point I am making is that they put up $1,348,000 in order to avoid a total double liability of $717,515. If Your Honor please, I want now to become the candidate for the prize boob of the whole lot, if I was trying to evade something or other in that group, and I am talking from experience. I didn't deposit—and many others didn't—I didn't deposit a share for exchange; I only had 20 shares, as my qualifying shares, and I bought and paid for $20,000 worth at $25 a share. I never exchanged a share. January 1st, when I went off the Board of Directors of the National Bank of Kentucky, then I got 10 shares of Trustees' Participating Receipts, of which I transferred five of them and exchanged five and got one hundred shares of BancoKentucky, and I show up on the record with 900 shares. In other words, I put up $20,000 to avoid a thousand, because I had my other and I had to pay for that when the banks closed.

Let's go one step farther. Of course, the double liability the directors had at that time was $717,000 on both banks. We are talking about the Bank of Kentucky, and as he has told you 70 per cent of that was on the Bank of Kentucky. Seventy per cent of that is $502,000—I don't guarantee these figures, because I added them up, but they are not very far from right. $502,300 was what we were trying to avoid and we put up $1,348,000. Take the whole group together, and my addition in figures—and by the way, if Your Honor please, I want to warn you of this fact, that when they bring their auditors in here with their sharpened

pencils they will disagree; they will disagree with me and with each other, but this is approximately right. The Trustees' Participation Receipt holders altogether, bank directors and all, bought and paid for 191,100 shares of this stock, and put up $4,777,500 for it. Now, the double liability of the Bank of Kentucky altogether was only $4,000,000.

Now, then, when it came down to count up for this statement of January 1st, this period ending December 31st, it turned out that instead of 600,000 shares being purchased, as reported, for cash, by Mr. Brown, there was actually purchased for cash 394,000 shares at a total price—the BancoKentucky Company got the money—of $9,862,000, a little less than $10,000,000. Of that, over 200,000 shares were paid for by people who never had a share of stock of the National Bank of Kentucky or Louisville Trust Company, or of the Trustees' Participating Receipts.

The Court: How much was it?

Mr. Dodd: Over 200,000 shares, at $25 a share. Now, there was $9,862,000 paid in in cash as subscriptions. The Trustees' Participating Receiptholders put up $4,000,000. Deduct that and you have got $5,000,000 put up by the man in the street, people here and yonder; clerks and people in every walk of life who had absolutely nothing to do with the bank or the trust company, and their only participation in this company was buying stock and paying cash for it at $25 a share.

Now, let's go along with Banco: One of the two greatest investment houses in the country, the minutes of September 26 show—it is recorded there that it had come in and bought at $25 a share 250,000 shares. It turned out afterwards they had not bought it, but it was so reported and the minutes show it. These stockholders had already bought it.

As a part of the plan, the BancoKentucky Company—we might as well get those facts in now—part of the plan of this group was to denationalize the Bank of Kentucky. The reason for that, as the facts will show, the National Bank of Kentucky at that time being a National Bank and a member of the Federal Reserve System, had what it called a Transit Department, in which it gave twenty-four hour service to its depositors—which handling of money in volume, and for a number of years it had made twenty-five to thirty-five or forty thousand dollars a year out of the Transit Department. The value of the volume of money in collected credit—in other words, if the Bank of Shelbyville sent in $25,000 to be deposited in the five o'clock mail, and a check to go to Chicago. The check was mailed and the money went to the credit of the Bank of Shelbyville. It was the thought that this group would have $30,000,000 and would then organize its own reserve, that it could make its own deposit with its own reserve. To do that it had to be a state bank; they could not be in the National System without being part of the Federal Reserve. Investment in the stock of the Reserve was thought to be a poor investment; it was idle money and had no earning capacity. The figures before the directors showed that the bank could realize, on the present reserves, $250,000 to $300,000 in profits that we were losing. The general situation shows that banks were going out of the national Federal Reserve System at that time. Thus, conditions were reasons for denationalizing. I signed it—I was one of the people who signed the agreement to denationalize. But for the lack of capital they thought it was necessary to have—they conceived the idea of increasing the capital, because of reports coming in that there were a number of underwriters who were anxious to underwrite every share of this stock that was not taken on the first subscription. Notice was sent

out September 15th, giving October 15th as the date of liquidation of the National Bank of Kentucky, and steps were taken to denationalize it. You see, I was one of those trustees that had bought that stock and that had signed the agreement to denationalize. Here are the facts about it. They came to me and to the other trustees down there at the bank and told us they wanted to extend the time thirty days, due to unpreparedness at that time, and it was done, extended to November 15th. I don't think Judge Marx ever heard that there was a stock market crash; he didn't mention it. I don't think I have to go into a dissertation and tell Your Honor that there was a crash on October 24, 1935, and I don't have to dissertate about the ability to float new issues of stock following that crash. I think it was Judge Dawson who said out here—it may have been someone else—that the stock market crash of October 24, 1929, was worse than a fire and flood to investments. We know that values before and values after were two different propositions, and the failure to carry this plan through promptly was due entirely to that stock market crash. After that every bank was taking to cover, to protect its loans and collateral. Banco stock was listed on the market. It had gone to 32, showing the public response, and it receded to 24, hovering from 24 to 20 in January. It went back up in January and by March it was 25. That is the history of the stock.

Now, let's come down to the statement of Banco—I believe the statement got out that time by an officer of that company. I called Your Honor's attention to the fact of the stock market crash. The Louisville Trust Company and National Bank of Kentucky—and counsel for plaintiff know this—when the combination was formed had one bank building, the Louisville Trust Building. It was like a turkey; an old fellow said a turkey was an inconvenient bird, too big for one person and too little for two. The

Louisville Trust Company Building might have been too big for one bank and too little for two. The purpose was to put both of them in there. Now, the building at 421 Market—Fifth and Market, they didn't own—were unable to settle on that question as between the managing officers of these two concerns until June, 1930. In the meantime the Louisville Trust Company had been surveyed—the third floor of the Louisville Trust Company was picked out to ultimately house—was thought to be the proper place to house the BancoKentucky Company in the Fall of 1929. Between September and December, 1929, it was suggested. Mr. Brown desired to withdraw as President of the Bank and devote all of his time to the BancoKentucky, and our feeling, like all the others', was that prosperity was just around the corner. The reason why it was not located there is because of the situation that followed the stock market crash.

Now, we come down to the first statement got out by Banco. There were three of them. The statement of December 31, 1929, as to earnings and dividends—now, to emphasize what is said here, and let Your Honor know what actually happened—from the statement made here you would get the impression that dividends came out of the National Bank of Kentucky and the Louisville Trust Company alone, and were finally paid to the stockholders of those banks alone also. At that time the BancoKentucky Company had 525,744 trustees' participation certificates, according to this statement; they had 44,220 shares of the Brighton Bank & Trust Company, 47,216 shares of the Pearl Market Bank & Trust Company, 548 shares of the Central Savings Bank & Trust Company, they had 1,428 shares of the Peoples Liberty Bank & Trust Company; they had 625 shares of the Union Central Life Insurance Company; they had cash in the National Bank of Ken-

tucky, $2,100,000; they had cash in the Louisville Trust Company, $550,000; and they had bills receivable, $2,000,000. Now, the earnings, according to this statement, the gross earnings, were $369,104.23. They had net earnings of $344,103.14, of which, figuring on this statement, they got $210,297.60 from the Bank of Kentucky and Louisville Trust Company, 70 per cent of which was contributed by the Bank of Kentucky, or $147,208.32, leaving the income from other sources, $221,895.91. After deducting expenses they paid the dividend to the stockholders of the Banco-Kentucky Company, $306,553.80, or 20 cents a share, and yet he would have you understand it was just a transfer from one into another. This income, from which was deducted expenses, was then applied to the payment of dividends. That is the statement of January 1, 1930, as of the close of business of December 31, 1929.

We have another statement of the BancoKentucky Company—I am giving you the statements of that company figured at the time by its auditor and signed by its auditor. It gives the total asset value here and the other values that I have read to you, to which was added the shares of the First National Bank of Paducah and the shares of the Ashland National Bank.

The Court: Read the date of it.

Mr. Dodd: I don't know the date; I am just giving you the statement.

The Court: I mean the date of the statement.

Mr. Dodd: September 18, 1930, showing the complete assets of $62,915,919.71, and cash on hand, $20,804.52, bills receivable, still $2,000,000—I will explain that $2,000,000 bills receivable—first, I will explain it to you as I go along. The stockholders of the BancoKentucky Company, exactly like the stockholders and directors of the National Bank of Kentucky, had things put over on them. The inside of this

is that Mr. James B. Brown borrowed $2,000,000 of this money on November 13, 1929, and from our investigation and from the proof we had in another case, it was not even entered on the books until November 17, 1930, after the bank was closed. The stockholders, on their side, knew nothing about it, and nobody else except Mr. Brown and Mr. ZurSchmiede. That is that bills receivable; that is the explanation.

Let's stop a moment on Caldwell & Company and give Your Honor the facts as they appeared to the people at the time, what they saw and what they acted upon. That company was bought, that is, 10,000 shares, on May 30th——

The Court: A half interest in Caldwell & Company.

Mr. Dodd: That was on May 30, 1930. It was bought this way: The BancoKentucky Company didn't pay anybody; the purchase price was paid in to Caldwell & Company; they didn't buy it from Rogers Caldwell or any other stockholder; they contributed $2.20 of their stock, of which they would get back one-half through owning the stock of Caldwell, for every dollar of net asset value that Caldwell & Company had. It worked out, according to the contract, they paid for it in stock of the BancoKentucky Company 900,000 shares of that stock for 10,000 shares of Caldwell & Company, which was a half interest. That was set up in its statement as an asset by the auditor, and properly so, and I am going to explain that, just exactly what that is. It was set up in this statement here "Caldwell & Company, $22,500,000." That was the stock. Now, Caldwell & Company as presented to the Board of the BancoKentucky Company, had a sustained net earning over a period of three years of something like $2,300,000 a year; it had $40,000,000 of assets; it had twenty-two officers in the United States engaged in the investment banking business and was known prior to that time as the Morgan of the

South all over the country, underwriting and selling securities at huge profits. It was conceived at that time by the Directors of the BancoKentucky Company that this was a place to dispose of these 2,000,000 shares of stock it had, at $25 a share, in the backlog, and that they would get an organized investment business in which they would take a half interest and control, or have a voice in. In other words, they were still pushing the original thought, to get to a place where, stopped only by the depression, where they could do and perform what they said, throughout the South. It turns out now, by an audit that was made in 1930—it was mentioned here—we now find, looking backwards, that Caldwell and Company was insolvent. As I said awhile ago, you will find some strange things.

Now, if Your Honor please, I stated at the outset that one of the prime things in this case to lay at the door of those stockholders with reference to the National Bank of Kentucky is a brief history of the solvency of the National Bank of Kentucky. Let's go back to the solvency of the National Bank of Kentucky for a moment, and the knowledge of these parties as stockholders of the National Bank of Kentucky. I don't think anybody will dispute the fact that in construing that section of the statute I read to you, it was unanimously thought, as to the impending failure of a bank, that, in order to hold the stockholder you must show he had a knowledge of it. In the Carson case that was an issue and that is an issue here. I bring it up simply to show it is an issue. Nothing was said responding to that by counsel for plaintiff, except what the proof would show as to knowledge of what went on inside the Bank of Kentucky, but from September, 1929, on what went on inside the bank was unknown, not only to the stockholders, but also to the directors. The question of solvency of the National Bank of Kentucky is no longer an issue in this case, and right

here I want to make an observation, and if I am wrong I want to be corrected: I want to comment about this bill and about this lawsuit just a moment, and I think it is pertinent. There isn't an issue raised here on the two urged issues or any sub-issues, or on the testimony coming in, that hasn't been decided by some court adverse to the plaintiff in this case.

Let's start off about the solvency of the Bank of Kentucky. In the bank case this same Receiver sought to recover from the directors dividends beginning July 1, 1927, up to and including the last dividend paid, October, 1930, $2,240,000, on the ground that the bank, as he indicated here, had been drifting down, and therefore had not earned the money, and therefore the directors having paid the money out were liable. Your Honor, we spent some six weeks, in and out, taking proof on that issue. If it earned dividends it could not be insolvent, because its capital always had to be kept intact, and it also had to have a reserve. Issue was joined and proof was had. The capital structure of the Bank was $4,000,000 capital, $2,000,000 surplus and undivided profits and reserve, about $800,000. After putting on experts and fishing around among the assets of the bank and everywhere they could to say it was bad, and calling it a statutory bad debt, the Master found that the dividends had been earned and paid out of the undivided profits of the bank. On exceptions to that finding, which touched the very guts, if you please, of the solvency of this bank, it went up to Judge Tuttle on exceptions filed by this very receiver. Judge Tuttle not only overruled those exceptions, he adopted the Master's findings. Those are the facts, and I think you can shut in a narrow field any testimony on that point. Here is what Judge Tuttle said: "The Master disallowed this claim in its entirety, finding that the evidence failed to show any facts indicating any statu-

tory violation by any of the directors, or any negligence on their part in connection with these dividends. The Master discussed and analyzed, at great length and in much detail, numerous debts which the plaintiff claims should have been charged off as statutory bad debts, and after painstaking and thorough consideration of such debts and of the other relevant facts and circumstances, the Master found that the evidence did not sustain this claim of the plaintiff. To recite or review these details would unduly prolong this opinion and would serve no useful purpose. It is sufficient to say that the findings of the Master are convincingly supported by the record. It is entirely clear, and I find, that the witnesses on whom the plaintiff relied in this connection, had no personal knowledge of the facts concerning which they assumed to testify. There is no competent evidence sufficient to sustain the burden resting on the plaintiff of proving that any of these dividends were paid out of the capital of the bank, or were not paid out of its net profits after deducting therefrom its losses and bad debts, including all debts on which interest was past due and unpaid for a period of six months, and which were not well secured, and all debts in process of collection. It appearing that the findings of the Master are supported by the record, such findings are affirmed and no recovery against these directors by reason of the declaration or payment of these dividends will be awarded."

Judgment was entered dismissing that claim, and this Receiver never appealed from it. That is final.

Now, if Your Honor please, the Receiver never even appealed that and never claimed that that question was involved in the Circuit Court of Appeals or Supreme Court. The bill was dismissed and there was no argument. That is the best measure of the solvency or prosperity of that bank that you could find during this period, because that

bank paid $640,000 in dividends through these four years, from net earnings.

The Court: Wasn't that same question raised in the directors' suit?

Mr. Dodd: That is what I am reading from.

The Court: Didn't Judge Tuttle determine the directors were liable?

Mr. Dodd: He held they were not liable; he did not hold them on dividends, no, sir. I saw that judgment written myself "No recovery on dividends." That was an issue, though, and an issue that affected the vital question of the solvency of the National Bank of Kentucky during all that period.

Now, there is one other case where that same question was raised, and that was the Venhoff & Hillen case. On November 15, the last day the bank was open, at 8:30 at night, Venhoff & Hillen took $1100 and deposited it in the bank, which Monday morning did not open. They brought suit in this court to recover from the receiver, Paul Keyes, on the ground that the bank was insolvent. An answer was filed to that denying it and Paul Keyes, the receiver, predecessor to this receiver, and Tom ZurSchmiede and the leading bank examiner, Frank Dugan, all testified that the bank was solvent on the last day it lived. His Honor, Judge A. M. J. Cochran, found it to be solvent and gave this receiver the money put in there by Venhoff & Hillen. So, it was solvent then, and there is no use——

The Court: Did he rule expressly on that point?

Mr. Dodd: Yes; and I have his judgment here and I would be glad to read it to you.

The Court: There is no use going into authorities now.

Mr. Dodd: So, twice the court has passed on that and we think that eliminates from this case the question of any testimony relating to that one question, because we feel

that these decisions bind this receiver to the fact that this bank was solvent.

Now, let's go one step further: Let's show what came into that case, the facts. You know, under the banking act, every six months it is the duty of the cashier of the bank to make a report of dividends and earnings and send it in to the Comptroller's Office. In that report he has got to set out the undivided profits and the statutory bad debts, and a report of earnings and the payment of dividends. Those were sent in every year—sent in quarterly on dividends and semi-annually on earnings. Those statements are here and we have certified copies. In every national bank examiner's report the bank examiner is required to certify whether this report is correct, and every one of them, until the bank closed, contained that certification; every dividend was certified as earned after taking into consideration all the facts inside the bank from the examination at the time. Now, if the Court please, we think, for the reasons I have stated, the judgment on dividends, the reports of earnings and the Venhoff & Hillen case, that testimony is precluded in this case on that point. That ought to shorten this case.

We had a notice served on us in this case, if Your Honor please,—and there is another thing we can save time on—notice was served on us with reference to the admission as genuine the minutes of the National Bank of Kentucky, the Board of Directors. The purpose of that is to try to show some kind of notice to the directors about certain letters criticizing the bank and its control. That was an issue in the bank case and the verity of those minutes was challenged by the directors, and it was successfully established that they had been forged in all of them so as to make it appear that the letters criticizing the bank had been read to the Board. Then, there is another one; you will find here they will want to introduce into this case the National Bank

Examiners' reports for five years or four years—the number is immaterial—and in those reports is various criticism that was inserted therein by the Comptroller. The purpose of introducing that is to try to show some kind of notice to the directors of the knowledge of this criticism. That was another issue in the bank case. It was tried out before the Master and resulted in a finding of fact of the Master, confirmed by Judge Tuttle and further approved by the Circuit Court of Appeals, and I want to read you just exactly what that is, to show you the facts that have been found with reference to those matters. I will read you the Master's findings, and it is confirmed all the way through: "I don't think that any of these letters reached the Board of Directors, notwithstanding the recitation in the minutes to that effect. The minute book now indicates that there were six such letters presented and read to the Board, namely, December 16, 1927, page 304 of the minute book; June 1, 1928, page 318 of the minute book; June 8, 1928, page 319 of the minute book; June 22, 1928, page 320 of the minute book; August 31, 1928, page 325 of the minute book; and December 7, 1928, page 332 of the minute book. It is satisfactorily established that the minutes, after being read to the Board were fraudulently altered so as to show the presentation and consideration of these letters."

The Court: What do you mean, that these letters will be offered in this case to prove insolvency?

Mr. Dodd: No, to prove notice to the directors of the bank.

The Court: I can see why it might be competent in the directors' case, but not in this case.

Mr. Dodd: Here is why he is bringing it here: The criticism in the bank report—that criticism in itself might show some evidence of a failing condition of the bank.

The Court: Let's let that go until it is presented.

Mr. Dodd: I am not asking you to pass on it; I am simply stating it.

Now, if Your Honor please, there is one other fact we are going to show in this case with reference to the severability of these corporations, the line of cleavage between the National Bank of Kentucky and the BancoKentucky Company, which started out with its incorporation; its separateness of incorporation and separateness of stockholders and officers. Let's see what was done after the failure: The first thing done after the failure by the receiver was to sue the BancoKentucky Corporation. It filed suit and it had to get consent from the Jefferson Circuit Court to file that suit. It filed a petition setting up that fact, and also the fact that it was the owner of all this stock of the Bank of Kentucky, and they asked permission of the Jefferson Circuit Court to sue the BancoKentucky Company as owner of this stock. The order was entered and that suit was filed, and the Receiver got judgment for the full amount, and finally collected $90,000. I cite that as a fact.

Now, in addition to that, in responding to the statement that it had no expenses and there were no officers: Paul Keyes, the Receiver for the National Bank of Kentucky made and filed a valid proof of claim for all services rendered to Banco for keeping its books, in the amount of $22,000. He treated it as a separate corporation in their way of business. That isn't for money; that is for services performed in keeping the records. The Louisville Trust Company filed a claim for $22,000 for services performed, treating it as a separate institution, and not as an agency or instrumentality of the banks. These exhibits will be offered in this case.

Next we come to the good faith of the BancoKentucky Company. We have said that the facts we have demon-

strate the good faith; the investments we have put in, the number of stockholders, and the manner in which it was done. Here are people accused of trying to avoid something—the huge sums they themselves put in disprove any ulterior motive and disprove any idea of fraud, and, like all the other issues brought here, they are all decided one way. There is another issue, this very thing, the good faith of the BancoKentucky Company: That has been decided by Judge Sandidge, first, and by the Circuit Court of Appeals. I don't want to take up Your Honor's time reading it, but the whole good faith of the BancoKentucky Company and the purpose for which it was organized are already passed upon. The fact showing it was in good faith and legal and proper—everything legal about it—it wasn't a sham; it was a bona fide corporation, and that was the finding in the bank case, and that was an issue there.

Now, I don't want to extend this any longer, because I have tried to outline the position of these directors, but let me say this in conclusion, if I may: This suit follows—this is about the ninth suit involving the issues that they have in this case, or some part of them, and this suit is best described, from a fellow who has been on the other side in all of them, as just taking a bite out of each one and putting them together and starting out on a new theory. All these bites or issues have already been decided. This is the third suit filed by the Receiver to recover for the creditors against the directors of the Bank of Kentucky.

The Court: How could the Receiver—you say that question was decided by Judge Tuttle as to solvency: How could he give judgment against them, then?

Mr. Dodd: He could give judgment for statutory violation whether you are solvent or insolvent.

The Court: You say he gave judgment on statutory grounds? Under the statute they were liable for negligence?

Mr. Dodd: No, sir. In several of the cases he said they were free of negligence, but held them for statutory liability. I will illustrate that: The statute of the United States forbids a bank to lend more than ten per cent of its capital to any one person or corporation. All those loans were supposed to be excess loans, ultra vires and beyond the statute. The only liability Judge Tuttle enforced was based upon statutory violation, and not on negligence.

Mr. Crawford: It had nothing to do with the worth of the loan one way or the other. For instance, in the Wakefield matter he grouped together four people and said—four people properly collateraled—and said they should have been grouped together and the directors ought to have known it, and for that reason he held that those loans violated the law and charged it to the directors. Everything he found for the Receiver was of that type.

Judge Deitzman: And but for the subsequent insolvency of the bank that would have gone to the benefit of the stockholders. The statutory liability went to him then because the bank was insolvent; had it not been for that it would have gone to the benefit of the shareholders.

Mr. Dodd: Now, if Your Honor please, we will go back: There are two classes of stockholders here, those who have exchanged—and we describe them that way—those who exchanged their Trustees' Participation Receipts and those who bought their stock. As we see it, whether they paid for it in cash—you see, when the National Bank of Kentucky closed there were 2,000,000 shares out, and over one million were exchanged—some 400,000 bought for cash and the rest were exchanged for bank stock, like the Paducah Bank and Ashland Bank, where they didn't pay them any cash and where they took so many shares for their stock—our contention on this is that there are two classes of stockholders, those who exchanged and those who bought. The

only reaction to double liability—the reaction here to the liability that is sought to be imposed is asserted against two separate classes, one accused of having sold its stock—of having transferred its stock, and the other is one who never had stock at all, but purchased it, was never associated with the Bank of Kentucky at all in any capacity, stockholder or otherwise. Now, whatever may be said about the one, if by any stretch of the imagination you could hold the Trustees' Participation Receipt holders——

The Court: You mean there might be a judgment distinguishing between the two groups?

Mr. Dodd: Yes, I am trying to respond to that very proposition.

The Court: And your argument is that they are not charged with any knowledge?

Mr. Dodd: Of anything that happened or any record in the bank.

The Court: Of any record in the bank or any action of any director?

Mr. Dodd: That is right. That is the line of our defense, and those, as briefly and as best I could, charged with this duty of stating the facts, are the issues as we see it.

PLAINTIFF'S EVIDENCE

Plaintiff read into evidence the request which it made on defendants for admission of facts and genuineness of documents under Rule 36 of the Rules of Civil Procedure for the District Court of the United States.

The request for admission contained 184 separate paragraphs and these paragraphs together with the response to the request follows.

1. That The National Bank of Kentucky was, at all of the times referred to in the Bill of Complaint, and is a

national banking association, organized under the laws of the United States, commonly known as The National Bank Act, and domiciled at Louisville, Jefferson County, Kentucky.

Admitted in response.

2. That on November 16, 1930 said Bank was closed pursuant to a resolution duly adopted on that date by its Board of Directors. "Exhibit 1" is the resolution.

Admitted in response and the exhibit referred to was admitted in evidence.

3. That on November 17, 1930 the Comptroller of the Currency of the United States found said National Bank of Kentucky insolvent and unable to pay its just and lawful debts and appointed Paul C. Keyes Receiver of said Bank. "Exhibit 2" is the order of appointment of said Paul C. Keyes. Said Paul C. Keyes duly qualified and entered upon his duties as such Receiver and took possession of all the books, records and assets of said Bank and continued in the control and possession thereof as such Receiver until December 15, 1932, on which date he resigned. Thereafter, on December 15, 1932, F. G. Awalt, then Acting Comptroller of the Currency, appointed the plaintiff, A. M. Anderson, Receiver of said National Bank of Kentucky, who forthwith qualified and entered upon the duties of his office, as such Receiver, took possession of all the books, records and assets of said Bank and still is in the possession and control thereof as such Receiver, and is now the duly appointed, qualified and acting Receiver of said bank. "Exhibit 3," is the certificate of appointment of A. M. Anderson, Receiver of said Bank, dated December 15, 1932.

Admitted in response and the two exhibits were admitted in evidence.

4. That the individual defendants named in the caption of the Bill of Complaint are correctly described as to citi-

zenship and residence and that the corporate defendants are correctly described as to corporate organization. That on November 17, 1930, said defendants were severally the owners of record of stock of the BancoKentucky Company, as alleged in the Bill of Complaint, except as otherwise pleaded in the Answers filed herein.

Admitted by defendant with the proviso that Special Pleas as to residence might be later considered and are not to be included in the admission.

5. That on February 20, 1931, the Comptroller of the Currency of the United States levied and made an assessment and requisition upon the shareholders of the National Bank of Kentucky for $4,000,000.00, to be paid by them on or before the first day of April, 1931, and made demand upon each and every one of them for the par value of each and every share of the capital stock of said Association held or owned by them respectively at the time of its failure. "Exhibit 5," is the order of assessment referred to. That on March 20, 1931, the Receiver of said National Bank of Kentucky served all defendants and all other BancoKentucky shareholders with notice of said assessment and of intent to proceed against them to recover a proportionate part thereof. "Exhibit 6," is the notice to shareholders referred to in said paragraph. That the allegations of Paragraph XVIII of the Bill of Complaint are true.

Admitted with the provision that Special defenses could be filed as to defendants who had died. Exhibits 5 and 6 were admitted in evidence.

6. That at the time of the closing of the National Bank of Kentucky, it had issued and outstanding 40,000 shares of capital stock of the par value of $100.00 each; that 39,820 of said shares were registered on the stock ledger of said bank in the names of Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Charles H. Bohmer

and Ben J. Metcalfe, as Trustees under Trust Agreement dated April 22, 1927. "Exhibit 7," is the Trust Agreement of April 22, 1927. That the remaining 180 shares of said Bank were registered on the stock ledger of said Bank, 10 shares each, in the names of the eighteen directors of said bank, in order to qualify said directors. "Exhibit 7(a)" shows the directors of the National Bank of Kentucky, the assessment on their respective qualifying shares, the amounts paid and the balance, if any, due thereon.

This paragraph was admitted by the defendants as true with the exception that defendants denied that the words "In order to qualify said directors;" was the purpose of the registration of said stock in their names. Exhibits 7 and 7(a) were admitted in evidence.

Mr. Castleman objected to the introduction of documentary evidence on behalf of defendants who acquired their stock in Banco on the open market, and made a motion that such objection apply to each item of documentary evidence, which motion was granted by the court.

7. "Exhibit 8" is the Minutes of the Trustees under the Trust Agreement of April 22, 1927.

Admitted in response—Exhibit offered in evidence and admitted.

Mr. Dodd objected that every stockholder who bought stock could not be charged with notice of what was shown by the Minute Book of the Trustees of the Bank of Kentucky and Louisville Trust Company.

8. That the certificates representing the directors qualifying shares were kept in a safe deposit box in the Louisville Trust Company, which box was in the name of the six men who were trustees under said agreement of April 22, 1927. The certificates were in the names of the individual owners.

Admitted in response.

9. That at the time of the closing of the National Bank of Kentucky, said Trustees held, under the same Trust Agreement, 17,235 shares of the capital stock of the Louisville Trust Company out of the total issued and outstanding stock of said Trust Company of 17,500 shares. That the remainder of said shares were registered on the stock ledger of said trust company in the names of its directors, 10 shares each. That the qualifying shares of the directors of said National Bank of Kentucky and said Louisville Trust Company were subject to agreements between said directors and the trustees as shown by the Minntes of said trustees. The shares of stock registered in the names of the directors of the Louisville Trust Company representing qualifying shares were also kept in a safe deposit box with the Louisville Trust Company, in the names of the six men who were Trustees under said Agreement of April 22, 1927.

Admitted in response.

10. That pursuant to the terms of said Trust Agreement, the Trustees issued to each stockholder of the National Bank of Kentucky and each stockholder of the Louisville Trust Company whose stock was deposited with said Trustees, a Trustees' Participation Certificate having a par value of $100.00 in lieu of each share of stock of the Bank or Trust Company having a par value of $1000.00. "Exhibit 9" is a Trustees' Participation certificate issued as aforesaid.

Admitted in response. Exhibit 9 admitted in evidence.

11. Thereafter, on June 22, 1927, each share of the trust estate having a par value of $100.00 per share was divided into ten shares of the trust estate each having a par value of $10.00 per share; except for the change in par value, said Trustees' Participation Certificate remained unchanged. "Exhibit 10," is a $10.00 par Trustees' Participation Certificate referred to.

Admitted in response. Exhibit 10 admitted in evidence.

12. Each trustees' participation certificate having a par value of $10.00 represented .0697923 of a share of the capital stock of the National Bank of Kentucky, having a par value of $100.00 per share.

Admitted in response.

13. The following writings relate to the unification of the National Bank of Kentucky and the Louisville Trust Company and the interests of the stockholders thereof.

Admitted in response.

14. Exhibit 11-1—Letter of March 19, 1927, received by the Comptroller of the Currency from Louisville Trust Company.

15. Exhibit 11-2—Letter of March 22, 1927, received by the Louisville Trust Company from Deputy Comptroller E. W. Stearns.

16. Exhibit 11-3—Letter of March 25, 1927, received by E. W. Stearns, Deputy Comptroller from Louisville Trust Company.

17. Exhibit 11-4—Letter of April 7, 1927, received by the Louisville Trust Company from E. W. Stearns, Deputy Comptroller.

18. Exhibit 11-5—National Bank of Kentucky Directors' Minutes of April 1, 1927, with reference to unification of National Bank of Kentucky with Louisville Trust Company. (See Exhibit No. 21.)

19. Exhibit 11-6—National Bank of Kentucky Directors' Minutes of April 22, 1927, setting forth the plan and Trust Agreement adopted, the form of stockholders' receipt of the Plan of unification and consent thereto, and the letter of April 22, 1927, which was mailed by the National Bank of Kentucky to all of its stockholders. (See Exhibit No. 21.)

20. Exhibit 11-7—Minutes of the Stockholders of National Bank of Kentucky, May 27, 1927, approving declara-

tion of sixty per cent stock dividend and increasing the Board of Directors to forty and electing twenty-one Directors of the Louisville Trust Company to the Directorate of the National Bank of Kentucky. (See Exhibit No. 21.)

Paragraphs 14 through 20, inclusive, were admitted in the response, and the Exhibits referred to in these paragraphs were offered in evidence and admitted by the court.

21. "Exhibit 12," is the Daily Financial Statement Books of the National Bank of Kentucky from February 11, 1927, to November 16, 1930.

Admitted in response and exhibit admitted in evidence.

22. That the National Bank of Kentucky was examined by the National Bank Examiners as of April 23, 1927, October 14, 1927, March 9, 1928, October 13, 1928, May 25, 1929, December 31, 1929, April 26, 1930, September 17, 1930. "Exhibits 13, 14, 15, 16, 17, 18, 19 and 20" are photostatic copies of the reports of the aforesaid examinations as certified by the Comptroller of the Currency and delivered to said bank.

Admitted in response and exhibits referred to admitted in evidence.

23. That the Minutes of the Meeting of the Board of Directors of the National Bank of Kentucky, held on June 7, 1929, contained the following recital:

> "Mr. Brown's proposition to form a new company with a proposed capital of $20,000,000 organized to own stock of other corporations, all, or in part, buy and sell securities, original and refinancing, etc., was submitted to the Board of Directors and the Board expressed themselves as favorable, and on motion duly seconded and unanimously carried the President was authorized to proceed along the lines outlined."

"Exhibit 21" is the original Minute Book containing the Minutes of the National Bank of Kentucky, as kept and

recorded therein from January 14, 1927, to November 16, 1930.

Defendants' response with respect to this paragraph read:

> "Defendants admit all of paragraph No. 23, except the correctness of Exhibit 21 for the reason that in the case of *Anderson* v. *Akers*, 7 Fed. Sup. 924, this court has heretofore adjudged that said minutes have been fraudulently altered."

The exhibit was admitted in evidence.

24. "Exhibit 22" is the original letter of Trabue, Doolan, Helm and Helm, attorneys for the National Bank of Kentucky, sent to and received by Charles F. Jones, Cashier of the National Bank of Kentucky, which was signed by T. K. Helm, dated September 5, 1929, and with which was enclosed a true and correct copy of a letter sent by said Helm to and received by the said Jones, as Cashier, dated June 14, 1929.

The statement was admitted in response. Mr. Crawford objected for everybody except Mr. Helm and Mr. Jones on the grounds that none of the stockholders of the bank, even including the directors, are chargeable with any knowledge of interoffice correspondence, or correspondence that comes to the bank, unless it is actually presented to the Board, and then its competency only goes to the Board itself and not to the stockholders.

The exhibit was admitted in evidence.

25. That on July 12, 1929, the Trustees, under the Trust Agreement of April 22, 1927, held a meeting and authorized the organization of the BancoKentucky Company under the laws of Delaware, as shown by the Minutes of said Trustees for said date.

26. That on July 16, 1929, the corporation known as The BancoKentucky Company, was organized under the laws

of the State of Delaware. "Exhibit 23," is a complete and correct copy of the Minutes of the BancoKentucky Company, from the time of its organization to and including the last meeting of its Board of Directors on November 19, 1930. The Minutes of the first meeting in said Minute Book contains an authentic copy of the Certificate of Incorporation of the BancoKentucky Company.

27. Mr. A. J. Carroll, a Director of the National Bank of Kentucky and the Louisville Trust Company, and an attorney for the National Bank of Kentucky, was present at the incorporation of the BancoKentucky Company at
Ex. 24
Dover, Delaware. "Exhibit 24," is the original copy of his letter, reporting the organization of said Company received by Mr. Charles F. Jones, Cashier of the Bank, contained in the files of said bank.
Ex. 24-1

28. "Exhibit 24-1" is the original telegram from A. J. Carroll, reporting the mailing of the corporation records to Louisville, dated July 17, 1929, and requesting that a copy of the Prospectus be sent to him at Atlantic City, contained in the files of said bank.
Ex. 24-2

29. "Exhibit 24-2" is the original carbon copy of the letter sent to and received by A. J. Carroll, dated July 20, 1929, which enclosed a copy of the printed letter sent to all stockholders.

These five paragraphs were admitted in the response and the exhibits referred to were admitted in evidence.
Ex. 24-3

30. "Exhibit 24-3" is the original printed letter, dated July 19, 1929, which was mailed to all stockholders of the National Bank of Kentucky and all stockholders of the Louisville Trust Company, signed by all Directors of

the National Bank of Kentucky and by all Directors of the Louisville Trust Company and by the Trustees under the Trust Agreement of April 22, 1927, a copy of which was enclosed with said "Exhibit 24-2."

This paragraph was admitted in the response. Objection to the exhibit was offered by Mr. Van Winkle against use of the letter as against purchasers of stock who were not certificate holders. The exhibit was admitted in evidence.

Ex. 24-4

31. "Exhibit 24-4" is a perforated sheet entitled "Subscription to shares of BancoKentucky Company, Incorporated (Under the Re-organization Plan as Outlined in the Letter of the Trustees dated July 19, 1929)," attached to Exhibit 24-3.

Ex. 24-5

32. "Exhibit 24-5" is the printed letter from BancoKentucky Company of September 12, 1929, sent to all Trustees Participation shareholders, which enclosed a copy of said letter of July 19, 1929.

Ex. 24-6

33. "Exhibit 24-6" is the printed letter from BancoKentucky Company to all subscribers requesting payment of subscriptions on or before October 1, 1929.

These three paragraphs were admitted in the response and the exhibits mentioned were admitted in evidence.

Ex. 25

34. "Exhibit 25" is the original opinions of Robert F. Vaughan, one of the attorneys for the National Bank of Kentucky, dated July 6, 1929 and July 9, 1929, with enclosures, contained in the files of said bank.

This paragraph was admitted in the response. Over objection of Mr. Crawford the exhibits were received in evidence. The letter of Robert F. Vaughan, dated July 6, 1929, was marked Exhibit 25. The letter of July 9, 1929, was marked Exhibit 25-5. The enclosures referred to in

the letter of July 9, 1929, consisting of "suggested preface
Ex, 25-1
to the prospectus"—Exhibit 25-1, and draft of prospectus headed "To the Stockholder Addressed," Exhibit 25-2, and memo from Richard Bean to Mr. Vaughan—Exhibit 25-3, and additional suggestion for draft of prospectus, Exhibit 25-4, were all offered and received in evidence.

35. That on or about July 20, 1929, public announcements were made of the organization of the BancoKentucky Company, which was given wide publicity in the Louisville newspapers. Further publicity was given from time to time to said Company in the public press throughout America and in various financial and investment publications.

Ex. 26

36. "Exhibit 26" is a correct photostatic copy of articles with reference to the BancoKentucky Company appearing in the Herald-Post, Courier-Journal and Louisville Times, papers of general circulation in Kentucky and in Indiana, on the following dates:

Herald-Post—July 20, 21, 22, 1929; September 14, 17, 26, 27, 30, 1929; October 6, 11, 13, 14, 15, 20, 1929; December 14, 1929; February 8, 1930; March 9, 1930; March 28, 30, 1930; April 2, 1930; May 11, 1930; June 2, 8, 15, 1930; November 5, 6, 11, 12, 15 and 17, 1930.

Courier-Journal—July 20, 21, 1929; August 17, 1929; September 13, 14, 21, 27, 1929; October 5, 10, 30, 1929; November 21, 1929; December 7, 22, 24, 28, 1929; January 4, 1930; April 1, 2, 1930; June 2, 1930; November 5, 6, 7, 11, 13, 14, 15 and 17, 1930.

Louisville Times—June 2, 1930; November 5, 6, 13, 14 and 17, 1930.

Ex. 26-1

37. "Exhibit 26-1" is the original clipping from the issue of July 23, 1929, of the American Banker, published in New

York City and circulated through the United States, which is a daily banking newspaper, contained in the files of said bank.

Ex. 26-2

38. "Exhibit 26-2" is a letter, dated September 11, 1929, from Stein Bros. & Boyce to James B. Brown, c/o National Bank of Kentucky and attached advertisement of Stein Bros. & Boyce, contained in the files of said bank.

Ex. 26-3

39. "Exhibit 26-3" is a letter, dated October 15, 1929, from Coast Banker to National Bank of Kentucky and enclosed tear sheet of June, 1929, issue of Coast Banker, also enclosing statement for advertising, contained in the files of said bank.

Ex. 26-4

40. "Exhibit 26-4" is Argus Pressclipping Bureau, clipping from September 27, 1929, issue of New York Herald-Tribune, contained in the files of said bank.

Defendants' objection to exhibit sustained.

Ex. 26-5

41. "Exhibit 26-5" is newspaper clipping under Covington, Kentucky, January 3, 1930, date line, contained in the files of the National Bank of Kentucky.

Ex. 26-6

42. "Exhibit 26-6" is letter, dated May 19, 1930, from The Commercial and Financial Chronicle to J. B. Brown, President, BancoKentucky Company, contained in the files of the National Bank of Kentucky.

Ex. 26-7

43. "Exhibit 26-7" is Chronicle news item, November 23, 1929, contained in the files of the National Bank of Kentucky.

Ex. 26-8

44. "Exhibit 26-8" is Western Union telegram of February 17, 1930, from American Banker to BancoKentucky

Corporation and copy of BancoKentucky Company answer thereto contained in the files of the National Bank of Kentucky.

Ex. 26-9

45. "Exhibit 26-9" is letter dated January 31, 1930, from American Banker to BancoKentucky Corporation, contained in the files of the National Bank of Kentucky.

Ex. 26-10

46. "Exhibit 26-10" is a letter, April 9, 1930, American Banker to BancoKentucky Corporation and enclosing news item from April 9, 1930, American Banker, contained in the files of said bank.

Ex. 26-11

47. "Exhibit 26-11" is January 17, 1929, evening edition of Herald-Post, front page, page 14-A and page 15-A, contained in the files of said bank.

Ex. 26-12

48. "Exhibit 26-12" is June 29, 1929, printed statement National Bank of Kentucky-Louisville Trust Company in joint ownership.

Paragraphs 35 through 48 were all admitted in the response, and the exhibits referred to were received in evidence over objection of the defendants.

Ex. 27

49. "Exhibit 27" is an original letter, together with enclosures, dated July 26, 1929, sent by Richard Bean, President of the Louisville Trust Company, Louisville, Kentucky, to and received by James B. Brown, President of the National Bank of Kentucky, Louisville, Kentucky, contained in the files of said bank.

This paragraph admitted in response. The defendants objected to this exhibit and to all other inter-corporate communications, on the ground that it was an inter-corporate matter of which the directors and stockholders knew nothing. The objection was overruled and the exhibit was received in evidence.

Ex. 28

50. "Exhibit 28" is an original letter sent by Richard Bean, President of the Louisville Trust Company to and received by James B. Brown, President of the National Bank of Kentucky, dated June 24, 1929, contained in the files of said bank.

Ex. 29

51. "Exhibit 29" is an original letter sent by Richard Bean, President of the Louisville Trust Company to and received by Charles F. Jones, Cashier of the National Bank of Kentucky, dated August 21, 1929, contained in the files of said bank.

Ex. 30

52. "Exhibit 30" is an original letter, with enclosures, sent by Richard Bean, President of the Louisville Trust Company to and received by James B. Brown, President of the National Bank of Kentucky, dated August 8, 1929, contained in the files of said bank.

Ex. 31

53. "Exhibit 31" is an original letter sent by Richard Bean, President of the Louisville Trust Company to and received by Charles F. Jones, Cashier of the National Bank of Kentucky, dated August 24, 1929, contained in the files of said bank.

Ex. 32

54. "Exhibit 32" is an original letter and enclosure sent by Richard Bean, President of the Louisville Trust Company to and received by Charles F. Jones, Cashier, National Bank of Kentucky, dated September 5, 1929, contained in the files of said bank.

Ex. 32-1

55. "Exhibit 32-1" is a photostat of a letter sent by Richard Bean, President of the Louisville Trust Company to and received by Charles F. Jones, Cashier, National Bank of Kentucky, dated August 24, 1929, contained in the files of said bank.

Ex. 32-2

56. "Exhibit 32-2" is an original letter sent by T. K. Helm to and received by James B. Brown, National Bank of Kentucky dated December 3, 1929, contained in the files of said bank.

Paragraphs 50 through 56, inclusive, were admitted in the response and the exhibits were received in evidence over objection of the defendants.

Exhibit 31 was admitted against Mr. Bean and Mr. Jones and objection sustained as to other defendants.

Exs. 33-1 to 33-25

57. "Exhibits 33-1" to "33-25" are correct photostatic copies of correspondence the originals of which were sent by the Comptroller of the Currency of the United States or his deputies to and received by the National Bank of Kentucky, under the following dates: June 30, 1927, September 7, 1927, December 12, 1927, January 19, 1928, January 27, 1928, April 30, 1928, May 12, 1928, June 2, 1928, June 16, 1928, August 23, 1928, November 27, 1928, January 14, 1929, March 23, 1929, July 12, 1929, August 6, 1929, August 29, 1929, September 17, 1929, February 21, 1930, March 19, 1930, April 11, 1930, June 23, 1930, July 23, 1930, August 9, 1930, September 9, 1930, and November 8, 1930.

Exs. 34-1 to 34-14

58. "Exhibits 34-1" to "34-14," both inclusive, are correct photostatic copies of letters sent by the National Bank of Kentucky, its officers or directors to and received by the Comptroller of the Currency of the United States, said letters being dated: July 23, 1927, September 16, 1927, December 24, 1927, January 24, 1928, February 4, 1928, June 8, 1928—including a certificate of C. F. Jones, Secretary, Board of Directors, National Bank of Kentucky, bearing same date with reference to said letter and a three-page list of loans attached to same; September 11, 1928—to which was attached and enclosed a three-page list of loans re-

ferred to in said letter; January 22, 1929, February 4, 1929, April 5, 1929—enclosed with which was a four-page list of items referred to in said letter; September 24, 1929, and the attached and enclosed letter sent out to stockholders of the National Bank of Kentucky under date of July 19, 1929; March 21, 1930, August 23, 1930 and October 24, 1930.

These two paragraphs were admitted to be correct in the response and the exhibits mentioned were admitted in evidence over objection of the defendants.

Ex. 35

59. "Exhibit 35" consists of 22 letters, either originals received by National Bank of Kentucky or copies of letters sent by John S. Akers, as Vice President of said bank to the person addressed concerning BancoKentucky Company or the stock of said company.

Ex. 36

60. "Exhibit 36" consists of 29 letters, either originals received by National Bank of Kentucky or copies of letters sent by E. B. Robertson, as Vice President of said bank to the person addressed concerning BancoKentucky Company or the stock of said company.

Ex. 37

61. "Exhibit 37" consists of 21 letters, either originals received by National Bank of Kentucky or copies of letters sent by J. J. Hayes, as Vice President of said bank to the person addressed concerning BancoKentucky Company or the stock of said company.

Ex. 38

62. "Exhibit 38" consists of 5 letters, either originals received by National Bank of Kentucky or copies of letters sent by H. J. Angermeier, as Vice President of said bank to the person addressed concerning BancoKentucky Company or the stock of said company.

Ex. 39

63. "Exhibit 39" consists of 15 letters, either originals received by National Bank of Kentucky or copies of letters

sent by L. L. Fontaine, as Vice President of said bank to the person addressed concerning BancoKentucky Company or the stock of said company.

Paragraphs 59 through 63, inclusive, admitted in the response. The exhibits were received in evidence. Defendants' objection to Exhibit 36 was overruled.

64. The following exhibits are true and correct sample copies of the following documents:

Ex. 40

65. "Exhibit 40." Certificate of stock—National Bank of Kentucky.

Ex. 41

66. "Exhibit 41." Copy of bank stockholders' acceptance of the unification trust agreement of April 22, 1927.

Ex. 42

67. "Exhibit 42." Power of Attorney executed by National Bank of Kentucky stockholder authorizing exchange of National Bank of Kentucky stock for Trustees' Participation Certificates.

Ex. 43

68. "Exhibit 43." Certificate issued by the Trustees, delivered to National Bank of Kentucky stockholders in exchange for their shares. (See Exhibit No. 10.)

Ex. 44

69. "Exhibit 44." Interim Receipt issued to the holders of Trustees' Participation Certificates and subscribing shareholders pending completion of the reorganization outlined in letter of Trustees and Directors of July 19, 1929.

Ex. 45

70. "Exhibit 45." The BancoKentucky Company Temporary Certificate of Stock delivered to the holders of Trustees' Participation Certificates upon surrender of same under Banco Plan.

Ex. 46

71. "Exhibit 46." Permanent Certificate of Stock issued by the BancoKentucky Company.

Ex. 47

72. "Exhibit 47" is the original Minute Book containing true and correct Minutes of the Meeting of the Stockholders of the National Bank of Kentucky, from May 27, 1927, to March 21, 1930, inclusive.

Marked for identification and filed.

Ex. 48

73. "Exhibit 48" is a true and correct copy of a letter from James B. Brown, President of the National Bank of Kentucky, received by the Comptroller of the Currency, dated October 7, 1929, with reference to the denationalization of the National Bank of Kentucky.

Ex. 49

74. "Exhibit 49" is a letter from E. H. Gough, Deputy Comptroller of the Currency, received by the President of the National Bank of Kentucky, dated October 9, 1929, acknowledging receipt of Exhibit 48.

Ex. 50

75. "Exhibit 50" is an original letter from Robert Vaughan, an attorney for the National Bank of Kentucky, received by Charles F. Jones, Vice President of said Bank, together with enclosures attached to said letter, dated October 10, 1929.

Ex. 51

76. "Exhibit 51" is a letter from E. H. Gough, Deputy Comptroller of the Currency, received by Robert Vaughan, dated October 17, 1929.

Ex. 52

77. "Exhibit 52" is a letter from B. M. Mulvihill, Acting Chief, Division of Deposits, Office of the Secretary of Treasury, Washington, received by the Cashier of the National Bank of Kentucky, dated October 18, 1929.

Ex. 53

78. "Exhibit 53" is a letter from C. F. Jones, Cashier, National Bank of Kentucky, received by B. M. Mulvihill,

Acting Chief, Division of Deposits, Treasury Department, dated October 21, 1929.

Ex. 54

79. "Exhibit 54" is a letter from C. M. Stewart, Assistant Federal Reserve Agent, St. Louis, received by Charles F. Jones, dated October 22, 1929, and list attached.

Ex. 55

80. "Exhibit 55" is a letter from B. M. Mulvihill, Acting Chief, Division of Deposits, Treasury Department, received by Cashier, National Bank of Kentucky, dated October 28, 1929.

Ex. 56

81. "Exhibit 56" is a letter from C. F. Jones, Cashier, National Bank of Kentucky, received by B. M. Mulvihill, dated November 7, 1929.

Ex. 57

82. "Exhibit 57" is a letter from E. H. Gough, Deputy Comptroller, received by Robert Vaughan, dated November 14, 1929.

Ex. 58

83. "Exhibit 58" is a letter from Robert Vaughan, received by Cashier, National Bank of Kentucky, dated November 18, 1929.

Ex. 59

84. "Exhibit 59" is a letter from Governor, Federal Reserve Bank, received by James B. Brown, President of the National Bank of Kentucky, dated November 18, 1929.

Ex. 60

85. "Exhibit 60" is a letter from John T. Moore, Cashier, Louisville Branch Federal Reserve Bank of St. Louis, received by J. J. Hayes, Vice-President of the National Bank of Kentucky, Louisville, Kentucky, dated November 26, 1929.

Ex. 61

86. "Exhibit 61" is a letter from Cashier, National Bank of Kentucky, received by Cashier, Federal Reserve Bank, dated December 5, 1929, with enclosure attached.

Plaintiff's Evidence

Ex. 62

87. "Exhibit 62" is a letter from John T. Moore, Cashier, Louisville Branch Federal Reserve Bank of St. Louis, received by C. F. Jones, Cashier, National Bank of Kentucky, dated November 26, 1929.

Ex. 63

88. "Exhibit 63" is a letter, with enclosures, from C. M. Stewart, Assistant Federal Reserve Agent, St. Louis, received by C. F. Jones, dated December 20, 1929.

Ex. 64

89. "Exhibit 64" is a telegram from F. G. Awalt, Deputy Comptroller of the Currency, sent to and received by the National Bank of Kentucky, dated December 26, 1929.

Paragraphs 64 through 89, inclusive, were admitted in the response. The exhibits were received in evidence. Defendants objected to Exhibit 47 and Exhibit 53. Exhibit 47 was received for identification and Exhibit 53 was received in evidence.

90. That all of the holders of Trustees' Participation Certificates issued under the Trust Agreement of April 22, 1927, approved and adopted the plan, signed the "Subscription to Shares of the BancoKentucky Company (under the Re-organization Plan as Outlined in the Letter of the Trustees dated July 19, 1929)" heretofore attached as Exhibit 24-4, or agreed to exchange of their Trustees' Participation Certificates for shares of the BancoKentucky Company in accordance with said Re-organization plan; except holders of approximately five per cent of said Trustees' Participation Certificates. Subsequently said Trustees' Participation Certificate Shareholders who signed said subscription to shares of the BancoKentucky Company, and/or agreed to exchange their Trustees' Participation Certificates for shares of stock of the BancoKentucky Company, deposited said Trustees' Participation Certificates with the Louisville Trust Company as transfer agent for said Trustees and

received a document entitled "Trustees of National Bank of Kentucky and Louisville Trust Company Interim Receipt Issued Pending Completion of the Re-organization outlined in letter of Trustees and Directors dated July 19, 1929." (Exhibit 44.)

91. That subsequently said plan of Reorganization was declared effective and said Trustees' Participation Certificates were exchanged on the basis of two shares of the BancoKentucky Company stock for one Trustees' Participation Certificate and said shares of the BancoKentucky Company stock so exchanged were delivered by the Louisville Trust Company, as transfer agent for said Trustees, to the holders of said interim receipts. Upon delivery of said interim receipts to the said Trust Company as transfer agent, said Trustees' Participation Certificates held by the Louisville Trust Company, as transfer agent for said Trustees, were delivered to the BancoKentucky Company.

92. That the holders of 570,550 shares of the trust estate approved and adopted the plan above described and the holders of 540,484 shares of the trust estate, representing 37,721.6214 shares of stock in the National Bank of Kentucky and stock of the Louisville Trust Company exchanged their Trustees' Participation Certificates for 1,080,968 shares of BancoKentucky Company stock. By reason of said exchange, the BancoKentucky Company received and held approximately 95% (94.73%) of the issued and outstanding Trustees' Participation Certificates, which were also registered in its name on the stock register of said Trustees, and which represented approximately 95% of the shares of stock of the National Bank of Kentucky held by said Trustees.

93. That after the issue of the shares of the BancoKentucky Company in exchange for Trustees' Participation Certificates, a substantial majority of the shares of the

BancoKentucky Company was at all times owned by the same persons who previously held Trustees' Participation shares, and the BancoKentucky Company was managed and operated by the same persons who constituted the Board of Directors and the officers of the National Bank of Kentucky-Louisville Trust Company, as set forth in Paragraph 7 of the letter to the holders of Trustees' Participation shares, dated July 19, 1929.

94. That on September 25, 1929, the BancoKentucky Company agreed to purchase capital stocks of the Brighton Bank & Trust Company at Cincinnati, Ohio, a banking corporation organized under the laws of the State of Ohio, and the Pearl Market Bank & Trust Company of Cincinnati, Ohio, a banking corporation organized under the laws of the State of Ohio, in accordance with the offer of purchase set forth in the Minutes of the BancoKentucky Company of September 27, 1929. Subsequently 47,854 shares out of 60,000 shares of the capital stock of the Pearl Market Bank & Trust Company were acquired by the BancoKentucky Company in exchange for 54,936 shares of stock of BancoKentucky Company and $2,200,388.30 paid in cash. The BancoKentucky Company also acquired 44,390 shares out of 50,000 shares of the capital stock of the Brighton Bank & Trust Company in exchange for 31,459 shares of BancoKentucky Company stock and $3,323,409.90 in cash.

95. That for the purpose of this case, it is stipulated and agreed that the Court may take judicial notice of the statute laws and decisions of the States of Ohio, Indiana, Delaware, Tennessee, Arkansas, and Kentucky, and the parties may call to the Court's attention any provisions of said laws deemed pertinent.

96. That on November 22, 1929, the BancoKentucky Company Board of Directors approved the acquisition of capital stock of Central Savings Bank & Trust Company,

Covington, Kentucky, a Kentucky banking corporation and, in December, 1929, Banco Kentucky Company acquired 548 shares of said stock, out of a total issue of 600 shares (par value $100.00) for $329,372.51 in cash.

97. That on January 10, 1930, the BancoKentucky Company Board of Directors approved the acquisition of capital stock of Peoples Liberty Bank & Trust Company, Covington, Kentucky, a Kentucky banking corporation and, from December 29, 1929, to November 21, 1930, Banco-Kentucky Company acquired 2,099 shares of said stock, out of a total issue of 6,500 shares (par value $100.00) for $491,136.50 in cash.

98. That on March 7, 1930, the BancoKentucky Company Board of Directors approved the acquisition of capital stock of First National Bank of Paducah, Kentucky, a national banking association, and, on June 30, 1930, Banco-Kentucky Company acquired 6,925 shares of said stock out of a total issue of 7,500 (par value $20.00) by exchanging 24,930 shares of BancoKentucky Company stock therefor.

99. That on March 27, 1930, the BancoKentucky Company Board of Directors approved the acquisition of capital stock of Ashland National Bank, Ashland, Kentucky, a national banking association, and from May 16, to September 18, 1930, BancoKentucky Company acquired 7,125 shares of said stock, out of a total issue of 8,000 shares (par value $100.00) by exchanging 56,920 shares of Banco-Kentucky Company stock and $37.50 in cash therefor.

100. That on March 27, 1930, the BancoKentucky Company Board of Directors approved the acquisition of capital stock of the Security Bank of Louisville, Kentucky, a Kentucky banking corporation and, from April to October, 1930, BancoKentucky Company acquired 2,713 shares of stock out of a total issue of 3,000 shares (par value $100.00) by exchanging 29,294 shares of stock of BancoKentucky Company and paying $217,200.00 in cash therefor.

Plaintiff's Evidence

101. That on September 19, 1930, the BancoKentucky Company Board of Directors approved the acquisition of capital stock of the Mechanics Trust & Savings Bank, Paducah, Kentucky, a Kentucky banking corporation and BancoKentucky Company on said day acquired 575 shares of said stock, out of a total issue of 1,000 shares (par value $100.00) by exchanging 5,175 shares of BancoKentucky Company stock therefor.

102. That the aggregate par value of the bank stocks held by the BancoKentucky Company, November 17, 1930, was $7,770,780.00.

Paragraphs 90 through 102, inclusive, are admitted to be correct in the response filed by the defendant.

Exs. 65, 65-A, 65-B

103. "Exhibits 65, 65-A and 65-B" are the original General Ledger, Cash Journal and Stock Securities Record of BancoKentucky Company containing the original entries.

This paragraph was admitted and the exhibits were received in evidence.

104. That the note of the Murray Rubber Company purchased by the BancoKentucky Company from the National Bank of Kentucky for a cash consideration of $580,000.00 on October 24, 1930, was, at the time of its purchase and ever since has been worthless.

In the response defendants admitted Paragraph 104 except that they denied that the note referred to at the time of its purchase or at any time prior to November 17, 1930, was worthless, for the reason that said company was operating at said time and there was no reason to anticipate that said note did not have real value.

105. That the participation in the note of Lewis C. Humphrey, purchased by the BancoKentucky Company from the National Bank of Kentucky on October 24, 1930, for $20,000.00, was at the time of its purchase, and ever since has been, worthless.

In the response defendants admitted Paragraph 105 but denied that the note referred to therein, at the time of its purchase, or at any time prior to November 17, 1930, was worthless at said time and there was no reason to anticipate that said note did not have real value.

106. That the note of James B. Brown, President of the National Bank of Kentucky and the BancoKentucky Company, dated November 14, 1929, due in six months, payable to Wakefield & Company for the face value of $2,000,000.00, was acquired by the BancoKentucky Company from Wakefield & Company on November 13, 1929, for a cash consideration of $2,000,000.00 and had attached thereto as collateral security 60,000 shares of the BancoKentucky Company stock and only 22,500 shares of the Standard Oil Company of Kentucky stock. No interest was ever paid on this note.

This paragraph was admitted by the defendants in the response. A copy of the note was received in evidence as Exhibit 65 (c). It is not reproduced but can be found with the original exhibits.

107. That nothing was realized from said BancoKentucky Company stock held as collateral and the stock of the Standard Oil Company of Kentucky was sold for $442,580.75 and applied on the note. The maker of the note, James B. Brown, filed a voluntary petition in bankruptcy on December 23, 1930. No dividends were paid in said bankruptcy proceeding and the bankrupt was duly discharged. Mrs. A. E. Latta did business under the assumed name "Wakefield & Company," and was the sole proprietor of said business. Mrs. A. E. Latta made an assignment for the benefit of her creditors on the 1st day of July, 1931. No cash dividends were paid and the property so assigned has had and has only a nominal value.

This paragraph was admitted in the response except that defendants denied that the property assigned by Mrs. A. E. Latta has had and has only a nominal value.

108. That on December 17, 1929, BancoKentucky Company acquired 625 shares of stock of the Union Central Life Insurance Company for $25,000.00 paid in cash. Said stock was sold by the Receiver of BancoKentucky Company for $21,560.51.

109. That from March 24, 1930, to August 7, 1930, the BancoKentucky Company purchased and retired 106,000 shares of its own capital stock at a cost to said Company of $2,374,137.50. Said purchases were made on behalf of the BancoKentucky Company by Wakefield & Company on the open market.

110. That the BancoKentucky Company became indebted on November 4, 1929, to the Chemical Bank & Trust Company on account of borrowed money in the sum of $1,000,000.00. Said loan was paid off on January 22, 1930, and subsequently, on June 14, 1930, a further loan of $1,000,000.00 was obtained from said Chemical Bank & Trust Company and on October 22nd said loan was increased by the further sum of $600,000.00, making a total of $1,600,000.00 due and owing by the BancoKentucky Company to the Chemical Bank & Trust Company of New York on November 17, 1930. There was pledged to the Chemical Bank, as security for said loan, the following:

26,000 shares of Brighton Bank & Trust Company stock;

24,284 shares of Pearl Market Bank & Trust Company stock;

60,320 shares Trustees' Participation Certificates, National Bank of Kentucky-Louisville Trust Company;

2,713 shares Security Bank stock;

22,500 shares Standard Oil of Kentucky stock;

Said 22,500 shares of Standard Oil of Kentucky was collateral to the note of James B. Brown and was repledged with the Chemical Bank & Trust Company.

Ex. 66.

111. "Exhibit 66" is an authentic copy of the voluntary petition filed November 24, 1930, in the Jefferson Circuit Court of Louisville, Kentucky, by the Executive Committee of the Board of Directors of the BancoKentucky Company for the appointment of a receiver.

Ex. 67

"Exhibit 67" is an authentic copy of the answer filed by BancoKentucky Company, confessing the allegations of the petition. Joseph S. Laurent was appointed Receiver, in accordance with the prayer of said petition.

Paragraphs 108 through 111, inclusive, were admitted in the response. The two exhibits referred to in Paragraph 111 were received in evidence.

112. That thereafter proceedings were had in an action commenced by Paul C. Keyes, Receiver of the National Bank of Kentucky v. Joseph S. Laurent, Receiver of the BancoKentucky Company, as set forth in Paragraph XIX of the Bill of Complaint, resulting in the allowance of a claim against the Receiver of said BancoKentucky Company for the sum of $3,772,162.40 and $331,320.97 as interest from April 1, 1931, to the date of judgment, September 14, 1932. From the time of his appointment as Receiver, on November 24, 1930, to date, the only payment made by said Receiver of the BancoKentucky Company to the Receiver of the National Bank of Kentucky was $90,745.17. Except for said credit, the amount due and owing the Receiver of the National Bank of Kentucky, on account of said claim, is wholly unpaid and unsatisfied.

113. That on December 13, 1929, the National Bank of Kentucky declared a quarterly dividend of $4.00 per share.

On the same day the Louisville Trust Company declared a quarterly dividend of $4.00 per share. On the same day the BancoKentucky Company declared a quarterly dividend of 20¢ per share. All of the foregoing dividends were payable January 2, 1930, and were paid on that date.

114. That on March 14, 1930, the National Bank of Kentucky declared a quarterly dividend of $4.00 per share. On the same day the Louisville Trust Company declared a quarterly dividend of $4.00 per share, and on March 21, 1930, the BancoKentucky Company declared a quarterly dividend of 20¢ per share. All three dividends were payable April 1, 1930, and were paid on that date.

115. That on June 13, 1930, the Louisville Trust Company declared a quarterly dividend of $4.00 per share. On June 18, 1930, the BancoKentucky Company declared a quarterly dividend of 20¢ per share. On June 20, 1930, the National Bank of Kentucky declared a quarterly dividend of $4.00 per share. All three dividends were payable July 1, 1930, and were paid on that date.

116. That on September 12, 1930, the Louisville Trust Company declared a quarterly dividend of $4.00 per share. On September 19, 1930, the National Bank of Kentucky declared a quarterly dividend of $4.00 per share and on the same day the BancoKentucky Company declared a quarterly dividend of 20¢ per share; all three dividends were payable on October 1, 1930, and were paid on that date.

Paragraphs 112 through 116, inclusive, were admitted to be correct in the response.

117. That the dividends on the stock of the National Bank of Kentucky and the Louisville Trust Company, held by the Trustees of record were paid by the Bank in one check payable to said Trustees, and on the same day said Trustees, without any deduction for expenses or otherwise, paid out the entire sum received by them to the holders of

Trustees' Participation Certificates, making the one check for its proportionate share of said dividend to the Banco-Kentucky Company, as the holder of approximately 95% of the Trustees' Participation Certificates. The Banco-Kentucky Company in turn, on the same day, paid its divi-
Ex. 68. dends. "Exhibit 68" is a schedule and an analysis showing the receipt of all dividends and other income by the Banco-Kentucky Company during its existence, and the disbursement thereof, all taken from its books and records.
Ex. 69. 118. Exhibit 69 is a summary of dividends received by the Trustees from the National Bank of Kentucky and the Louisville Trust Company and the payment of said dividends out to the holders of Trustees' Participation Certificates.

Defendants admitted paragraphs 117 and 118 in their response except in so far as Exhibit 68 was concerned. Exhibit 68 was admitted in evidence in connection with the testimony of Hugh A. White, the accountant who prepared it. Exhibit 69 was also received in evidence.

119. That the BancoKentucky Company paid no salaries to its officers. It had no salaried employees. It paid no fees to Directors. It had no office. It never complied with the laws of Kentucky applicable to foreign corporations. The only books and records kept by the BancoKentucky Company were a General Ledger, Cash Journal, Minutes of Directors and a record of payments for stock subscriptions. Said books and records were kept by employees of the National Bank of Kentucky under the supervision of W. T. ZurSchmiede, Auditor of the National Bank of Kentucky during 1929, and Cashier of the National Bank of Kentucky during 1930, and at the same times Secretary and Treasurer of the BancoKentucky Company. The Banco-

Kentucky Company files and its correspondence was intermingled with the correspondence of the National Bank of Kentucky.

Defendants admitted the correctness of paragraph 119 in their response except that they denied that BancoKentucky Company had no office; denied, for want of information sufficient to form a belief that BancoKentucky Company's files and its correspondence were intermingled with the correspondence of the National Bank of Kentucky; defendants admitted that BancoKentucky Company paid no salaries, but defendants stated that claims for salaries had been filed with the Receiver of the BancoKentucky Company.

In connection with this paragraph plaintiff offered in evidence affidavit of the Chief Deputy in the office of the Secretary of State of Kentucky to the effect that no reports had been filed by BancoKentucky Company as required by Section 571, Kentucky Statutes. This affidavit was received in evidence as Exhibit 69(a).

An affidavit of the Supervisor of the filing section of the Department of Revenue of the State of Kentucky to the effect that no reports as required by Section 4189-2, Kentucky Statutes, had been filed by BancoKentucky, was received in evidence as Exhibit 69(b).

Mr. Crawford denied the competency of the testimony with regard to the failure to comply with the laws of Kentucky as against people other than the derelict officers. An objection was also made to Exhibits 69(a) and 69(b).

120. That on May 28, 1930, BancoKentucky Company and Caldwell & Company, a Tennessee corporation, entered into a contract for the exchange of 900,000 shares of BancoKentucky Company stock for 10,000 shares of Caldwell & Company stock, on certain conditions. By a supplemental contract between said parties, Caldwell & Company agreed

to, and did deliver 100,000 shares of said 900,000 shares of BancoKentucky Company stock to The National Bank of Kentucky. Caldwell & Company also deposited 200,000 shares of said BancoKentucky Company stock with The Louisville Trust Company in escrow, pending the determination of the value of Caldwell & Company, under the terms of said contract of May 28, 1930. On September 8, 1930, Caldwell & Company deposited an additional 200,000 shares of said BancoKentucky Company stock with The Louisville Trust Company in escrow, pending the determination of the value of Caldwell & Company, under the terms of said contract.

121. That in said contract of May 28, 1930, Caldwell & Company represented that it had a net worth of $9,000,000.00. Caldwell & Company owned all of the stock of the Bank of Tennessee and had controlling or substantial interests in the following banks:

Fourth & First National Bank, Nashville, Tennessee
Holston-Union National Bank, Knoxville, Tennessee
Union Planters National Bank & Trust Co., Memphis, Tennessee
Manhattan Savings Bank & Trust Company, Memphis, Tennessee
Exchange National Bank, Little Rock, Arkansas
Nashville Trust Company, Nashville, Tennessee
American Bank & Trust Company, Lebanon, Tennessee
Alexandria Bank & Trust Company, Alexandria, Tennessee
South Knoxville Bank, Knoxville, Tennessee
Holston Trust Company, Knoxville, Tennessee

and owned approximately 66⅔% of the Inter-Southern Life Insurance Company. Inter-Southern Life Insurance Company owned approximately 30% of the Missouri State Life

Insurance Company, and Missouri State Life Insurance Company owned a controlling interest in the Southwestern Life Insurance Company, Texas.

122. That the quarterly dividends paid July 1 and October 1, 1930, on stock of the Banco Kentucky Company were not paid on the stock issued and outstanding in the name of Caldwell & Company, as the valuations contemplated by the contract had not been made. No dividend was paid on the 100,000 shares of BancoKentucky Company stock delivered by Caldwell & Company to the National Bank of Kentucky, nor did Caldwell & Company purchase from the National Bank of Kentucky the Kentucky Wagon Manufacturing Company and National Motors Corporation obligations as provided in said supplemental contract. 10,000 shares of stock of Caldwell & Company representing 50% of the stock of said company, were issued to the Banco-Kentucky Company. The firm of Price Waterhouse Company, Certified Public Accountants, completed an audit of Caldwell & Company on November 30, 1931, as of May 31, 1930. That audit shows that on May 31, 1930, Caldwell & Company was insolvent to the extent of $1,111,170.33 and that the stock was wholly worthless on said date.

Defendants in their response admitted paragraph 122 except that they denied that Caldwell & Company did not complete the purchase of the Kentucky Wagon Company and National Motors Corporation obligations from the National Bank of Kentucky because said sale was completed.

The words in this paragraph "said stock was wholly worthless" were admitted subject to examination of the audit referred to in the paragraph by defendants' attorneys.

Defendants admitted that the audit was made as of the date set forth.

123. Caldwell & Company was placed in the hands of a Clearing House Committee on November 6, 1930, and a re-

ceiver was appointed for said Company on November 14, 1930, by the United States District Court at Nashville, Tennessee, on the filing of a Creditors' Bill. The creditors of said Company have received a final liquidating dividend of less than one tenth of one per cent.

Defendants admitted this paragraph.

Ex. 71

124. "Exhibit 71" is a photostatic copy of the Application filed by BancoKentucky Company with the Louisville Stock Exchange to list its stock.

Ex. 72

125. "Exhibit 72" is a photostatic copy of the original letter sent by the BancoKentucky Company, signed by W. T. ZurSchmiede, Secretary and Treasurer, to the Chicago Stock Exchange, dated March 19, 1930.

Ex. 73

126. "Exhibit 73" is a correct photostatic copy of the original answers to the Questionnaire of the Chicago Stock Exchange, in re: BancoKentucky Company, signed by BancoKentucky Company by W. T. ZurSchmiede, Secretary and Treasurer, to which is attached a photostatic copy of the letter to the Chief Examiner of the Chicago Stock Exchange transmitting said Questionnaire to BancoKentucky Company.

Ex. 74

127. "Exhibit 74" is a correct photostatic copy of the original Application to list the stock of the BancoKentucky Company on the Chicago Stock Exchange, signed by James B. Brown, its President.

Ex. 75

128. "Exhibit 75" is a correct photostatic copy of the letter sent by the Chicago Stock Exchange to W. T. ZurSchmiede, Secretary of BancoKentucky Company under date of October 2, 1929, advising that the stock of the BancoKentucky Company was admitted to trading upon the Chicago Stock Exchange.

129. That the stock of the BancoKentucky Company was listed on the Chicago Stock Exchange and on the Louisville Stock Exchange and trades in said stock were made upon both of said Exchanges.

Paragraphs 124 through 129, inclusive, were admitted in the response and the exhibits referred to were received in evidence.

Ex. 76

130. "Exhibit 76" is the original printed Statement of the BancoKentucky Company signed by J. B. Brown, President, addressed to the shareholders and dated March 10, 1930. This Statement was sent to some stockholders and to the Chicago Stock Exchange.

Paragraph 130 was admitted in the response but defendants denied that the statement was sent to over 15 or 20 stockholders at most. The exhibit referred to was received in evidence.

Ex. 77

131. "Exhibit 77" is a Schedule, showing the names of the Directors of the National Bank of Kentucky from January 11, 1927, to November 17, 1930, the Louisville Trust Company from January 11, 1927, to November 17, 1930, and the BancoKentucky Company from July 16, 1929, to November 22, 1930.

Ex. 78

132. "Exhibit 78" is a photostatic copy of the original letter of July 22, 1930, from John S. Wood, Federal Reserve Agent of the Federal Reserve Bank of St. Louis, to W. T. ZurSchmiede, National Bank of Kentucky, submitting schedule of information on group banking from the files of said bank.

Ex. 79

133. "Exhibit 79" is the certificate of L. P. Bethea, Assistant Secretary of the Board of Governors of the Federal Reserve System and attached papers thereby certified.

Ex. 80

134. "Exhibit 80" is a photostatic copy of the letter of Caldwell & Company to the BancoKentucky Company, submitting information for the Federal Reserve Board in connection with the Questionnaire.

Ex. 81

135. "Exhibit 81" is a photostatic copy of the original letter from Maurice L. Galvin received by Charles F. Jones, dated February 21, 1931, from the files of BancoKentucky Company.

Ex. 82

136. "Exhibit 82" is a true and correct carbon copy of the reply thereto, dated February 24, 1930, from the files of Banco.

Ex. 83

137. "Exhibit 83" is a photostatic copy of the original letter from Maurice L. Galvin, received by BancoKentucky Company dated April 15, 1930, from the files of Banco.

Ex. 84

138. "Exhibit 84" is a true and correct carbon copy of the reply thereto, dated April 16, 1930, from Banco files.

Ex. 85

139. "Exhibit 85" is a copy of the original letter from Maurice L. Galvin received by BancoKentucky Company, dated October 17, 1930, from Banco files.

Ex. 86

140. "Exhibit 86" is a true and correct carbon copy of a letter sent by James B. Brown, President, to Jesse Weil, Vice President, First National Bank, Paducah, Kentucky, dated March 7, 1930, with reference to exchange of Banco-Kentucky stock for stock of the First National Bank of Paducah, from files of National Bank of Kentucky.

Ex. 87

141. "Exhibit 87" is the original letter from John E. Buckingham, President of the Ashland National Bank, re-

ceived by James B. Brown, President of the BancoKentucky Company, dated March 31, 1930, with printed notice sent to the stockholders of the Ashland National Bank attached, from National Bank of Kentucky files.

Ex. 88

142. "Exhibit 88" is a photostatic copy of the original letter from John E. Buckingham, President of the Ashland National Bank, received by James B. Brown, President of National Bank of Kentucky, dated November 5, 1930, from the files of said bank.

Ex. 89

143. "Exhibit 89" is a true and correct copy of a letter sent to the stockholders of the Security Bank, dated April 3, 1930, with reference to the exchange of Security Bank stock for BancoKentucky Company shares, from files of National Bank of Kentucky.

Ex. 90

144. "Exhibit 90" is a photostatic copy of correspondence, consisting of twelve letters, exchanged between Maurice L. Galvin and Charles F. Jones and W. T. ZurSchmiede, with reference to Directors qualifying shares in the Pearl Market Bank & Trust Company and Brighton Bank & Trust Company, from the files of the BancoKentucky Company.

Ex. 91

145. "Exhibit 91" is a photostatic copy of a letter from G. M. Mosler, President of the Brighton Bank & Trust Company, received by the BancoKentucky Company, dated April 1, 1930, and a true and correct copy of the reply thereto signed by W. T. ZurSchmiede, Secretary and Treasurer of BancoKentucky Company, dated April 2, 1930, from Banco files.

Ex. 92

146. "Exhibit 92" is a true and correct copy of a letter from W. T. ZurSchmiede, Secretary & Treasurer of BancoKentucky Company, received by Joseph A. Helmers, Execu-

tive Vice President of the Pearl Market Bank & Trust Company, dated January 14, 1930, from files of National Bank of Kentucky.

Ex. 93

147. "Exhibit 93" is a true and correct copy of a letter from W. T. ZurSchmiede, dated April 11, 1930, to P. Lincoln Mitchell, from Banco files.

Ex. 94

148. "Exhibit 94" is a true and correct copy of a letter from ZurSchmiede to John W. Lewis, dated April 11, 1930, from National Bank of Kentucky files.

Ex. 95

149. "Exhibit 95" is a photostatic copy of letter from Humbert Baer, Assistant Cashier of Pearl Market Bank & Trust Company to the BancoKentucky Company, dated January 17, 1930, from Banco files.

Ex. 96

150. "Exhibit 96" is an original letter from Richard Bean, President of the Louisville Trust Company to Charles F. Jones or John Akers, National Bank of Kentucky, dated February 1, 1929, from files of said bank.

Ex. 97

151. "Exhibit 97" is a true and correct original copy found in the files of the National Bank of Kentucky of Market letter of E. W. Hays & Company, dated October 20, 1929.

Ex. 98

152. "Exhibit 98" is a photostatic copy of the original letter from Chicago Statistics to the BancoKentucky Company with statistical sheet attached, from Banco files.

Ex. 99

153. "Exhibit 99" is a photostatic copy of clipping from Paris, France, Edition of the New York Herald, found in the files of the Bank and bearing initials of Tom ZurSchmiede, Secretary and Treasurer of BancoKentucky Company.

Ex. 100

154. "Exhibit 100" is a photostatic copy of a letter from Chicago Statistics Company, dated January 31, 1930, addressed to BancoKentucky Company with statistical sheet attached, from Banco files.

Ex. 101

155. "Exhibit 101" is a photostatic copy of the "Round-Up" financial publication, Forest Park, Illinois, March 18, 1930, found in the files of BancoKentucky Company.

Ex. 102

156. "Exhibit 102" is a photostatic copy of original letter from Baron's National Financial Weekly, Boston, dated April 3, 1930, addressed to BancoKentucky Corporation, and reply thereto to W. T. ZurSchmiede, Secretary and Treasurer of BancoKentucky Company dated April 8, 1930, from Banco files.

Ex. 103

157. "Exhibit 103" is the true and original letter of Rogers Caldwell to James B. Brown, President of the National Bank of Kentucky, dated January 29, 1930, from files of said bank.

Ex. 104

158. "Exhibit 104" is a true and correct carbon copy of a letter from W. T. ZurSchmiede, Cashier, National Bank of Kentucky, dated August 14, 1930, addressed to Caldwell & Company, enclosing dividend check for $180,000.00, from files of said bank.

Ex. 105

159. "Exhibit 105" is an original letter of Caldwell, advising of the return of said check, dated September 4, 1930, from files of said bank.

Ex. 106

160. "Exhibit 106" is a true and correct carbon copy of a letter from ZurSchmiede, dated September 5, 1930, acknowledging the return of said check, from files of said bank.

Ex. 107

161. "Exhibit 107" is a photostatic copy of a letter from Ralph Bullick, dated April 3, 1930, to BancoKentucky Company, from Banco files.

Ex. 108

162. "Exhibit 108" is a photostatic copy of the reply thereto by W. T. ZurSchmiede, Secretary of BancoKentucky Company, dated April 7, 1930, from Banco files.

Ex. 109

163. "Exhibit 109" is a photostatic copy of the Income Tax Return of the BancoKentucky Company for the year 1929.

Ex. 110

164. "Exhibit 110" is a photostatic copy of original letter from First National Bank, Boston Corporation, dated December 7, 1929, addressed to the Secretary and Treasurer of BancoKentucky Company, and carbon copy of letter of W. T. ZurSchmiede, Secretary and Treasurer of the BancoKentucky Company in reply thereto, dated December 11, 1929, from Banco files.

Ex. 111

165. "Exhibit 111" is a photostatic copy of the original letter from the Greenhall Company, Inc., New York, dated December 2, 1929, addressed to the BancoKentucky Company; and carbon copy of the reply of the Secretary and Treasurer of the BancoKentucky Company thereto, dated December 9, 1929, from Banco files.

Ex. 112

166. "Exhibit 112" is a photostatic copy of the original letter of J. Frank Hutcheson, addressed to BancoKentucky Company, dated December 6, 1929; and carbon copy of reply thereto by W. T. ZurSchmiede, Secretary and Treasurer of BancoKentucky Company, dated December 11, 1929, from Banco files.

Ex. 113

167. "Exhibit 113" is a photostatic copy of the original letter, dated October 13, 1929, from Hugh Rodman, Oklahoma City, Oklahoma, addressed to BancoKentucky Company; and carbon copy of reply thereto of W. T. ZurSchmiede, Secretary and Treasurer of BancoKentucky Company, dated October 21, 1929, from Banco files.

Ex. 114

168. "Exhibit 114" is a photostatic copy of the original letter of Milton E. Reiner & Company, New York, dated October 14, 1929, and carbon copy of reply thereto by W. T. ZurSchmiede, Secretary and Treasurer of BancoKentucky Company, dated October 22, 1929, from Banco files.

Ex. 115

169. "Exhibit 115" is a true and correct copy of a letter written by Chas. F. Jones, Vice President of National Bank of Kentucky to T. A. Field, Vice President of Ashland National Bank, Ashland, Kentucky, dated August 25, 1930, from National Bank of Kentucky files.

Paragraphs 131 through 179, inclusive, was admitted in the response and the exhibits referred in those paragraphs were admitted in evidence.

Ex. 116

170. "Exhibit 116" is a true and correct tabulation made from the books and records of the National Bank of Kentucky of the quarterly earnings and quarterly dividends of the National Bank of Kentucky from June 30, 1927, to September 30, 1930.

Paragraph 170 was denied in the response. The exhibit was received in evidence in connection with the testimony of Hugh A. White, the accountant who prepared the same.

Ex. 117

171. "Exhibit 117" is a true and correct tabulation made from the books and records of the National Bank of Kentucky of the borrowed money position of the National Bank

of Kentucky from January 1, 1929, to the close of the National Bank of Kentucky.

Ex. 118

172. "Exhibit 118" is a true and correct tabulation made from the books and records of the National Bank of Kentucky of the legal reserve position of the National Bank of Kentucky from January 1, 1929, to November 16, 1930.

173. That James B. Brown was a director of each of the banks and trust companies stock of which was registered in the names of the Trustees under Trust Agreement of April 22, 1927, of BancoKentucky Company.

174. That each director of each bank or trust company, stock of which was registered in the names of Trustees or BancoKentucky Company, took the form of directors' oath prescribed by the laws under which said banks or trust companies were organized.

Paragraphs 171 through 174, inclusive, were admitted in response and the exhibits referred to were received in evidence.

Ex. 120

175. "Exhibit 120" is a computation of the assessment.

Paragraph 175 was denied but the exhibit was received in evidence in connection with the testimony of Hugh A. White, the accountant who prepared it.

176. That the Receiver of the National Bank of Kentucky, on March 20, 1931, paid depositors in said Bank a dividend of 67% of their claims. The Receiver has paid no further dividend.

Ex. 121

177. "Exhibit 121" is a photostatic copy of National Bank of Kentucky published Call Reports, appearing in the Herald-Post, Louisville, Kentucky, on April 8, 1929, July 11, 1929, October 18, 1929, January 15, 1930, April 9, 1930, July 11, 1930 and October 11, 1930.

Ex. 122

178. "Exhibit 122" is an attested photostatic copy of the Answer of the Louisville Trust Company, and the Receiver thereof to the Intervening Petition of Annie Bullitt Brewer, filed March 25, 1931, in Jefferson County, Kentucky, Circuit Court Case No. 205178.

Ex. 123

179. "Exhibit 123" is an attested photostatic copy of the Answer of the Louisville Trust Company to the Amended Petition of the Trustee under the will of Frank A. Menne, deceased, in said Jefferson Circuit Action No. 205178 on December 21, 1931.

Ex. 124

180. "Exhibit 124" is a true and correct tabulation of loans made by National Bank of Kentucky to pay subscriptions for BancoKentucky Company stock from September 25, 1929, to November 7, 1929.

Ex. 126

181. "Exhibit 126" is a true and correct tabulation of the assets acquired by BancoKentucky Company and condensed Statement of Cash Receipts and Disbursements from September 25, 1929, to November 22, 1930.

182. "Exhibit 127" is a true and correct tabulation of dividends declared by National Bank of Kentucky, Louisville Trust Company, and BancoKentucky Company subsequent to October 2, 1929.

Paragraphs 176 to 182, inclusive, were admitted to be correct in the response and the exhibits referred to were admitted in evidence.

Ex. 128

183. "Exhibit 128" is a certified copy of the Annual Report of BancoKentucky Company filed in the office of the Secretary of the State of Delaware, January 7, 1930.

Ex. 129

184. "Exhibit 129" is a certified copy of the Annual Report of BancoKentucky Company filed in the office of the

Secretary of the State of Delaware, December 31, 1930.

Paragraphs 183 and 184 were not admitted but the exhibits referred to were offered in evidence and received by the court.

Earl R. Muir,

called for Plaintiff, testified as follows:

I have been connected with the Louisville Trust Company since its reorganization and have been President since November, 1937. The Louisville Trust Company failed to open on November 17, 1930, and The Fidelity and Columbia Trust Company, a Louisville bank, was appointed receiver. It continued to act until August 24, 1931. A 100% stock assessment amounting to $1,750,000.00 was levied and a claim in that amount was allowed against the Banco-Kentucky Company. Some of the depositors of the Louisville Trust Company, those that did not consent to the plan of reorganization, received 100% of their deposit in cash on opening date in August, 1931. Those owning $10,000,000.00—between 90% and 95% of the Bank's assets—received 20% in cash on the opening date; 5% in ninety days; 5% in six months; 5% in a year and 20% in two years, a total of 55%. They also received in stock of the reorganized Louisville Trust Company 15% of their deposit, and they received a depositor's refunding certificate representing 30% of what they had in the bank. Nothing has been paid on the refunding certificates. The refunding certificates were payable out of the undesirable assets of the bank. The total cash realized was 55% plus such amounts as might have been realized through sale of the stock, which has ranged in the market price from $3.50 a share to $18.00 a share. At the present time, November 2, 1938, stock is selling at $7.00 per share. In the reorganization of Louisville Trust Company the same corporate entity was re-

tained, and the Trust Company still operates under the same charter. However, it has a different set of stockholders. It took over only the desirable assets. For all practical purposes the present Louisville Trust Company is a new bank.

Cross-examination by Mr. Dodd

The Louisville Trust Company, as of November 17, 1930, owned the real estate on the southwest corner of Fifth and Market Streets, and it has now been determined that it owned the building at 421 West Market Street. As of opening date, August 24, 1931, there were outstanding $9,956,000.00 of 5½% collateral trust notes which were secured by real estate mortgages. There was a substantial decline in the value of real estate securing those bonds as a result of the depression of 1929, which reached such proportions, that during the past several years the Trust Company had to foreclose and acquired a substantial amount of the real estate on which the Trust Company was obliged to take substantial losses before a sale could be effected. This fact was taken partly into consideration when the amount paid depositors was considered in the reorganization. A reserve against real estate of something in excess of $1,000,000.00 was set up in the plan of reorganization.

Fred W. Gates,

called for Plaintiff, testified as follows:

I was Vice-President of the old Louisville Trust Company prior to the reorganization.

Witness produced the minute book of the Board of Directors of Louisville Trust Company from April, 1911, to August 15, 1931, and plaintiff offered in evidence each of the minutes for the period subsequent to January 1, 1927

and up to August 15, 1931. The exhibit was admitted in evidence, over the objection of the defendants, as Exhibit No. 130 (see original exhibits—2 volumes).

Witness also produced the following exhibits, all of which were introduced over the objection of defendants:

Exhibit No. 131—Minutes of the Executive Committee of Louisville Trust Company from January 24, 1930, to November 7, 1930. (See original exhibits.)

Exhibit No. 132—Minutes of Executive Committee of Louisville Trust Company from May 15, 1924, to April 25, 1927. (See original exhibits.)

Exhibit No. 133—Minutes of Executive Committee of Louisville Trust Company from May 2, 1927, to May 13, 1929. (See original exhibits.)

Exhibits Nos. 134-1 and 134-2—Letter on the stationery of Miller and Chevalier, signed by this firm and Robert F. Vaughan, addressed to James B. Brown and Richard Bean, dated August 2, 1929, with enclosure, being copy of communication from the Deputy Commissioner of Internal Revenue to Miller and Chevalier, dated July 30, 1929.

Exhibit No. 134-3—Copy of letter addressed to Thomas L. Barrett, dated September 9, 1929, and notation on reverse side.

Exhibit No. 134-4—Copy of memorandum from Richard Bean on the BancoKentucky Company, dated November 4, 1929.

Exhibit No. 134-5—Copy of memorandum, on the letterhead of Louisville Trust Company, from Richard Bean on BancoKentucky Company, dated November 4, 1929.

Exhibit No. 134-6—Copy of letter from Louisville Trust Company to BancoKentucky, dated January 29, 1930.

Exhibit No. 134-7—Copy of letter from Louisville Trust Company to J. S. Akers, Secretary of the Trustees, dated August 3, 1929.

Exhibit No. 134-8—Letter from Banco to its stockholders, dated December 31, 1929, with proxy.

Exhibit No. 134-9—Five letters relative to exchange of T.P.C.'s for Banco by Mrs. Emma Robbins.

Exhibit No. 134-10—Copy of letter from Louisville Trust Company to Banco, dated October 14, 1929, with copy of letter from T. K. Helm to J. W. Cammack, Attorney General of Kentucky, dated January 11, 1928.

Exhibit No. 134-11—Letter from Robert F. Vaughan and others to Louisville Trust Company, dated July 24, 1929.

Exhibit No. 134-13—Copy of letter from Robert F. Vaughan to James B. Brown, dated July 9, 1929, together with enclosure headed "Suggested Preface to the Prospectus."

Exhibit No. 134-14—Copy of letter from Vaughan to James B. Brown, dated July 6, 1929.

Exhibits Nos. 135 and 135-1—Dividend check register from January 1, 1927, to January 1, 1931, of the Trustees under the agreement of April 22, 1927. (See original exhibits.)

Exhibit No. 136—Deposit account records with the Louisville Trust Company from January 1, 1927, to January 1, 1931, of the Trustees under the agreement of April 22, 1927. (See original exhibits.)

Exhibits Nos. 137-1a and 137-1b—Dividend check register of the BancoKentucky Company. (See original exhibits.)

Exhibit No. 137-2—Deposit account records of the BancoKentucky Company with Louisville Trust Company. (See original exhibits.)

Exhibits Nos. 138 and 138-1—Dividend check register of Louisville Trust Company from January 1, 1927, to January 1, 1931. (See original exhibits.)

Exhibits Nos. 139-1 and 139-2—Louisville Trust Company liability records showing all loans made on security or BancoKentucky Company stock and/or to pay subscriptions for BancoKentucky Company stock from September 20, 1929, through November 15, 1929. (Original exhibits.)

Exhibit No. 140—Daily statement register January 1, 1929, to January 3, 1931. (See original exhibit.)

Exhibits Nos. 141 and 141-1—General ledger Louisville Trust Company, January 1, 1927, through November 16, 1930. (See original exhibits.)

Exhibit No. 142—General ledger of Louisville National Bank and Trust Company from January 1, 1929, to merger with Louisville Trust Company. (See original exhibits.)

Exhibit No. 143—Louisville Trust Company records of transfer of BancoKentucky Company stock. (See original exhibits.)

Exhibit No. 144—Louisville National Bank and Trust Company directors' minutes from January 1, 1929, to merger with Louisville Trust Company. (See original exhibits.)

Exhibits Nos. 145-1 and 145-2—Stockholders' minutes of the old Louisville Trust Company from January 1, 1927, to December 1, 1930. (See original exhibits.)

Cross-examination by Mr. Dodd

I became connected with the Louisville Trust Company in September, 1912, as a runner and have gone through practically all the cages in the bank, tellers' cages, note cages and trust department. My first official capacity was assistant treasurer, then treasurer, then assistant vice-president. On the reorganization I became secretary of the company.

Q. Did you know or believe that Louisville Trust Company was insolvent, or that its insolvency was impending in any month in the year 1929 from January 1 to July 16?

(Objection to this question overruled and the court held that Mr. Gates became the witness of the defendants for the purpose of this question, subject to the right of the plaintiff to cross-examine him.)

A. I did not.

Hugh A. White,

called for the plaintiff, testified:

I am a certified public accountant and a member of the firm of White, Bower & Prevo. I have been an accountant since 1928 and received my preliminary education and training at the University of Michigan. I worked for approximately six months for the firm of Peyton & Ross in Ann Arbor, Michigan, and for four and one-half years with Lybrand, Ross Bros., and Montgomery. Since 1933 I have been a member of my present firm. We have offices in Detroit and Chicago.

I have personally examined a large number of banks throughout the United States, including, among others, the First National Bank, in Detroit, the Peoples Wayne County Bank and American State Bank, in that city, the Liberty State Bank of Milwaukee, the First Wisconsin National Bank of Milwaukee, the Ottawa State Bank of Ottawa, and certain records of the National Bank of Kentucky.

I started to work on records of the National Bank of Kentucky in 1931 and have done considerable work on those records since that date.

Exhibit 68, prepared by me, is entitled "Report of Operations of BancoKentucky Company for the period of October 1, 1929, to November 22, 1930." This exhibit was prepared from the general ledger and cash journal of the BancoKentucky Company. This exhibit is an analysis of the operations of the company for the period mentioned, as shown by the books of account of the company. It is broken down into quarters. The first period is October 1, 1929, to December 31, 1929, and for each quarter thereafter, and for the short period from October 2, 1930, to November 22, 1930. The last column is the total for the entire period.

The first section shows the income of the BancoKentucky Company, as shown by its books of account. That is classified as to the various classes of income. There are only two classes of income: interest and dividends on bank stock. The interest was paid by the National Bank of Kentucky and the Louisville Trust Company on certificates of deposit. There is also an item of interest of $2707.40 paid on stock subscriptions, which were not paid by October 1, 1929.

The item of expenses is broken down into various classes such as interest paid, examiner's fees, etc. The interest paid was on money borrowed by Banco from the Chemical Bank & Trust Company, and for a short period from the National Bank of Kentucky. The money borrowed was deposited in the National Bank of Kentucky and Banco received interest back on this deposit.

I found no item recorded on the books of the company which reflected any payment of salaries to employees or officers. There was no item of office expense in the way of rent, no expenditure for heat, light or telephone.

The total income from the period from October 1, 1929, to November 22, 1930, was $1,307,662.29. The total expense was $97,413.24. The net income was $1,210,249.05.

Total dividends paid to stockholders during the entire period of its existence was $1,253,513.00, which was $43,263.95 in excess of net income received. The money to pay the deficit came from the National Bank of Kentucky. It was met by an overdraft in the sum of $81,537.15 in that bank. Every quarter, after the first quarter, BancoKentucky Company paid out in dividends to its stockholders more than its net income as shown by its books of account. For the quarter ending April 1, 1930, the excess was $23,824.34; for the quarter ending July 1, 1930, the excess was $30,410.64; for the quarter ending October 1, 1930, the excess was $13,212.45; in the short period from October 1, 1930, to November 22, 1930, there were no dividends paid

but the expenses exceeded the income for that period by the amount of $1332.47.

The report also shows the excess of amount received for BancoKentucky Company stock over amount paid on retirement of the same. This is shown by quarters and the total equals $275,862.50. That figure represents the difference between the amount paid by the BancoKentucky Company for 106,000 shares of its own stock which was retired, less the amount which BancoKentucky Company had received on the sale of that stock. This figure was placed on this statement in order that the statement will tie-out with the undivided profit account as shown by the books of the BancoKentucky Company. The figure is taken from the books and is there set up as an operating profit. It grew out of the fact that the company bought back its own stock for less than the price for which it sold the stock. In my opinion this is not an operating profit in any sense of the word. It is a capital and surplus adjustment item. However, I place it on the statement to tie-back with the books. The item simply means that by purchase of their own stock they have adjusted their own capital liability.

The exhibit also shows the details of the dividends and from which bank the dividends came. Also, the various details of the expense classifications as shown on the statement.

The percentage of the income received by Banco from dividends as compared to the interest item and the sum received from the Union Central Life Insurance Company dividend was in excess of 90%.

Exhibit 116 is a statement showing comparison of quarterly net earnings, loans charged off, less recoveries and net additions to reserve for taxes with dividends paid as shown by books of the National Bank of Kentucky from April 1, 1927, to September 30, 1930. The tabulation is by quarters.

The black figures in the last column show the excess of the net earnings of the National Bank of Kentucky for the quarter indicated over dividends paid during that quarter. The red figures show the excess of dividends paid during that particular quarter over the net earnings for that period. The final figure in the amount of $500,905.27 is the net total of the items shown for each quarter. It shows that during the period April 1, 1927, to September 30, 1930, the National Bank of Kentucky paid out $500,509.27 in dividends more than their net earnings during that said period. This is shown by the books of the National Bank of Kentucky. The figures only take into consideration such chargeoffs as were actually made on the books of account not those that were requested by the National Bank Examiners in their bank examinations but not made.

Exhibit 120 is a calculation of the proportionate ownership of National Bank of Kentucky stock represented by ownership of each share of BancoKentucky Company and the proportionate part of assessment on National Bank of Kentucky stock allocated to the ownership of each share of BancoKentucky Company stock. It is an arithmetical accounting to determine the percentage of national bank stock represented by a share of holding company stock and allocating the assessment on the bank stock held by the holding company to the shares of the holding company stock. The amount of the calculation is $2.305386. This is somewhat less than the amount for which an accounting was prayed for in the petition. The figure there used is $2.304909. The difference is in favor of the stockholder.

Exhibit 77 is a summary of the interlocking directors of the National Bank of Kentucky, the Louisville Trust Company and BancoKentucky Company for the years 1927 to 1930, inclusive. It was made up from the minutes of the stockholders and directors of the three institutions. Each

of the directors is listed in the first column. The second column headed "Elected to Board of Directors" and subheaded "National Bank of Kentucky and Louisville Trust Company," shows the date of election of the individual for the year 1927. The word "yes" shows that the director was elected under the date listed.

The next two columns are for the year 1928 and this is followed by three columns for the year 1929 and three columns for the year 1930 showing the date the directors were elected. The exhibit does not show the interlocking directorate between directors of BancoKentucky Company and any of the banks whose stock was held by BancoKentucky Company other than the Louisville Trust Company and the National Bank of Kentucky.

Exhibit 146 is a report on loans made by the Louisville Trust Company for payment of subscriptions to capital stock of BancoKentucky Company during the period September 25, 1929, to November 7, 1929. The exhibit was prepared from the books of the Louisville Trust Company and the BancoKentucky Company. It shows the amount borrowed from the Louisville Trust Company to pay original subscriptions to capital stock of the BancoKentucky Company. The first column lists the name of the subscriber to Banco stock; the next column is the date on which the subscription was paid; the third column is the amount of the subscription and the last column is the amount borrowed to pay the subscription. The amount borrowed was taken from the books of the Louisville Trust Company. The remaining information came from books of BancoKentucky Company.

The exhibit shows that $1,637,154.62 was borrowed from the Louisville Trust Company to pay for original subscriptions to stock of the BancoKentucky Company.

Exhibit 147 is a report on bills payable and rediscounts of Louisville National Bank & Trust Company and Louisville Trust Company for the period from January 1, 1929, to November 16, 1930. It was prepared from the books and records of the Louisville National Bank & Trust Company and the Louisville Trust Company. It shows for each month in the year 1929 and 1930 until November 16, 1930, the number of days each month the banks were indebted for money borrowed. It also shows the average daily borrowings of the bank for that time.

In January, 1929, the Louisville Trust Company was indebted for money borrowed for 31 days. The average daily borrowing was $709,677.00. At the same time, the Louisville National Bank & Trust Company was indebted for the full month with an average daily borrowing of $678,232.00. The report shows the same information for each month during the period. The exhibit shows that in May, 1929, the Louisville National Bank & Trust Company was indebted for only 25 days. The reason for that was that the Louisville National Bank & Trust Company was consolidated with the Louisville Trust Company on May 25, 1929, and from that time only it had no separate existence.

Exhibit 148 (not reproduced—original exhibits) is a summary of information relating to holdings of stock of BancoKentucky Company by all stockholders on November 17, 1930. This exhibit was prepared under my supervision. The first column naming the shareholders was prepared from the list of shareholders of the BancoKentucky Company as of November 17, 1930. It was taken from the records of the transfer agent, Louisville Trust Company.

The second column—amount of assessment—is a mathematical computation of the total number of shares multiplied by the rate as shown in the bill $2.304909. The information in the third column under the heading "Total shares" was received from the transfer agent.

The next four columns under the heading "Classification of Stockholders" refers to the persons listed in column 1. The first column under that general heading—Exchanged TPC for Banco—shows the holdings of the stockholders on November 17, 1930, who exchanged Trustees' Participation Certificates for BancoKentucky Company stock in 1929. The next column—Exchanged other Bank stock for Banco—lists the shares of stock of BancoKentucky Company held by stockholders on November 17, 1930, who exchanged bank stock other than Trustees' Participation Certificates for BancoKentucky stock. As for example, a Pearl Market or Brighton Bank stockholder who exchanged his stock for stock of the BancoKentucky Company and who was not a holder of a TPC.

The next column under the caption "Original Subscriber for Banco" shows the number of shares of BancoKentucky Company stock held by stockholders on November 17, 1930, where those stockholders were original stockholders for BancoKentucky Company but were not shown as having exchanged Trustees' Participation Certificates or other bank stock for BancoKentucky Company.

The fourth column entitled, "Otherwise Acquired Banco" shows the number of shares of BancoKentucky Company stock held on November 17, 1930, by all other stockholders of the company who are not listed in the first three columns.

On November 17, 1930, there were 2,072,468 shares of capital stock of the BancoKentucky Company outstanding, exclusive of the 400,000 shares that were held in escrow by the Louisville Trust Company. The total number of shares held on that date by stockholders who exchanged Trustees' Participation Certificates for BancoKentucky Company stock amounted to $1,063,517.00, or 66.68% of the total outstanding stock on November 17, 1930. The percentage held by stockholders who exchanged Trustees' Participation

Certificates for BancoKentucky Company stock with the shares issued to Caldwell & Co. added in, but not including the 40,000 shares issued to Caldwell & Co. held in escrow, shares on which no dividend was paid, amounted to 51.32%.

The total number of shares of stock of BancoKentucky Company held on November 17, 1930, by stockholders who exchanged their bank stock other than Trustees' Participation Certificates for BancoKentucky Company stock amounted to 159,833 shares and excluding the Caldwell stock this group held 10.02% of the entire outstanding stock. If the Caldwell stock is included then this group held 7.71%.

Persons falling into the third classification, that is, original subscribers who did not exchange either TPC's or other bank stock for BancoKentucky stock held on November 17, 1930, 191,556 shares, and excluding the stock on which no dividends were paid they held 12.01% of all the outstanding shares. If the stock which was outstanding in the hands of Caldwell & Company but on which no dividends were paid was included then this group held 9.24%. Subscriptions for this stock by persons in this group were made on the perforated portion of Exhibit 24-4, that is, the bottom part of the subscription blank.

The exhibit includes a classification of the shares of stock of the BancoKentucky Company held on November 17, 1930, by Caldwell & Company and its nominees. There were 480,086 such shares and this included 100,000 shares held by the bank. Excluding the Caldwell stock on which no dividends were paid, but including the 100,000 shares, the percentage of the total under group four to the total number of shares of stock outstanding was less than 1%—only .73%.

If the Caldwell stock itself was included in the total, it would amount to 23.60%.

Group 5—Shares of stock of BancoKentucky Company held on November 17, 1930, by Stockholders whose stock was otherwise acquired—includes 168,476 shares in the classification. In that classification I would include an individual who bought BancoKentucky Company stock in a brokerage house without ever having prior thereto had any connection whatsoever with the company or its subsidiaries. All shareholders appear in the last classification where their stock was acquired other than by exchange or through original subscriptions. The percentage of the total to the whole, including the Caldwell stock in this group, is 8.13% and if the Caldwell stock is excluded it is 10.56%.

Cross-examination by Judge Deitzman

The exhibit lists Richard P. Deitzman total number of shares 150. There is also a listing in the third column, exchanged TPC's for Banco 150. I do not know whether the record shows a subscription blank on your part for 10 shares and 140 exchanged. I have made no attempt to divide between those who exchanged. Where one individual exchanged TPC's and also subscribed for Banco I put him in the column of those who exchanged TPC's for Banco. The third column does not mean that the person listed exchanged Trustees' Participation Certificates for all the Banco stock included. It shows that the individual listed had a certain number of shares on that day and that he exchanged TPC's for Banco. There is no way from reading the exhibit to show that you subscribed for 10 shares of Banco and not for 150.

The Court: "He doesn't say that all that stock was exchanged for Participation Certificates; he says that in the case here of Judge Deitzman that he owned 150 shares and that he was an original owner of participation certificates, which he exchanged. It is just to identify him as having

originally been a holder of participation certificates—it says he wound up with 150 shares of Banco stock and that he acquired some of that stock by exchange for participation certificates."

Judge Deitzman: "I wonder if they will agree to add *'exchanged TPC's for Banco stock in whole or in part.'*"

The Court: "You have no objection to that addition suggested by Judge Deitzman—it is nothing more than exactly what the column is. I think in the light of the cross-examination it is a proper addition to the exhibit."

Judge Marx: "We agree to the addition."

Cross-examination by Mr. Van Winkle

If a man had one share of stock in an Ashland or a Paducah bank, which he exchanged for Banco and on another occasion acquired 1000 shares of Banco by purchase, he would be listed in the second column even though he only got 20 shares by exchange and purchased 1000 shares. Only the amount he held on November 17, 1930, is shown in that column. The list is not confined to the amount of stock that the individual acquired in Banco by exchange. It includes all stock that the individual who happened to get some stock in Banco by exchange may have acquired at a subsequent date and which stands in his name on November 17, 1930, regardless of how to get it. It means that in whole or in part he got some of his stock by exchange.

Mr. Van Winkle: "The column ought to have 'acquired in whole or in part by exchange of other bank stock.'"

The Court: "I am going to add to this exhibit 'Exchanged TPC's for Banco in whole or in part,' and 'exchanged other bank stock for Banco in whole or in part.'

That will indicate that possibly only a fraction of the number of shares was received in exchange for TPC's or

for other bank stock—the question involved here is knowledge. It doesn't make any difference whether he got four or just one share if he exchanged any TPC's for Banco. He couldn't have knowledge for some of his stock and no knowledge on the other—if a man owned any stock whatsoever which he acquired by exchanging TPC's, no matter how much more stock he got, the question of knowledge *is* what this court is concerned with and you can't separate it and say he had knowledge as to that and no knowledge as to what he acquired in the open market."

Hugh A. White,

recalled for cross-examination by Mr. Crawford, testified:

I first came to Louisville to work on affairs of the National Bank of Kentucky in 1931. I then examined certain records of the bank and various other concerns in connection with the directors' suit. Somewhere between twenty and thirty men connected with the firm of Lybrand, Ross Bros. & Montgomery with whom I was then associated were engaged in the work. I worked on this matter from May of 1931 until the following March. Then I was away for awhile and was back in Louisville until July of 1932. Some of the other senior accountants who were here were Mr. H. Glenn Huffman, Harold Hoffman and Carl Lutz. Lybrand was engaged in that matter from May of 1931 until June, 1932.

The bank was a large bank in comparison with many banks but it was much smaller than the First National Bank in Detroit or some other banks I have worked on. It had resources at various times up to sixty million dollars and down to probably thirty-five million dollars. It had a regular amount of files for a bank of that size, including credit files for the borrowers of the bank and correspond-

ence files. I worked on the Wakefield matter, Caldwell matter, Herald-Post and some other items.

It was stipulated that there were two hundred employees of the bank. The bank had a great many transactions every day.

Q. How big were the letter files?

The Court: It will be assumed by the court that they were very large.

The figures shown on Exhibit 68 were taken from the books of the BancoKentucky Company. The exhibit is an analysis of the operation and reconciliation to the undivided profits account as shown by the books. There are other receipts and disbursements which do not affect operations. For instance, the sale of capital stock and purchases of banks. None of that is recorded in the exhibits. On December 23, 1929, which was a dividend date, there were 1,719,842 shares outstanding. No dividend was paid on 187,173 shares of this stock. Dividend was paid on 1,532,669 shares. The dividend was $306,533.80. If the Banco-Kentucky Company had simply held a Trustees' Participation Certificate entitling it to dividends from the National Bank of Kentucky and the Louisville Trust Company it would not receive from them enough money to pay the total dividend which Banco paid. Banco had to earn money from other sources other than the participation receipts which it held in order to pay the dividend. The amount of dividends which Banco received on Trustees' Participation Certificates was $210,297.60.

Both the Bank of Kentucky and the Louisville Trust Company paid a dividend to the Trustees on the same day that Banco paid a dividend to its shareholders. Banco could not have paid the dividend which was paid on its outstanding stock which was issued for cash and in exchange for stock of other banks out of the dividends which

Banco received from the Trustees' Participation Certificates. They had to get other income to take care of that dividend. They had to first pay expenses which during that period were $37,054.48.

Banco received $79,000.00 interest from the Louisville Trust Company and the National Bank of Kentucky on certificates of deposit and $210,297.60 dividend from those institutions on stock which Banco owned in those two banks. That was the only payment that Banco received from the Louisville Trust Company and the National Bank of Kentucky by reason of the ownership of the Trustees' Participation Certificates. However, the interest paid to BancoKentucky Company on certificates of deposit was at a much higher rate than regular certificates of deposit. This higher rate was paid by reason of Banco's ownership of these participation certificates.

After deducting from the $210,000.00 expenses of Banco-Kentucky Company, approximately $173,000.00 remained. If only the original trustees' certificate holders were concerned it would have taken the whole $210,297.60 to pay the same dividend rate. Banco had other sources of dividends in addition to the National Bank of Kentucky out of which it could pay the entire dividend. It received dividends on other bank stock and the interest items. Banco could not pay its dividend out of the dividend it received from other banks plus the dividend from the Louisville Trust Company and the National Bank of Kentucky. They had to supplement that with earnings from money they had which was deposited in the Louisville Trust Company and the National Bank of Kentucky.

The total income of the BancoKentucky Company for the first period, less the expenses paid exceeded the amount of the dividend for that quarter. After deducting from the income received during that period the expense and divi-

dend paid the balance was $25,515.95. In order to have that amount left over at the end after paying expenses and the dividend on the Banco stock, taking into consideration only expenses actually paid, the amount of their income, that is, income other than dividends on bank stocks received during that period, was $82,345.62, which is the total of the first two lines in Col. 1, Ex. 68, made up of interest on certificates of deposit and interest on stock subscriptions.

The total dividends paid by Banco to all its stockholders during any one period exceeded the amount of dividends received by Banco on Trustees' Participation Certificates. There was no period when the income from bank stock held by Banco equalled the dividend payment. If there were any expenses incurred by Banco in addition to those set out in Exhibit 68, that is expenses not paid, then the deficit at the end of each quarter would be increased.

Approximately 390,000 shares were sold by BancoKentucky Company coincident with the transfer of the Trustees' Participation Certificates. In order for a person transferring his Trustees' Certificates to Banco having any assurance that he would get the same dividend that he had theretofore received he would have to assume that the other bank stocks which the holding company were buying would pay the same rate.

Banco paid for some of the Cincinnati stock in September, 1929, and was under contract to buy. No expenses are shown on the books of Banco other than those set out in the exhibit. The claim of the Receiver of the National Bank of Kentucky for services is not included. The records only go to the date of the receivership of Banco and claims made with the receiver are not set out in the exhibit.

BancoKentucky Company shows a balance in the undivided profit account at the close. I made a distinction between operations and other monies they had or received

in the undivided profits account. I did not include the sale of stock and repurchase of stock in operations. Trading in stock is not an operating profit of the company. If a company sells investment stock cheaper than it buys it that is an operating profit but retirement of their own capital stock is not such an operating profit. According to their books the stock was cancelled as an outstanding liability. The surplus account was reduced. The capital stock account was reduced and the undivided profits account was increased. That made a profit of $275,862.50 which is called an appreciation on purchase of stock. It is not an operating profit. The red figure of $43,263.95, which appears in the last column of the exhibit, does not appear on the books of the company. I put this excess of amount received for BancoKentucky stock over amount paid on retirement in here to bring the operations of the BancoKentucky Company into agreement with the books of account. This is not a copy of the books, it is an analysis. It is not changed from what the books show.

The Court: That just purports to be a summary account of what the books indicate to an auditor.

Exhibit 116 shows the extent or deficiency of net earnings as over the dividends paid as of particular dates. It shows the net additions to reserve for taxes compared with the dividends paid as shown by the books of the National Bank of Kentucky from April 1, 1927, to September 30, 1930. It does not take into account any carry-over earnings not distributed as of the beginning of the quarter. The undivided profits of the bank as of the beginning date of this statement were $1,459,511.58.

Exhibit DP-17 (filed in the case of Keyes v. Akers) made by Mr. Carl W. Lutz, who was a senior accountant and a qualified one and was working for the same firm I was, Lybrand, Ross Brothers & Montgomery, at the time we

were making preparations for the trial of the case of Keyes v. Akers, is a schedule which agrees with my statement.

"Q. 262. I show you exhibit No. DP-17 made by Mr. Carl W. Lutz of your organization and brought by the Receiver in evidence—the plaintiff in that case: I will ask you if that was not filed in there and if that isn't a statement made up purporting to show the same thing you refer to in this case?

A. Well, inasfar as this schedule goes it agrees with my statement. That only has three columns, while I have additional information on mine. That first column agrees. The next column is the dividend paid, which agrees with the column 'Dividend Paid' in mine.

Q. 263. Isn't the final answer in yours the same as this here 'Excess or Deficiency of Net Earnings Over Dividends?'

A. That is the heading of my last column."

I have additional information on mine. The first and second columns are the same. The heading of the final column "Excess or Deficiency of Net Earnings Over Dividends" is also the same. I did not compare my statement with the published statements of the bank. The earning statements of the bank were never published and I have never seen them. There was always a balance to the undivided profits account, according to the books of the bank. The reduction in the undivided profits account of the National Bank of Kentucky, covered by the period from April 1, 1927, to September 30, 1930, was $1,312,754.00. The change in the capital structure came at the time of the unification, which was after April 1, 1927. $1,000,000.00 was taken from the undivided profits account and put into capital between April 1, 1927, and June 30, 1927. The net change, as far as operation goes, in the undivided profits account is $312,000.00. The schedule shows it at $500,905.27,

and the heading shows exactly how it is made up. Exhibit 116 agrees with the books.

Exhibit 77 is a summary of the interlocking directors of the National Bank of Kentucky, Louisville Trust Company and BancoKentucky Company. Forty-nine directors were elected to BancoKentucky Company. Sixteen had been directors of Louisville National Bank and Trust Company. All the remainder, thirty-three, were directors of National Bank of Kentucky before Banco was formed. Of the thirty-three, fourteen retired from the Board of the National Bank of Kentucky, but still remained on the Board of Banco. The sixteen directors of Banco who came from the Louisville National Bank and Trust Company were never directors of the Bank of Kentucky. The Louisville Trust Company directors retired from the Bank of Kentucky Board in January, 1930.

The average daily borrowings by National Bank of Kentucky for the month of November, 1929, was as high as $15,026,711.00 as shown by Exhibit 117. The bank was in debt at all times to the close in 1930. The lowest monthly average of debt was in March of 1930, $322,581.00.

394,786 shares of Banco stock was subscribed for prior to October 1, 1929, and ultimately paid for in cash. These shares were issued for $9,869,650.00, as shown in Exhibit 126. The records of the company indicated that this stock was issued. Many of the people who bought these shares owned Trustees' Participation Certificates prior to that time. The amount of liability these trustees' certificates carried per share prior to the formation of Banco, in the event the National Bank of Kentucky failed, was approximately $6.97 for a $10.00 share. One Trustees' Participation Certificate was exchanged for two shares of Banco of the same par value, which meant that substantially each Banco share carried one-half of the liability of the trus-

tees' participating shares. This is so on the assumption that only an exchange for Trustees' Participation Certificates for Banco was involved. Every time additional shares of Banco were added, the amount of liability per share would decrease since the per share assessment would be spread over more shares.

As an illustration, if a person had fifty shares of Trustees' Participation Certificates and transferred them into Banco without any other holders at all, his assessment liability would be $350.00 on his Trustees' Participation Certificates, figured on the basis of approximately $7.00 a share. He would get 100 shares of Banco and they would carry an assessment liability at approximately half of $6.97 per share, or $348.50.

Hugh A. White,

recalled for plaintiff, testified:

My statement with reference to the assessment liability carried by a Trustees' Participation Certificate—$6.94 on a Trustees' Participation Certificate—did not refer to the entire assessment liability of such certificate, but only to that portion which represented ownership of National Bank of Kentucky stock. On the $10.00 par Trustees' Participation Certificate the total liability was $10.00, and on the $100.00 par certificate, it was $100.00.

In my opinion, there is no inconsistency between Exhibit 116 and the exhibit prepared by Mr. Lutz. In Mr. Lutz's statement the first column was for quarterly earnings the same as Exhibit 116. The second column was the quarterly net earnings, and agreed exactly with Exhibit 116. Those are the operating figures from the operating ledger closed out to undivided profits quarterly. Mr. Lutz's next column shows "Dividends Paid," which agrees to the next to last column of my schedule.

I have included in my schedule various things Mr. Lutz did not include. I have shown in the third column "Loans Charged Off, Less Recoveries." Those are items going directly to the undivided profits account, but they do not go through the account from the operating ledger. They are closed into the undivided profits quarterly.

The fourth column is headed "Addition to Reserve for Taxes, Less Taxes Paid." The National Bank of Kentucky had a system of charging to expense monthly a flat amount or arbitrary amount for taxes, and crediting that amount to a tax reserve. Then as the taxes were paid, they were charged to that reserve. It worked out that the amount set up in the reserve account was excessive, so, in order to show the correct picture of the operations of the bank, I have taken the net addition to the reserve, that is, the amount that is charged to expense and credited to reserve in excess of the amount which was actually paid for taxes each quarter, and set it up in the fourth column and added it to the net quarterly earnings. Then I deducted the amount of loans charged off—that is the third column—and that gives us the fifth column, or "Net Profit or Loss" column, which is just a mathematical calculation or deduction.

Cross-examination by Mr. Johnson

In Exhibit 148 the column labelled "Original Subscribers," which amounts to 191,556 shares, represents the stock held by various stockholders who were original subscribers to BancoKentucky Company stock where those same individuals did not change their bank stock or T.P.C.'s for Banco. It is the amount they still held on November 17. The second figure 168,476 represents shares of stock of BancoKentucky Company held on November 17, 1930, by stockholders whose stock was otherwise acquired. Among those stockholders are those who bought some on the open market, through brokers or otherwise.

Exhibit 126 shows that 394,786 shares of the stock was originally subscribed and paid for. The assessment would be approximately $2.97 if we would eliminate the 360,032 shares, which is the total of the last two columns as shown in Exhibit 148, that is on the assumption that the assessment is to be distributed over the remaining shares. The figure 394,786 shares on Exhibit 126 is the total number of shares of the BancoKentucky Company issued to the original subscribers for cash. The total of the last two columns in Exhibit 148 is the shares held on November 17, 1930, by stockholders who were not original T.P.C. holders or other bank stockholders whose stock was exchanged for the stock of BancoKentucky Company. Exhibit 126 shows that $9,869,650.00 was received by Banco for the 394,786 shares subscribed for. Exhibit 65-B shows the name of the stockholders and the amounts paid by each of those stockholders.

Cross-examination by Mr. Deitzman

Mr. Deitzman: "Mr. White, giving due credit to the amount recovered from the BancoKentucky Company on this assessment sought to be enforced, what is the amount of assessment per share on Banco, exclusive of interest in the bill? Interest is included. I think you told me it was between $1.76 and $1.77?

A. I think I told you between $1.77 and $1.78."

Robert Neill,

called by the plaintiff, testified:

I am Chief National Bank Examiner of the Eighth Federal Reserve District, under the Comptroller of the Currency of the United States. I served as examiner from January, 1913, for three years and resigned and came back into the service in 1928. As Chief National Bank Examiner

for this District I personally make some examinations and supervise the making of another by a Board of Examiners and assistants. All told, I have been connected with the banking business one way or another for 36 years.

I made the last examination of the National Bank of Kentucky before its suspension. This was started as of September 17, 1930. In an examination the cash is counted, the notes are listed, and individual, general ledgers, and saving ledgers are proved, the accounts are reconciled with other banks and loans and investments are appraised to determine the state of solvency of the institution.

I have examined as many as four or five hundred banks and have reviewed four to five thousand national bank examinations. As a result, I have had considerable experience in the appraisal of loans. In the course of the examination of the National Bank of Kentucky I discussed the situation, condition and character of the loans and securities with the officers and other persons in the bank who were familiar with the situation.

I was transferred from New York City to St. Louis as Chief National Examiner of this district as of June 1, 1930. In reviewing the state of work and in order to familiarize myself with my new job, I conferred to quite an extent with my predecessor, Mr. John S. Wood, who was surrendering the position of Chief Examiner to become Chairman of the Board of the Federal Reserve Bank of St. Louis. I also reviewed the previous bank examinations of the National Bank of Kentucky made by my predecessor.

"Q. What did you ascertain from them as to the situation with reference to the National Bank of Kentucky?"

Defendant's objection was sustained to this question and his answer was made as an avowal.

"A. From investigation and research I made, I reached a very definite conclusion that the National Bank of Ken-

tucky was in a critical condition before I started the examination."

The practice in an examination is for an examiner to mail his completed report to the Chief Examiner's office where the reports are typed, an original and four carbons being prepared. The original goes to the office of the Comptroller, the first carbon to the Federal Reserve Bank of the District, the second to the Board of Directors of the Bank, the fourth to the Field Examiner and the fifth being written as an office copy. National bank examinations are ordinarily made twice a year at irregular dates. The copy of the examiner's report that is mailed to the bank is addressed to the Board of Directors. There is clipped to each report a form letter of transmittal which is a perforated page. The upper half is the transmittal letter and the lower portion is an acknowledgment to be filled out and signed by an officer of the bank and returned to the Chief Examiner's office. This communication recites that the report has been considered in a regular or special meeting of the Board of Directors and signed by an authorized officer.

The reports sent to the National Bank of Kentucky were acknowledged in this fashion and these acknowledgments were filed in the Chief Examiner's office.

Exhibit 20 is a copy of the report of examination made as of September 17, 1930, from the books and records of the bank. During the making of that report I had occasion to discuss the matters mentioned with one or the other of the officers and I had such a conference with Mr. James B. Brown, President of the Bank.

My first introduction to Mr. Brown, first conference with him, was on the evening of October 7, 1930. It was held at the office of the National Bank of Kentucky and commenced about 8:30 and lasted until three o'clock the next morning.

I had previously arranged to participate in the meeting of the Board of Directors to be held the next day, and I wanted to discuss the condition of the bank, as it appeared to me, with Mr. Brown before going into the directors' meeting. I did so in great detail that evening, which resulted in the long conference.

We discussed every criticism pointed out in the report without exception. The next day, October 9, a meeting was held with the Board of Directors in the Directors' room on the second or third floor of the Louisville Trust Company building. Thirteen directors were present including President Brown. At that time the examination was not completed and was still in progress. I prepared an agenda of the matters I desired to discuss with the Board of Directors.

"Q. Will you state from memory what subject you discussed before the Board of Directors and summarize what occurred in that meeting?

"Mr. Crawford: I object on behalf of all defendants other than the Directors present that day."

The court sustained this objection but admitted the answer as to all directors who were stockholders.

The regular order of business was disposed of first and then Mr. Brown turned the meeting over to me and announced who I was. I started in to explain to them about the current examination of the bank which was then in progress, stating that I was a newcomer in this particular section of the country, but that I had known of the National Bank of Kentucky ever since I had been in the banking business and knew its big reputation, and that coming to this district as Chief Examiner I had found that this was the biggest National Bank in the district outside of the city of St. Louis, and that it had 400 or 500 country bank deposits, about $10,000,000 of country bank deposits representing the reserve of the country banks, and in my opinion,

a bank of that type and character should have an unusually liquid condition of its assets and that I was correspondingly distressed on this, my first examination, to find that its assets were, in my judgment, in a lamentable condition.

The second item I took up was that the condition found was an indictment of the management of the bank. The third was that the trend was absolutely disconcerting to me, and I took up the question first of law violation. The first item under that head was Wakefield & Company—direct loans and accommodation loans for Wakefield, and I told them that in the first place the collateral was short, and next that the collateral—namely, that the collateral was not sufficient. As the loan was excessive in amount, it was illegal; and we had discovered in the course of our examination that they were carrying a $100,000 note of Wakefield & Company which was put in the bank for the purpose of establishing a balance to make it appear that the line of credit to Wakefield & Company was based on compensating balances. To offset this $100,000 note a $100,000 Certificate of Deposit had been issued by the bank, payable to Wakefield, and it developed during the examination that during the past examination interest had been collected on this $100,000 note paid by Wakefield & Company's check and then, shortly after the Examiners had left the Bank, this interest was rebated to Wakefield & Company and charged to undivided profits.

In my opinion it was perfectly apparent that these entries were made with intent to deceive first, the Board of Directors that the loan or credit to Wakefield & Company was based on compensating balances, and second, to deceive the Examiners that interest was paid on this loan, and that in my opinion the officers of the bank had probably rendered themselves criminally liable under the section of the statutes about making reports with intent to deceive.

In that connection, I took up the Van Camp deal from its inception, as I understood it. I told them I considered the purchase of that last amount of stock was illegal and ultra vires that the bank had originally had some Van Camp stock which had presumably been legally acquired, and that subsequently the corporation gave rights to the old stockholders permitting them to buy a certain amount of new stock at a fixed price but it was decidedly moot question as to whether a National Bank had a right to exercise such option to purchase this additional stock against stock that they had already acquired in the course of business legally. That I leaned to the opinion that it would be illegal for them to exercise those rights in the first place but this purchase represented a much larger amount of new Van Camp stock than possibly those rights entitled them to buy.

Then the question was taken up about them paying $22.00 a share for that stock when it was reported to me that some of the Directors in the Bank had bought it at $18.00 about the same time and later on this same stock which was bought at $22.00 a share was sold back to Wakefield & Company at $4.00, resulting in a loss of $242,500. Instead of charging that off as a loss, that the loss had been capitalized by adding that to the carrying value of 100,000 shares of BancoKentucky stock, which the bank had acquired in the deal with Caldwell & Company— ostensibly through such a deal.

Then I took up the Norman Company excess loans. In the first place, it was perfectly apparent it was a bad loan and that the bank practically owned the business. As I recall the figures they had nearly $800,000 in the business which was two or three times more than the stockholders had according to the statement from the bank's credit files and I proposed to discuss that further when we got down to the question of individual losses.

Then I took up the line of credit of Caldwell & Company that in my opinion it was an excessive loan made in violation of law, and that the recent loan had been made on the basis of a higher value per share of the Inter-Southern Life Insurance stock than the then market price and I would discuss that further when we got to the next point of "Concentration." Then we took up the question of overdrafts outstanding and one of these was the Kentucky Wagon Manufacturing Company overdraft and E. B. Norman & Company overdraft and the Herald-Post Company overdraft.

The Kentucky Wagon Manufacturing Company had ostensibly been sold and no longer belonged to the bank, yet the bank was continuing to pour money into it by allowing overdrafts of that company amounting to that time to $55,000 or $60,000; that from the trend of the business of E. B. Norman & Company it looked like it was pouring water down a rat hole, to put any more money into that, and yet they were continuing to finance them through the medium of overdrafts.

Then I called attention to the Herald-Post overdraft, at the Fourth Street Branch and that it was a large one, and I understood from some of the Directors that it was not always properly reported. The Herald-Post Company has two accounts with the Fourth Street Branch, one of which showed a credit and the other an overdraft, and in reporting to the Board, the management reported the net overdraft and didn't give the Directors the true picture that I thought they ought to know about this situation.

Then we took up the question of the concentration of credits. I recited to them that our research into the affairs of the bank had gone to the point to show that the bank had $2,251,000 at risk on the basis of collateral of the American Turf Association stock, 121,263 shares.

The loan on the American Turf Association stock represented approximately twenty-five per cent of the total outstanding stock of that corporation. It was an unlisted stock with a restricted market and in my opinion it was mighty poor banking to land one-half of the bank's capital on an unlisted stock.

Then we took up the question of the loans on BancoKentucky. There were loans of about $3,478,000 against 212,564 shares of Banco and that was 8.62 per cent of the outstanding stock. In addition to that the bank had in its Investment Account 100,000 shares which represented about 4.06 per cent, that with the collateral and what they owned they had about 12.68 per cent of the stock in the corporation which owned the bank practically 100 per cent and in my opinion loans on this stock were illegal in that they were made to an extent an undetermined amount at that time made against the stock of the bank itself, and that the same criticism applied to the 100,000 shares they had in the Investment Account.

Then on the question of Caldwell loans on Inter-Southern Life Insurance Company stock, the figure I had on the memorandum was $2,708,000 and at that time they had 567,000 shares of Inter-Southern Life Insurance Company stock as collateral, and I understood that represented about 20 per cent of the outstanding stock of the Inter-Southern Life Insurance Company.

Before that meeting, at some time, I don't remember just when, I personally suggested to Mr. Speed that I thought they ought to withhold approval of that last $300,000 loan on Inter-Southern Life Insurance Company stock, that I considered it excessive, and under my construction of the law, Directors who voted approval of an excessive loan became personally liable for any loan that resulted on those loans; that I wanted to work with the

Board with the idea of cleaning up the bank, and I wanted to show my good faith by not leading them into any traps.

I called attention to the fact that the loans represented in this tabulation amounted to $8,519,000; that that amount closely approximated one-third of the total loans in the bank; that none of those loans were eligible for rediscount with the Federal Reserve Bank and in addition to that were subject to severe criticism on account of putting, as I considered it, too much at risk on the basis of these stocks. It was a wholly undesirable distribution of the credits to the bank.

Then I brought up the question of the lack of cohesion among the officers, as I expressed it on this memorandum. It was perfectly apparent from the contact that I had had with the officers of the bank during the course of this examination that there were questions of lack of cooperation, and I might even state jealousies existing in the personnel, which was a bad trend in a bank of this size with the type of deposits I found that it had.

Then I found that it had two re-purchase agreements out for about $2,400,000, as I recall, and that this great concentration, I mentioned above, was emphasized by the fact that my information from the Auditor of the bank was that there was only 4,000,000 of eligible papers in its portfolios, and that contrary to the position of the bank in past years when they had had to borrow heavily from the Federal Reserve, they had no United States bonds, which were eligible as collateral with the Federal Reserve banks, that they had a minimum amount of secondary reserve in liquid bonds which could be used as collateral with correspondents, that the bank had in the past borrowed $17,000,000 to $18,000,000, and if the future again presented a need for such a borrowing capacity, they would be up against it.

Then we took up in detail the question of Estimated Losses, and some of the other loans that were considered slow and doubtful. I am quite sure we didn't attempt to go into all of them. Examiner Mooney sat along side me with his complete loan slips. When we would go into the question of any particular loan he had the information available there on his loan card and I would take that and read the information he had fixed up about this particular loan, and then they were taken up for discussion.

Mr. Brown would call on the officer who had charge of the department in which this particular loan originated and ask for a statement from him in regard to it, and there were practically no loans in this list on which there was any material difference of opinion; when we got through with the discussion, they were practically all admitted losses. I then produced a list aggregating $1,554,812.95.

Included in the list was Murray Rubber Company, $580,000, which was considered absolutely valueless and which was admitted by those present to be a loss. I also listed the Lewis Humphrey note, another item on the list, in the sum of $24,700.00, as a total loss. There was some discussion on that item but in the last final analysis was admitted as a loss. After the discussion of the losses we came to the discussion of my conclusion or recommendations in the matter. The first one was to provide for the present loss estimate. The next was to stop the bad trend in the question of the assets and management. My recommendation was to change the form of management by amending the By-Laws to provide for an Executive Committee of six Directors who should control the investment policy of the bank, and that there should be a By-Law defining the powers and duties and responsibilities of the Officers to the Board.

The question of determining the losses was postponed until the next day. The hour was growing late and I suggested at this first meeting the personnel for this Executive Committee. I suggested Messrs. William S. Speed, E. J. O'Brien, Henry Vogt and S. E. Duncan, who were Directors of the Bank and non-officers, President Brown, Vice-President Ormsby, who were officers of the bank, and Mr. J. S. Akers, who was the Vice-President to act as secretary of this Executive Committee. That was the suggestion that was fully discussed. The Executive Committee was duly appointed by the Board of Directors and those that I have named as the Executive Committee. Whether that was done this day or the next I was not clear then nor am I now.

We met about the same time in the afternoon the next day at an adjourned meeting of the Board. As above stated, I am not perfectly sure whether this Executive Committee was appointed on the first afternoon or not, but I do recall shortly after convening on the second day Mr. Brown took me to task for presuming to suggest the personnel of this Executive Committee in the face of my statement at the opening of my part of the other meeting, that I was a stranger in Louisville. He appeared to think it was presumptuous on my part to suggest the personnel and thought that I had shown favoritism of some description in having failed to include Mr. Angermeier on this Executive Committee, because he stated that he considered Mr. Angermeier the outstanding banker of Louisville and that he should have been on this Committee. I told him very frankly his criticism might be all right, but I had given the matter consideration and had had opportunity to discuss the personnel of the Committee with my associate and that the Comptroller's files were open to me and I thought I had a pretty good line on the Directors of the bank, and had

made the selection after what I thought was due consideration and had exercised my best judgment in it.

Then we came in the secondary meeting to the question of disposing of these losses, and I do not recall whether it was the first day or the second day that Mr. Brown went into a considerable history of the purpose and objects in view in the formation of the BancoKentucky Company. He gave the number of the constituent banks. He went into detail as to each one's assets, condition and value and that the holding company was the parent concern, that the expectation was and had been that the holding company would be in a position to take care of the member banks, if any occasion of that sort should arise, but that due to the condition of the stock market at the time of the flotation of this stock it didn't have as much cash on hand as they had hoped to have. I asked him then, "Mr. Brown, you consider this just a miniature Federal Reserve System?" He said, "Yes, that is what it is and what it is supposed to be." I then said, "Here is an opportunity for the parent concern to come to the rescue of its biggest unit. The BancoKentucky Company owns practically 100 per cent of the stock of the National Bank of Kentucky and in my judgment the BancoKentucky Company should clean this bank to the satisfaction of the supervising authorities," and I suggested that the BancoKentucky Company as an alternative should buy or take out a million dollars of these criticized assets and that they had approximately enough of undivided profits to charge the balance off on the books of the National Bank of Kentucky. So, it was agreed that the BancoKentucky Company would use its best efforts to borrow $1,000,000 to buy the criticized assets, and then came the question of charging off, and a resolution was presented, by whom I do not now recall, that this $320,150 be charged off against the carrying value of 100,000 shares

of BancoKentucky stock and that resolution went to a vote and was tied and President Brown broke the tie and made it 7 to 6 against the charge-off. Mr. Brown refused to follow my recommendation.

The valpe of the Van Camp Packing Company loss was $242,500.00. After this meeting I completed my examination of the bank and wrote a letter to be presented to the Board of Directors. A copy of this letter is included in the report of examination. My letter to the Board, dated October 11, appears on pages 11-8 and 11-9 of the report of examination (pages 983, 984, reproduced exhibits), and the Board's letter addressed to the Comptroller of the Currency, dated October 24, 1930, appears on extra pages 11-10 and 11-11 of the same report (pages 985, 986, reproduced exhibits).

After the delivery of this letter I returned to my office in St. Louis to complete the detail of the report of examination and have the required number of copies transcribed. I personally brought the Board of Directors' copy back to Louisville and presented it at a meeting of the Executive Committee on October 23.

The cash position of the bank was none too good at the start of the examination and at the close the bank's borrowings had increased to practically four million dollars. Page 1 of the report discloses that the total cash on hand with correspondents, as of the beginning of the examination, amounted to practically eleven and a half million dollars, against total deposits of $39,000,000, and as a further offset to that cash there was approximately $2,000,000 of liability in the form of securities sold under repurchase agreement and bills of exchange endorsed and guaranteed, the equivalent of borrowed money, which would serve practically to reduce the cash position to $9,000,000 as related to approximately $40,000,000 of deposits.

There had been seasonal fluctuations in the deposits of the bank to the extent that the record disclosed that in the near past the banks had owed as much as $17,000,000 or $18,000,000 in bills payable to the Federal Reserve Bank and elsewhere, and it was known to me at that time that there was a growing uneasiness among depositors of the National Bank of Kentucky, particularly among country banks. I anticipated rather active withdrawals. The elements of potential danger were in effect that the officers of the bank admitted that they had only approximately $4,000,000 of paper that was eligible for rediscount at the Federal Reserve Bank, and that in my judgment, practically none of these large concentrations of credit which I discussed under American Turf and BancoKentucky would be available as collateral with the Federal Reserve or correspondent Banks. I thought they were just before being in trouble.

The Directors promised at the meeting that they would attempt to borrow $1,000,000 and use that money for the benefit of the bank. An additional $600,000 loan was concluded with the Chemical Bank and Trust Company of New York and deposited to the credit of the BancoKentucky Company, on the books of the National Bank of Kentucky. The $580,000 Murray Rubber Company debentures and $20,000 of the Lewis Humphrey notes were purchased from the bank. I made an effort to get the worst items out of the bank with that available cash and that was the way I regarded those two items.

Cross-examination by Mr. Crawford

The examination of the bank started on September 17. Examiner Mooney began the work and I arrived on September 22, 1930. Prior to that time except from what I had seen in the Examiner's reports I knew nothing about the

bank except its general reputation. It was reputed to be one of the outstanding banks of the South. I had been in the banking business a great many years and knew that that was its reputation. I first talked to the directors on October 8. Later, I testified about this meeting with the directors in the suit of *Keyes* v. *Akers* and everything that I have testified to here I also testified to in that suit. I may have elaborated some in this case.

The bank was on a quarterly dividend payment and prior to my examination the last previous dividend was paid in June. The dividend amounted to $160,000.00 and was declared June 1, payable July 1, 1930. I think I knew before I left the bank that they declared another dividend while I was examining it. This one was payable on October 1. It was declared on September 19, 1920. My initials appear on the minutes of the meeting of that date indicating that I read those minutes on September 25.

At the meeting of October 9 I called the Board's attention to the Wakefield & Company item and stated that the lending officers had put in something. Other than Brown and Jones I did not mean the directors when I made this statement and I did not mean the non-officer directors. I found out that many things had been concealed from them.

"Q. You particularly referred to the item that had been put in the bank by the officers, did you not, for the purpose, in your opinion, of deceiving them?

A. The report speaks for itself, I think—yes.

Q. You referred to the Van Camp purchase; in your picturesque language you thought that had been bootlegged through, or was that Caldwell?

A. That was the Southern Banks?

In other words, that had been done without any authorization, or against the express authorization of the Board of Directors at that time?

A. Correct."

The Wagon Company had been theretofore disposed of and stock taken and that was referred to in the investment account. So far as I know the Van Camp stock purchase was unknown to the directors. I wrote the letter signed by the directors dealing with the $242,500.00 loss in Van Camp Packing Company stock which was added to the carrying value of BancoKentucky Company and charged to undivided profits account, thereby creating a deficit in that account.

The directors agreed to take out the $580,000.00 Murray Rubber Company debentures. They didn't say anything about that being bad in their opinion, they just agreed to take it out. The Murray Rubber debentures and the Humphrey loan were taken out by Banco and the bank actually got $600,000.00 for these items.

With the exception of the Murray Rubber Company and the $265,000.00 joint note all of this $200,000 or $2,400,000 on Inter-Southern stock and Caldwell associates—the Caldwell loans—were made within six months prior to the suspension. Two of them amounting to $600,000 were made during the course of the examination without the knowledge or consent of the directors. The others were made within four months prior to that time.

Inter-Southern stock had been selling for something like $3.00 a share. At that price they had enough Inter-Southern stock to cover the loans, assuming that the maker was bad but that was higher than the current quoted price on the date of my examination. It might have been around that figure just before the examination. After the bank closed it was sold for more than $2,000,000 with the result of a million dollar loss to the bank.

I never examined the Norman Company but I concluded that that was a bad item from the information in the files

of the bank and conversation with Akers and others. It was with reference to this item that Mr. Brown said:

"That was a mighty poor defense on that."

I considered this as a tacit acceptance of my estimate.

The bank borrowed as much as eighteen million dollars and continued to operate. At the start of the examination they were not borrowers from the Federal Reserve Bank but they did borrow before they closed. The preceding year they had been borrowing very large amounts.

The bank had up to $50,000,000 of deposits but they were not that high at the time of my examination. It was a large bank from the point of view of the number of people employed. They had an extremely active business—very many transactions.

The bank had eight Vice Presidents in charge of separate departments, some of them overlapped. Correspondence was very large. I never went into the correspondence files to find out anything about the bank.

The Comptroller's officer prepares forms under which the examiner would make a report of dividends. Prior to and within ten days of a declaration of a dividend the law requires the Cashier of a bank to make a sworn statement to the Comptroller. Such a statement had been made on July 10, 1930, with respect to the June dividend. This report set out the capital, surplus and undivided profit. The bank had a capital of four million dollars. Its surplus was two million and on top of that it had undivided profits which were reflected by reserves.

The dividend paid on July 1 was $160,000.00 and I undoubtedly found the notification that the cashier made under oath to the Comptroller. This showed that the dividend was paid out of undivided profits, leaving something in that account and the two million dollar surplus and the four million dollar capital.

In addition to this particular report there is usually a semi-annual report sent to the Comptroller of earnings. My report shows that such a report had been sent to the Comptroller on July 10 as of June 30, 1930. This report shows a capital of four million dollars, surplus two million dollars and net undivided profits at the close of the period $166,835 after the payment of the dividend that had been declared.

Defendant offered in evidence this report as defendant's Exhibit 1.

W. T. ZurSchmiede was cashier of the bank. A dividend of $160,000.00 was declared on September 10 and there was a report to the Comptroller of the status of the bank for the purpose of ascertaining its ability to properly pay the dividend. That report shows capital stock paid in—$4,000,000, surplus fund $2,000,000.00, net earnings on hand at date of declaration of dividend (including earnings of this period and balance of earnings remaining from previous periods) was $310,554.80, less bad debts on hand as defined by section 5204, Revised Statutes, $32,938.00; net earnings available for dividend, $277,616.80; amount of dividend declared (4% on capital) $160,000.00; and net earnings available in excess of dividend, $117,616.80. This report was offered in evidence as defendant's Exhibit 2.

I did not approve this dividend payment. I made no mention in the report of examination of this particular report of earnings but I did not formally criticize it. I did criticize the dividend policy in my report at page 11-6 where I said—"Attention of the Board is directed to the statutory inhibition against the payment of dividends unless the undivided profits of bank exceed by the amount of the dividend the amount of statutory bad debts owed by the bank at date of declaration of dividend. As a matter of conserving earnings to provide for losses, a reduction

in the present dividend rate of 16% per annum should be given serious consideration by the board of directors."

I was talking about the future policy of the bank and made no mention in that statement about the dividend that had been paid. I do not remember whether I discussed this question whether the dividend violated the law with the Board of Directors and I did not testify criticizing the dividend in my testimony in the case of *Keyes* v. *Akers.* From my point of view the dividend was paid with known losses and was illegal. I was more interested in saving the bank than in filling my report with criticism. I had a very deepseated fear that the bank might close and I told several people of that fear.

"Q. I will ask you if the bank was not solvent on the day before it closed?

A. In my judgment that is true.

Q. I will ask you if this question wasn't asked you and this answer wasn't given in the case of *Venhoff & Hillen* v. *Paul C. Keyes,* in this court, when your deposition was being given March 7, 1931: 'I will ask you to tell us what was the expectation of the bank officials, including yourself, as to the opening of the bank on Monday after its close of business November 15th?' And your answer follows: 'There appeared to me to be a fairly good opportunity for the bank to reopen Monday morning until after eight o'clock Sunday night.' Was that true?

A. That was an optimistic view.

Q. What is that?

A. In retrospect that appears to be an optimistic view.

Q. I am not talking about retrospect.

A. Certainly the morning of the 15th we were making every effort, the officials of the bank, over Sunday, in an effort to save it. I hoped to put that over, but it didn't eventuate."

The big blowup in the stock market occurred October 24, 1929 and to some degree it caused a big change in the asset value of nearly everything.

On the 5th of November I saw a great deal in the newspapers concerning the Caldwell failure. Following that publication, $12,000,000. was withdrawn from the Bank of Kentucky between that time and the time it closed.

Robert Neill,

recalled for the Plaintiff, testified:

I used the word "solvent" in my testimony regarding the condition of the Bank on the Saturday previous to its close in the sense that the entire capital structure had not been then exhausted or surpassed by known losses. Under that definition if there was one dollar of capital left, the bank would be technically solvent. However, a bank might be practically insolvent when its capital structure was merely impaired but the withdrawal demands were such that it could no longer meet those demands. Refusing to meet demands is, in itself, an act of insolvency.

Q. When a bank's cash is exhausted and its borrowing power is gone, and it is unable to meet the demands made upon it from the standpoint of a bank, as a banking definition, state whether or not in your opinion that bank is insolvent?

(The objection to this question sustained and answer taken as an avowal.)

A. About the best reply I could give there is that under those conditions the directors usually vote to suspend.

On the last day the bank did not have enough cash to meet their clearings, except for the last emergency loan of $690,000.00 from the Federal Reserve Bank on Saturday, the 15th of November. The term "exhausted" with refer-

ence to the cash of a bank is a relative one. Actually, from the books as of close November 15, there was some cash left on hand. I do not remember the exact amount. Probably in excess of $1,000,000.00. From a practical standpoint, on the final Saturday they were not able to meet their clearings with their own cash. Their borrowing power capacity was exhausted and that was very definitely tested by the extreme effort it took to talk the Federal Reserve Bank out of the last $690,000.00 loan on November 15. I participated in that discussion. The Federal Reserve Bank doubled the collateral requirement practically over night. It was insurmountable. The National Bank of Kentucky did not have the type and kind of collateral satisfactory to the lender to collateral the loan that they were asking.

Prior to the consummation of this $690,000.00 loan a request had been made by two of the directors of the National Bank of Kentucky of the two senior officers of the First National Bank and Citizens Union National Bank of Louisville, asking them to make the National Bank of Kentucky a loan in the emergency, and while those officers did not refuse, they assumed the position that the natural source of supply was the Federal Reserve Bank, and Messrs. Gifford and Downing participated in the telephone conversations with the head of the Federal Reserve Bank of St. Louis which resulted in the final consummation of this $690,000.00 loan. I can't say they were completely turned down by these other banks.

The regular closing hour of the Louisville banks on Saturday is one o'clock, so after one o'clock there was a series of meetings held in which a representative of every bank in Louisville—the Clearing House Association, as a matter of fact, participated. At that meeting it was determined that an examination of the assets of both the National Bank of Kentucky and the Louisville Trust Company would be

made by representatives of the clearing house banks, other than the National Bank of Kentucky.

Those present included Downing of the Citizens Union, and Wirgman of The Fidelity and Columbia, Noel Rush, President of the Lincoln, John Hühn, President of the Liberty, and representatives of the Security Bank; Mr. Richard Bean, President of the Louisville Trust Company, Jones, ZurSchmiede, director William Speed, and others of the National Bank of Kentucky. Mr. John T. Barr, a director of Citizens Union and Fidelity and Columbia Trust Company, and other representatives of other little banks in Louisville also participated. It was a clearing house meeting participated in by all its members. Both officer and non-officer directors of Louisville Trust Company and the National Bank of Kentucky were present.

They appointed committees to examine the two banks. Mr. Noel Rush headed the committee of examiners who went into the Louisville Trust Company, and Messrs. Gifford, Downing and Cobb came over to the National Bank of Kentucky that night with a number of their junior officers, whose names I do not now recall. Of course, the actual research into the records of the National Bank of Kentucky, where I participated—I was not at the Louisville Trust Company that night—that was done by these juniors. Mr. Gifford and Mr. Downing stayed there until long after midnight, and the balance of us worked all night and reported back to the Clearing House Committee Sunday morning.

There were discussions all Sunday morning of possible plans, and we worked all afternoon and adjourned for supper, and the final conclusion was that the clearing house bank would do nothing. In fact, while we were at supper each of the banks prepared ads to go into the newspaper the next morning in anticipation of the suspension of the Na-

tional Bank of Kentucky. The bank had exhausted its resources.

At various times during Sunday there were probably as high as 100 people present. It seems that officers and directors of all the banks came in and, also, a number of citizens. Mr. Whiteford Cole, President of the L. & N. Railroad was among those there. The committee worked all night Sunday and found both banks insolvent—the National Bank of Kentucky in excess of $1,000,000.00.

I reached the conclusion that the bank would have to suspend at the time I was making my examination. This was approximately one month before the bank closed and prior to the withdrawal of the $12,000,000.00 following the failure of Caldwell. I was led to that conclusion by the general unsatisfactory condition of the bank's assets and the well-established fact that there were abroad rumors of all types and descriptions as to the condition of the National Bank of Kentucky that tended to create unrest in the minds of the depositors, leading to the mail and clearings run which I mentioned yesterday.

Q. I want to ask you whether or not in your opinion the causes which brought the ultimate collapse and failure of the National Bank of Kentucky were due to the depression, or whether they existed in this bank prior thereto.

(Defendant's objection was sustained and the answer was taken as an avowal.)

Undoubtedly the stock market break in New York in October, 1929 adversely affected all listed securities. I was examining banks in that territory at the date it occurred, and I very well remember the conditions. However, the amount in volume of loans in the National Bank of Kentucky predicated on listed stocks was relatively small and there was no visible effect—in my judgment there was no visible effect on the securities behind these large concentrations as a result of the stock market crash.

Plaintiff offered in evidence as Exhibits 150-1 to 150-12 signed statements by the cashier of the bank from April 13, 1923 through August 23, 1929 acknowledging receipt of report of examination and that the same was submitted to the Board of Directors, considered by them and record of action taken made upon the minutes.

Witness was then asked about a summary of reports which he had made.

(Objection to this question was sustained and his answer taken as an avowal.)

This is a list I prepared yesterday from the reports of examination of the bank as of May, 1929 by Mr. John S. Wood. At that time—as of that date, I should say, the Kentucky Wagon Company debt had a book value of $1,340,474.00, and there had been previous charge-offs on this debt of $650,000.00, so the bank's total investment in the Kentucky Wagon Company obligations amounted to $1,990,474.00. The Murray Rubber Company obligations in full, including debentures and rediscounts as of that date amounted to $1,101,720.00. E. B. Norman & Company owed the bank direct and indirect obligations of $552,871.00. The Wakefield & Company line, including accommodation notes, aggregated $1,190,000.00, and the Campbell-Van Camp line amounted to $1,073,000.00. The total of those five lines aggregated $5,908,065, an amount which approximated the capital and surplus of the bank according to the books of the bank of that date.

Q. You have not even listed the smaller items?

A. No, sir.

(The following statement was also accepted as an avowal.)

When I examined the bank I did not find the Kentucky Wagon Works item listed. It had been ostensibly traded for 100,000 shares of Banco. All of the items representing

the indebtedness of the Wagon Company were credited off the books and then a lump sum was debited to the bond account—$1,676,150.00—as the carrying value of 100,000 shares of Banco stock. They transferred the Kentucky Wagon Works losses off the books, but set them up as an asset in their own holding company. They set up a similar amount as the value of the Kentucky Manufacturing Company on the books of BancoKentucky Company. This transaction is referred to in my examination, as in my opinion, a "wash" transaction or a "wash sale." It was the exact amount of the carrying value of the debt, but there had been $700,000.00 previously charged off.

(The preceding statement made as an avowal following the sustaining of objection to question on Mr. Neill's summary from the reports on examination.)

The Murray Rubber loan was carried at $580,000.00, which was the par value of the debentures. They were wholly unsecured. It was this item that was sold to the BancoKentucky Company for the same amount. The collateral behind the Lewis Humphrey note was Herald-Post stock, which only had a nominal value, if any.

The directors present at the meeting which I held included Mr. Akers, Mr. Angermeier, Mr. Brown, Mr. Callahan, Mr. Carroll, Mr. Clarke, Mr. Coons, Mr. Duncan, Mr. Durham, Mr. Hayes, Mr. Sanders P. Jones, Mr. Charles F. Jones, Mr. E. J. O'Brien, Mr. Ormsby, and Mr. Speed the first day only; he left on the night of the first day and went to Chicago on a business trip and was not there the second day—and Mr. Vogt. If my memory serves me right, Mr. Sanders Jones attended only one of those meetings, and that probably applies to Mr. Durham, the Vice-President of the Franklin Title & Trust Company.

In the report of examination made by me reference is made to prospects of a merger between the National Bank

of Kentucky and Louisville Trust Company, and in that report I pointed out that inasmuch as the two corporations were to all intents and purposes 100% owned by the Banco-Kentucky Company, it would prove easy of consummation. I was assured that this merger was in good faith in process of consummation and that on consummation, paper in the bank would be eliminated from its assets, and for this reason a more liberal classification of loans was made than would have otherwise have been made. On pages of the report there is a list of loans on stocks of BancoKentucky Company and the American Turf Company. In a heavy percentage of those items, running into scores of loans, the estimated market value of the stock was less than the face amount of the loan. Yet, with a few minor exceptions, I did not on any of these loans carry any part of that collateral shortage into the doubtful or loss column. It was on the basis of that classification that I answered Mr. Crawford's question with reference to my opinion of the solvency of the bank.

Every officer and director whom I contacted during the course of the examination informed me that they were going to have this merger. This included Mr. Brown, Mr. Jones, Mr. Speed, Mr. Callahan, Mr. Coons, Mr. Duncan, Mr. Durham, Mr. Vogt and others. It was included in a letter to the Comptroller in which they said that project was in prospect. This letter is signed by James B. Brown, Anthony J. Carroll, Sanders P. Jones, S. E. Duncan, Henry Vogt, George M. Clarke, Mr. Ormsby, J. J. Hayes, J. S. Akers, H. J. Angermeier and C. F. Jones, and all the non-director officers of the National Bank of Kentucky at that time.

I wanted to avoid a drastic charge-off necessitating a reduction of the surplus account in order to stabilize the position of the bank. I did not want to precipitate any

action that would have an adverse effect on the bank. The publication of reports of condition showing a reduction in the capital structure would cause the natural inference that it was occasioned by charge-off of losses and it would have further disturbed the minds of the depositing public in the Louisville area and customers of this bank if a stricter classification had been made resulting in a requirement for further charge-offs.

The combined deposits of the two institutions at that time would have approximated $50,000,000.00. In my opinion this would require a capital structure of $5,000,000.00 and inasmuch as the combined capital structures of the two institutions aggregated between $9,000,000.00 and $10,000,000.00, such a merger would have released between $4,000,000.00 and $5,000,000.00 to take out sub-standard assets. The promised merger was never made.

Cross-examination by Mr. Crawford

The Lewis C. Humphrey note in the sum of $27,734.74 was collateralized by 765 shares of Herald-Post common stock. At that time the Herald-Post was one of the leading papers in Louisville and was regularly operating. I examined into its value and we considered it of most questionable value. There were a great number of loans on Banco and American Turf by a great many different people. We examined the worth of the makers of that paper, but not all of them. The source of the information was in the credit files of the bank, plus such information as we could get from the officers deemed to be credible. We did our best to establish the outside holdings of Charles F. Jones, Vice-President, W. T. ZurSchmiede, Cashier, W. P. Kincheloe, who was in the Trust Department, Catherine Mooney, who was an employee of the bank and Stanley Reed, Wakefield and Company. The nightwatchman of the bank had a big

loan with Banco on it, and we tried to determine his worth. We made no effort to determine each individual's worth over and above the estimated value of the collateral.

Redirect Examination by Mr. Marx

Prior to the stock market crash in October of 1929 we were in the peak of an expansion period. It was a period of prosperity.

Colonel C. C. Mengel was ill during the months of October and November, 1930.

Plaintiff offered as Exhibit 151 the agenda referred to in Mr. Neill's testimony. It was admitted in evidence. Plaintiff also offered the summary made by Mr. Neill from the examination reports, which was marked Exhibit 152 but was not admitted by the court.

Russell Mooney,

called for the plaintiff testified:

I am Vice President and Director of the National Bank of Commerce in Memphis. Prior to July 20, 1933, when I took my present position I was a National Bank Examiner with offices in St. Louis. I served in this capacity for 5½ years and examined on an average of fifty national Banks a year.

I examined the National Bank of Kentucky beginning December 30, 1929 and concluded the examination on January 11, 1930. Under statutory provisions a national bank is required to be examined twice a year. In the ordinary course of examination, the bank would have been up for examination in September or October of 1929, but in view of the preparation and announced intention of the National Bank of Kentucky to surrender its charter as a national bank, the action of examining the bank was postponed, in the hope or in the thought that perhaps it might be com-

pleted before the end of the year, and the second examination in 1929 would not be necessary. If the bank had surrendered its charter no examination would have been necessary.

They did not go through with their intention by December and we commenced our examination on the 30th of that month. I was a resident examiner and had an office in the Federal Building at Louisville. I called at the bank some five or six times during the months of October and November to determine what progress they were making in completing the denationalization. They advised me that the stock market collapse had caused them some trouble about effecting a sale of their stock and that they were going to have to postpone it temporarily.

I made my examination and prepared one copy. Five copies were then prepared in the Chief Examiner's office, one of which was sent to the bank. Witness then identified Exhibit 18 as the report of examination which he made.

I have never testified in any previous case concerning the National Bank of Kentucky. I took part in six or seven other examinations of that bank from 1925 to 1930, first as assistant examiner and later as examiner.

I received the letter written by the Chief National Bank Examiner on May 19, 1930, and following the receipt of the letter I went to the bank on the date mentioned. The Murray Rubber Company line had not been taken out or charged off in full by September 1, 1930, nor had the Lewis C. Humphrey note been collected or taken up. I discovered that the Kentucky Wagon Company line, amounting to $1,576,569.67, had been taken care of by the sale to Banco-Kentucky Company of all the claims that the National Bank of Kentucky held against the Wagon Company, Banco paying for this claim by issuing to the National Bank of Kentucky 100,000 shares of stock. These 100,000 shares

were written up in the same amount as the Kentucky Wagon Manufacturing Company indebtedness plus $200,000.00 of uncharged off loss sustained in the Van Camp Packing Company sale. I found that the 100,000 shares of Banco had been written up on the books of the bank for the same amount as the Van Camp Packing Company loss and the Kentucky Wagon Manufacturing Company item. I notified the Chief Examiner in St. Louis and recommended an immediate examination of the bank. Mr. Neill came and the examination began.

(Defendants waived cross-examination of Mr. Mooney.)

John S. Wood,

called for the plaintiff, testified:

I have been Vice President of the Federal Reserve Bank of St. Louis for about 2½ years. Prior to that time I was Federal Reserve Agent from June 1, 1930 to April 30, 1936. Before that I was Chief National Bank Examiner of the Eighth District for 10 years and I was a National Bank Examiner before I became Chief Examiner. I have been in banking or some phase of supervision all my life since I left college in 1892. I have participated in or supervised the examination of a good many national banks in various parts of the country and in my capacity as Chief National Bank Examiner I made or caused to be made examinations of the National Bank of Kentucky.

That bank was examined twice a year. Witness identified Exhibit 14, the examination beginning October 14, 1927 and concluded October 29, 1927. A copy of this examination was sent to the bank. Exhibit 16 is a correct copy of the report of examination of the National Bank of Kentucky, commencing on October 13, 1928 and concluded October 27, 1928. A copy of this examination was sent to the bank. The exhibit is a true and correct report of the condition of the bank as I found it on my examination.

Exhibit 17 is a true and correct report of the condition of the bank as I found it on my examination commencing May 25, 1929, and ending June 15, 1929. A copy of the report was sent to the bank. Exhibit 19 is a true and correct report of the condition of the bank as I found it in the examination beginning April 26, 1930 and ending May 9, 1930.

The National Bank Examiners working under me had a commission from the Comptroller of the Currency. They report to me. One of those examiners was W. W. Kane, Jr.

Exhibit 15 is the report of an examination by Mr. Kane, commencing on March 9, 1928 and concluded March 31, 1928. I was in Louisville during the time of the examination and the examination was made under my general supervision. After the examination was completed a copy was sent to me and additional copies were prepared. The examiner sent an authorization authorizing the Chief Examiner to sign and I as Chief Examiner signed it.

Vance L. Sailor was a National Bank Examiner and Exhibit 13 is a report of examination of the National Bank of Kentucky for the period beginning April 23, 1927 and ending May 12, 1927. The examination was made under my general supervision. Copy of the report was signed by me and sent to the bank.

I made an examination of the bank just a few weeks before BancoKentucky was organized. The report of that examination is Exhibit 17. It was represented to me that a holding company would be organized. The matter was discussed at some length at an officers meeting. Brown, Akers, Angermeier, Bart Brown, Dugan, Green, Hayes, Jones, Ormsby, Robertson and ZurSchmiede were present.

Defendant's counsel moved that the testimony be stricken in regard to any one not present, which objection was overruled.

It was the general consensus of opinion of those present at the meeting that the holding company would acquire through a term of years and work out certain assets of the bank, among others, the Kentucky Wagon Manufacturing Company.

The next examination was made by Examiner Mooney (Ex. 18). That began at the end of December, 1929, and was completed in January of 1930. The examination in May of 1930 was made by me. At that time BancoKentucky Company had been organized. A meeting of the Board of Directors of the bank was held at that time primarily because instructions had been given by the Comptroller of the Currency that it must be held. The meeting took place on May 16, 1930.

Q. Tell us what you did with reference to this particular meeting and what you said?

Objection was sustained and answer was received as an avowal.

I went before the Board about 3:30 on May 16, 1930 and stayed until 5 or 5:30. I discussed with the Board the Kentucky Wagon Manufacturing Company item, reading to the directors that the total amount of the Kentucky Wagon Manufacturing Company indebtedness to the bank was $1,576,569.67. I had with me when I appeared before the directors original notes and work papers prepared by me in the course of making my examination of the bank, and subsequently used by me in drawing up the report of my examination. I did not read to the directors the entire record appearing in such work sheets, and later appearing in my report of examination, but with respect to the Kentucky Wagon Manufacturing Company item I read to the directors from the work sheet I had with me the following:

"On the basis of the figures in the statement, the company would appear to be reasonably good but the figures

evidently do not represent sound values. The fixed assets have been discussed repeatedly heretofore. They consist of thirty-two acres of ground, adjoining two railroads, with a number of factory buildings. The value is problematical as the bank has never had a firm bid for the property.

The statement shows under Current Assets, Finished Stock and Work in Process $1,120,932.63, Raw Materials and Supplies $786,969.80, making a total inventory of $1,907,902.43. Operating figures were not given as 3/31/30, but on July 31st, 1929, the figures shown by the books of the company are: Finished Stock and Work in Process $1,087,387, Raw Materials and Supplies $742,520, total $1,829,907.

The operating details show gross sales $946,248.04. These figures will not 'stand up.' That the inventory should be approximately twice the amount of the annual sales is an operating abnormality that cannot be explained. It is true that a portion of raw material consists of old parts inherited from the two predecessor companies, but the finished produce and work in process cannot be explained away on this basis. It is noted that this item alone is sharply in excess of the annual sales.

It does not require an analysis of the statement of the company, however, to reveal the deplorable condition that exists. On 11-7-25, the line amounted to $1,164,896.85. Since that time, $700,000 has been charged to Profit and Loss on account of this line. In spite of this fact, however, the line has increased to $1,576,569.67. In other words, after charging $700,000 to Profit and Loss, the line is $411,672.82 greater than it was at the time the first charge-off was made. This shows a total increase of $1,111,672.82. This increase cannot be accounted for on any reasonable basis.

The company is habitually overdrawn. The following figures may be illuminating. There have been overdrafts

of the company that have been periodically covered by notes, as follows: 12-31-28 . . . $191,000; 6-29-29 . . . $159,000.00; 10-2-29 . . . $83,000.00; 12-31-29 . . . $46,123.00.

The management of the company continues to increase the amount which this bank is advancing to the enterprise, and apparently the management of the bank is unable to restrict these advances. The result has been a real tragedy to the bank, which has found expression in the $700,000 already charged off and the additional loss that at this time appears to be resident in the asset.

Twice in recent years, it has appeared that the bank had a chance to dispose of the property on a basis that would result in substantial recovery. No doubt if the company could find an enterprise whose operations could be so adjusted so as to use the fixed assets of the company, the property could be disposed of at a good price. No prospect is in evidence at this time."

Prior to the reading to the directors of the foregoing comment, I discussed the Kentucky Wagon Manufacturing Company item with the directors and told the board that in view of the history of the asset and the improbability of any sale being consummated, I would ask them to have the line taken out of the bank, either by charge-off or by purchase. There was considerable discussion, the statement being made that it would be difficult to take the asset out of the bank immediately.

After I read my comments there was a discussion with reference to the comments and it was agreed between me and the directors that the Kentucky Wagon item would be taken out of the bank prior to September 1st, 1930, either by charging it out of its assets entirely or by sale of the asset by cash. I recall a number of comments made by directors with respect to the value of the land, one director stating it was a very valuable property and that he

estimated the value per acre by feet and arrived at a valuation of $10,000 per acre and said that that would make $3,200,000 and then there was a pause for a moment and another director spoke up and said no, it would make $320,000. The director who made the first statement was director Clarke. I was told that the director who made the second statement was director Speed.

When I read the amount of the Wagon Company item as $1,576,569.67 I do not recall that any director expressed surprise at that being the amount of the item as it stood on the books. No director asked Brown at that time whether that was not a mistake—whether the amount was not substantially $500,000.

When I mentioned the fact the company had been badly overdrawn and the notes had been taken for the amount of the overdraft, there was some discussion about the overdrafts, but no director charged Brown with concealing anything in reference to the overdrafts. No director asked Brown why he hadn't informed them of the facts reported by me relating to charge-offs of $700,000 and overdrafts allowed to the Wagon Company or made any charge of concealing such facts.

I read the following from the report concerning the Murray Rubber Company line.

> "Under the caption Murray Rubber Company. This is described under 'Large Lines.' The first item is W. T. Campbell, $47,872.91 secured by $50,000 Murray Rubber Company bonds. W. M. Pepper, $47,802.91 secured by $50,000 Murray Rubber Company bonds. Murray Rubber Company bonds held as an investment $580,000.00, note of Rogers Caldwell secured by $295,000 Murray Rubber Company bonds and $265,000 cash item Murray Rubber Company bonds, $265,000 cash item $1,797.47, Murray Rubber Company direct $344,-

680.29, Murray Rubber Company trade acceptance $68,146.92, total $1,355,230.51.''

I told the directors that the Murray Rubber Company line had been getting progressively more unsatisfactory. Brown said that Murray Rubber Company had been a losing proposition steadily for several years and called their attention to the fact that he had received advices that the figures for operations for April would show a small profit and that the plan of distribution that had been adopted by the company was accelerating the sales to such an extent that he thought in a few months it would be in shape so that they could reorganize it and it would be taken out of the bank. He stated the profitable operation was all that they needed as a basis for reorganization.

I asked that the Murray Rubber Company item be taken out of the assets of the bank. Brown stated that the May operations would show such profits that it would be possible to take it out by September 1st. It was agreed that the item would be taken out of the bank by September 1st.

No director expressed surprise at the item of $265,000 and the item of $580,000 read by me as a part of the Murray Rubber Company line of indebtedness. No director made any inquiry of Brown as to whether there was not some mistake about some items.

The Van Camp Packing Company stock item was mentioned to the directors.

I had with me a list of items which I asked to be charged off of the books of the bank, and among such list were loans to Lucas, Fields and Humphrey. It was in connection with the reading of this list of items that the Lucas, Fields and Humphrey loans were discussed by me with the board.

I began reading the list of charge-offs as follows:

"David Baird, $10,000.
Chester D. Clark, $90,000.
L. J. Dittmar, $3,359.30.
Eureka Products Company, $4,000.
Leo P. Path, $475.55.
Dora and W. J. Fields, $6,000.
Also H. R. Hodapp, $100."

After having read several small items there was some director suggested it would not be necessary to read all the small items and suggested that we not take up any items that were below a certain minimum. I am not entirely sure of what that minimum was, but I think it was $1,000. I know that some of these $50.00 and $500.00 loans were not read but just where that began and which ones of the small items were omitted, I do not recall. There were several items that as the result of our discussion, the classification was changed and the items were not desired to be charged off.

After the suggestion of the director that items of less than $1,000 be not read, items of charge-off were read or not read by me from the list before him as follows:

Louis P. Hyman Company, $6,500 was read.

Thomas Jefferson Memorial Fund, $500, not read.

H. P. Lutz, not read.

Kentucky Wagon Manufacturing Company $476,569.67, read, but charge-off not required because the directors agreed to eliminate the item from the assets of the bank by September 1st.

Knadler & Lucas, $25,000, read.

Mr. and Mrs. R. R. Maxwell, $30.61, not read.

Sam B. Metcalf, $152.25, not read.

Mrs. H. L. Middleton, $300, not read.

Murray Rubber Company, $500,000, read, but not required to be charged off because of the agreement that

it would be taken out of the assets of the bank by September 1st.

Norma Newhouse, $100, not read.

George R. Newman, $680, not read.

S. G. Rosenfeld, $52.50, not read.

Shapin Mfg. Company, $41.52, not read.

Simpson Realty Company, $600.00, not read.

C. A. Singer, $2,953.79, read.

E. R. Thomson, $2,004.80, read.

Alvin Wells, $238.80, not read.

W. C. Wright, $181.07, not read.

W. C. Young, $1,680.00, read.

Van Camp Packing Company, $128,096.54, read, but not required to be immediately charged off, because, after discussion, it was agreed that the bank would have until July 15th, 1930 within which time to sell stock and charge off the loss, if any.

Stella Van Dyke, $1,092.00, read.

Then a group of stocks comprising International Planters Corporation, Louisville Railway Company, common, L. H. & St. L. preferred, Rich Patch Land Company, Industrial Ownership Corporation, carried at $115,000 on the books of the bank, of which $51,225 was listed for charge off on account of such stocks, read.

Badger Aluminum Company, $212.52, not read.

Then certain items were read under the heading "Claims and Judgments," one item of Peoples Bank of Springfield, Tennessee, $12,433.25, and another item of the same Bank, $675.18, read.

Under the same heading of Judgments and Claims, Graphite Products Company of Delaware, $616.50, not read.

Then there were twenty-five small overdrafts aggregating $66.38, not read.

Other real estate aggregating $7,850.04, read.

Then there were sundry cash items of $102.80 that were not read.

As I read the items for chargeoff, there was discussion about certain items as a result of which I changed the classification of certain items from loss to doubtful and assented that immediate charge-off would not be required. One of such items was the Lewis C. Humphrey item of $27,737.74, as to which immediately charge-off was not required because of the representation of Mr. Brown that he would see to it that the item would be taken care of. Another of such items was the item of Robert H. Lucas, on which a partial loss of $4500.00 was then estimated, and as to which immediate charge-off was not required because of the assurance of Mr. Brown that there would be monthly payments of $250 made on such loan.

The Humphrey and the Lucas items were the only items as to which charge-offs were not required in the whole list of charge-offs above mentioned, except the items of Kentucky Wagon Manufacturing Company, Murray Rubber Company, and Van Camp Packing Company, as to which special arrangements were made as mentioned.

It was agreed that all other items, the items not read as well as the items that were read, would be charged off immediately.

After disposing of the matter of charge-offs I read my list of criticisms which now appear on page 11-2 of my report of examination. In the reading, however, I inadvertently omitted criticism number 8 and did not read criticism number 10 because such criticism was not on my sheet at that time because the date was not then at hand.

I read: Criticism 1, Judgments and overdue loans, described on Page 4 and supplemental pages. Criticism 2, slow and doubtful loans described on Page 4 and supple-

mental pages. Criticism 3, losses described on pages 4, 7, and 8 and on pages supplemental thereto; Criticism 4, other loans especially mentioned and described on page 6 and supplemental pages. Criticism 5, overdrafts in the bank amount really to a vice in the management. The large amount of overdrafts the bank has to show in public statements are believed to be disadvantageous to its best interests and the fact that some of the large loans are carried by concerns in which the directors are interested is believed to be the subject of definite criticism. See Page 8 of the report. Criticism 6, criticized items described under stocks, miscellaneous mortgage bonds and claims and judgments described on Page 7 and supplemental pages of the report. Criticism 7, relating to the illegal purchase of the Van Camp Packing Company stock. Criticism 9, the large amount of loans on stock of BancoKentucky Company may be open to question as to its legality. The largest single asset BancoKentucky has is the stock of the bank. The loans secured entirely by stock of BancoKentucky Company amount to $2,543,804.38, and comprise 132,542 shares. I recall that I read only the general total of BancoKentucky Company loans, aggregating loans secured in whole or in part by BancoKentucky Company stock, $5,791,798.92 and comprising 238,427 shares.

In connection with reading the first four criticisms relating to criticized loans, I stated at the meeting that I had my notes on all of such loans present with me and would be glad to read my comments on any or all of the loans if the directors would take the time to hear it, but that it was hardly practical at that time to read them all and accordingly I urged the directors to have a committee appointed to go into my report of examination, showing the detailed loans, carefully. In connection with my reading of criticism 5 relating to overdrafts, I read to the directors overdrafts

as follows: Kentucky Wagon Manufacturing Company $84,864, Herald-Post Company, $2,534.91, which on May 3rd, 1930 had increased to $32,503.76, Ben S. Washer, $9,995.10 which had begun on January 17, 1930, and Knadler & Lucas $11,124.98. I read my comments on overdrafts as follows: The total overdrafts of this bank at the time the examination began were $133,584.77. This amazing total when shown in public statements makes a very undesirable public gossip. The publication cannot result in any benefit to the bank.

In connection with my criticisms of the loans on Banco-Kentucky Company stock Brown stated that a market would be established for the stock at above 25, that when negotiations with the brokers were finished the brokers would buy BancoKentucky Company stock and would support the market for it. He stated that he had been in negotiation with Caldwell & Company to buy an interest in BancoKentucky Company.

Near the end of the meeting with the directors Speed asked:

"Mr. Wood, are those assets that you have discussed all of the assets in the bank that are subject to criticism?"

I replied: "By no means," and called attention to the fact that my comments on the loans which were criticized were typewritten and that I would be glad to read the list to the board if the directors thought it practicable to give the time to read it all and urged them again to have a committee examine my report when it was made available and report to the directors.

After the meeting was over, within thirty to forty-five minutes thereafter, I dictated a letter to Mr. S. H. Mann, who was then a national bank examiner and who had been a stenographer, covering the items that the local examiner should check up or at the proper time should see that the

agreements were carried out. When I dictated the letter to Mr. Mann, addressed to Mr. Mooney, I knew that I would soon sever my connection with the Comptroller's office, as an examiner, but didn't know just when.

A copy of the said letter dictated to Mr. Mann and addressed to Russell E. Mooney, is as follows:

"St. Louis, Mo.
May 19, 1930.

Mr. Russell E. Mooney,
National Bank Examiner,
Box 1092, Louisville, Ky.

Dear Mr. Mooney:

In a meeting with the Board of Directors of the National Bank of Kentucky, Louisville, Ky., held on May 16, 1930, a number of agreements were made which are incorporated in my report of examination of said bank begun on April 26, 1930.

I desire to call to your attention the following agreements which you are charged with responsibility of checking out on the dates mentioned and ascertaining if the agreements have been complied with in full.

The directors agreed that on or before September 1, 1930, the following lines will be taken out or charged off in full.

Kentucky Wagon Company	$1,576,569.67
Murray Rubber Company	1,355,230.51

(As described under large lines report of examination.)

The Board of Directors agreed that if on July 16, 1930, the stock of the Van Camp Packing Company has not been sold and the profit or loss adjustment made in the Profit Account of the bank, the management of the bank will on said date charge the market loss existing on that date to the Profit and Loss Account.

President Brown agreed that on or before September 1, 1930, the loans of Lewis C. Humphrey aggregating $27,734.74 secured by stock of the Herald-Post would be either collected in full or would be taken up by him.

President Brown and Vice President Fontaine agreed that by reason of a waiver at this time of a charge-off of $4,500 on the loan of Robert H. Lucas a monthly payment of $250 will be made.

On the respective dates named above, will you please be present at the bank, if possible, or on the office day immediately preceding said date or immediately thereafter and ascertain from the books of the bank whether there has been a compliance with the agreements above stated. In either event, please advise the Chief National Bank Examiner of this district. Respectfully," and signed by the Chief National Bank Examiner, Eighth Federal Reserve District.

Q. Was that letter delivered to Mr. Mooney—sent to Mr. Mooney?

A. Yes, it was dictated on the 16th and was typed on the 19th and was sent through the mail from St. Louis to Mr. Mooney.

John S. Wood,

recalled for cross-examination by Mr. Crawford, testified:

The reports of examination of the bank, as reflected in the report beginning in 1927 and ending in 1930, correctly represented my conclusions as to the condition of the bank. There was a report of earnings, a report of charge-offs, a report of net amount of undivided profits subject to dividends, a report of declaration and amount of dividends and a net amount still in the undivided profits after that dividend, required of the officers of the bank. There was also a semi-annual statement of earnings made by the Cashier.

I, personally, made four reports of examinations. It was part of the duties of myself, as examiner, or the examiner who made the report, which I later saw, to examine the correctness of the dividend statements which included the items referred to. The examiner was required to answer a questionnaire contained in the report for the information of the Comptroller.

The bank declared a quarterly dividend of $160,000.00 for every year beginning October 1, 1927 and continuing until the last time I was in the bank. Either my assistants or myself, in making such examination, examined the reports made by the Cashier to the Comptroller concerning the earnings and dividends, and after that examination came to the conclusion that the dividends were correct. I accepted the conclusion that the dividends of July 1, 1927, October 1, 1927, January 1, 1928, April 1, 1928, July 1, 1928, October 1, 1928, January 1, 1929, April 1, 1929, July 1, 1929, October 1, 1929, January 1, 1930 and April 1, 1930 were correct. That was one of the important things the examiners were to examine in making their reports for the information of the Comptroller.

Arthur H. Almstedt,

called for plaintiff, testified:

I was a member of the Louisville Stock Exchange. It has been out of existence for three years.

Witness produced from the records application filed by BancoKentucky Company over the signatures of its president, James B. Brown, and its secretary, W. T. Zur-Schmiede, for listing of its stock. This application was introduced as Exhibit 71. The exhibit attached to the application was introduced as Exhibit 71-1.

The minutes of the Louisville Stock Exchange show that on October 4, 1929, at a meeting of the Board of Governors,

the application to list Banco having been approved by the Listing Committee, it was moved and seconded that Banco stock be listed for trading on the Louisville Stock Exchange.

At this point it was stipulated between the parties that the National Bank of Kentucky was one of the two registrars of Trustees' Participation Certificates and was a registrar of BancoKentucky Company stock, and that the Louisville Trust Company was the transfer agent of both the Trustees' Participation Certificates and shares of stock of BancoKentucky Company; that as registrar of the Trustees' Participation Certificates and the stock of BancoKentucky Company, National Bank of Kentucky had in its books and records a complete record of the names of the Trustees' Participation Certificate holders and the original holders of the stock of BancoKentucky Company.

Plaintiff produced in open court at this point all the original subscriptions to the stock of the BancoKentucky Company, signed by the original subscribers—approximately 2400 or 2500. It was agreed to pick out three or four for the record, which would stand as examples of the balance. The subscription of William S. Speed was offered as Exhibit 153, and it was agreed that all other subscriptions were alike except for signatures. Plaintiff also introduced as Exhibits 153-1 and 153-2 subscriptions to Banco stock signed by John C. Wickliffe Jr. and subscription signed by Herbert Tashgian admitted as Exhibit 154.

John C. Wickliffe, Jr.,

called for plaintiff as on cross examination, testified:

I am a lawyer and I am the receiver of the Louisville Trust Company for the purpose of collecting the double legal liability of the stockholders of the old Louisville Trust Company.

Witness identified a copy of a bill which he filed in his official capacity and which he swore was true. That bill was offered in evidence and objection on behalf of the defendants was sustained as to all other than the witness. The bill was then admitted as Exhibit 155.

The bill was prepared by the attorneys for the old Receiver of the Louisville Trust Company. Judge Lafon Allen, who was then on the bench and who is now an attorney for the defendants in this case, permitted the Fidelity & Columbia Trust Company to resign and appointed me as receiver merely for the purpose of collecting the double legal liability. The receivership had been discharged as to all other purposes and the Louisville Trust Company was then in operation under its reorganization at the time I was appointed.

The day I was appointed was the last day upon which that suit could possibly have been filed in order to come within the statute of limitations against the stockholders proceeded against in that suit. They were the transferor stockholders, or stockholders who held stock but transferred it and did not hold it at the time the bank closed. The suit, petition and everything was prepared by the former receiver and I filed it the day I was appointed but I did not have anything to do with its preparation. The suit was never fought out on its merits. Judge Allen transferred it to Judge Marshall and Judge Marshall upon consideration dismissed it.

I swore to the action as being true according to my best belief on September 10, 1931. I never prepared it and I don't know anything about it. I filed it for the purpose of doing my duty as receiver in order to preclude anybody from saying the statute had run against the suit if there was any merit in it. I knew that I was suing the former stockholders of the BancoKentucky Company on the ground

that they were in effect stockholders of the Louisville Trust Company and I knew that I was suing the persons who had turned in their Trustees' Certificates in exchange for Banco stock on the ground that they were liable for their proportionate share of the assessment.

If persons were holders of trustees' certificates—if they were former holders within two years—any former holder within two years can be sued within two years under the Kentucky statutes and that was all I was doing.

Objection as to this defendant's testimony as to all defendants, except the witness, was sustained.

"Q. Did you know that you alleged here that: 'Plaintiff states that said BancoKentucky Company was organized for the purpose of acquiring and it did acquire more than one-half of the entire capital stock of The Louisville Trust Company, and that such acquisition of more than one-half of the capital stock of The Louisville Trust Company by The BancoKentucky Company was in direct violation of the statutes of the Commonwealth of Kentucky, and that those of the defendants herein named who exchanged Trustees' Participation Certificate-shares for shares of the capital stock of The BancoKentucky Company, as hereinbefore set out, were parties to and cooperated and participated in such illegal acquisition by said BancoKentucky Company of said stock, and that said defendants still remain subject and now are subject to the maximum liability as stockholders of The Louisville Trust Company, to the same extent, measured by their beneficial ownership of Louisville Trust Company stock as hereinbefore set out, as if they had not respectively assigned their Trustees' Participation Certificates to The BancoKentucky Company in exchange for shares of its capital stock but had continued to retain ownership of their respective Trustees' Participation Certificates.'

A. I didn't know any allegations of that character were in there; I signed it as a matter—as an officer of the Court, under instructions. Judge Allen saw it and authorized it.

Q. When did you first read the bill?

A. I don't recall that I ever read it—there is no question about it, I read it afterwards when I was studying the law and attempting to show the Court the suit was without foundation in law, which was done.

A. That is, you as Receiver, the man who brought the suit, and with the duty of collecting this assessment, were trying to show the Court that it was without foundation?

A. My dear sir, I want to say this——

Mr. Marx: That is all."

I first acquired personal knowledge of the fact that the paragraph which you read was in the petition when it was read to me in the court room.

The petition was prepared by a half dozen lawyers in the Inter-Southern Building. I do not remember who they were and could not name one of them. Some of it may have come from Bruce & Bullitt's office. It was such a hectic thing and had to be done in a hurry in order to get it in. To be frank, it was a joke. Judge Allen held his hearing in chambers in the afternoon. The receivership was discharged and I talked with him awhile myself. Finally, the appointment was made and I filed it. It was a typewritten petition and I had it copied for the benefit of the Bar. I cannot name a single lawyer that assisted in preparing it. Judge Allen insisted that I file the suit and I obeyed the court. I work under the orders of the court as its receiver.

Exhibit 153-1 bears my signature and the notation "Louisville Trust Company" is in my handwriting. Exhibit 153-2 also bears my signature with the notation in my handwriting "Louisville Trust Company." It is a subscription to the plan of reorganization, each of them for

100 shares of Banco at $25.00 per share, for which I agreed to pay the sum stated when the plan became effective. At the time I signed this, I had never seen anything with reference to the plan and I don't know anything about it except that I was subscribing for 200 shares of Banco to be paid for at $25.00 a share as an A No. 1 business investment.

I signed the subscription at 421 West Market Street. I went over there for that purpose and signed it. I don't remember the individual I talked to. I knew when I signed it that I was subscribing in accordance with the plan. I went in and bought what I thought was a good stock and I paid $25.00 a share cash for it. I executed a note to the Louisville Trust Company which I later took up by my check in cash. It was the bank's money that went into Banco when I made this subscription but I had the cash and paid for it shortly afterwards retiring the note.

At this point plaintiff offered Exhibit 155 as against all stockholders who were named therein. The court overruled the plaintiff's motion and admitted the exhibit only as affecting the claim of the defendant, Wickliffe.

The petition was subscribed and sworn to on September 10, 1931, and was filed on the same date.

Plaintiff then offered in evidence certified copy of order made by Judge Lafon Allen in the case of *Commonwealth of Kentucky on relation of O. S. Denny* v. *Louisville Trust Company*, Jefferson Circuit Court, No. 205178. Exhibit was admitted in evidence as plaintiff's Exhibit 156.

It was agreed and stipulated between the parties that if Mr. Tom ZurSchmiede were present he would testify as follows with respect to the circular letter of July 19, 1929 (Ex. 24-3).

Q. Will you state how many copies of that letter were printed and what was done with the printed copies of that letter?

A. About 5,000 copies were printed and mailed to stockholders, and also distributed to non-stockholders for the purpose of inducing them to buy the stock.

Q. By whom was it printed—at the instance of the Bank of Kentucky or someone else?

A. No, sir; it was at the instance of The National Bank of Kentucky.

Mr. Crawford: What were you reading from?

Mr. Marx: The testimony of Mr. ZurSchmiede.

Mr. Crawford: What case?

Mr. Marx: The directors' liability.

Mr. Crawford: Show that that testimony was given in the suit of *Keyes* v. *Akers,* later known as *Atherton* v. *Anderson.*

The Court: You want to stipulate that Mr. ZurSchmiede if present would testify to that. Is there any objection to that? All right, let it go into the record.

Mr. Marx: That letter of July 19th is a letter that has been admitted here, the circular plan, the prospectus letter.

Fred B. Stewart,

called for plaintiff, testified:

I am employed by the Receiver of the National Bank of Kentucky. At the time BancoKentucky Company was organized in July of 1929, I was employed by the National Bank of Kentucky in the capacity of clerk in the Credit Department. That department assembled financial statements from various borrowers and tabulated them to determine the credit responsibility of the borrowers from the bank. A large number of loans were made to persons in order to enable them to purchase BancoKentucky stock.

Q. Tell the court what credit investigation was made to determine the credit responsibility of subscribers to Banco-

Kentucky Company stock who borrowed money from National Bank of Kentucky giving their stock as collateral security.

(Defendants' objection was sustained by the court and the answer taken as an avowal.)

A. No investigation was made.

Q. Was there a campaign, so to speak, made by the officers of the National Bank of Kentucky to secure subscriptions to the stock of the BancoKentucky Company?

(Defendants' objection was sustained and the answer taken as an avowal.)

A. There was.

(The following testimony of Mr. Stewart was in response to questions objected to by the defendants which were sustained by the court and which was introduced as an avowal.) I was present on numerous occasions when conversations were held between persons who were asked by vice-presidents and officers of National Bank of Kentucky to buy BancoKentucky stock. I recall, in particular, Mr. Hayes, Mr. Ormsby, Mr. Jones and Mr. Angermeier. There were numerous instances where persons who were asked to subscribe for stock stated that they had no funds with which to make a subscription. On such occasions the officers of the bank would tell these persons that they did not need any money, that the bank would make a loan and put the stock up as collateral. In many cases the bank advanced the full amount of the subscription price of the stock in order to finance subscriptions to BancoKentucky. Later, when the stock declined in value, no additional collateral was asked for in connection with a deficiency on Banco loans. A number of officers remarked that inasmuch as they solicited the customer or borrower to buy the stock, they were not going to bother him to put up any more collateral.

The general practice of the bank with respect to requiring margin on other collateral than BancoKentucky was fixed. They always required margin on all collateral loans with the exception of Banco. The margin varied from 20% up or, to put it another way, from 80% down.

(There was no cross-examination.)

At this point the plaintiff rested.

DEFENDANTS' REQUEST OF PLAINTIFF FOR THE ADMISSION OF FACTS AND THE GENUINENESS OF DOCUMENTS UNDER RULE 36 OF THE RULES OF CIVIL PROCEDURE FOR UNITED STATES DISTRICT COURTS AND PLAINTIFF'S RESPONSE

Defendants' request for admissions contained thirty-eight separate paragraphs which, with plaintiff's response to each, are as follows:

1. That the statements contained in the answers of the several defendants as to the manner in which they acquired the shares of stock in BancoKentucky Company, whether by exchange for Trustees' Participation Certificates, or by subscription, or by purchase in the open market, and which they held at the time of the closing, are true.

Admitted that, insofar as the answers of the several defendants agree with plaintiff's Exhibit No. 148 "SUMMARY OF INFORMATION RELATING TO HOLDINGS OF STOCK OF BANCOKENTUCKY COMPANY BY ALL STOCKHOLDERS ON NOVEMBER 17, 1930," the same are true, but insofar as the answers differ from said schedule they are denied.

2. That the amount of shares of each class referred to in No. 1, stated in the answer of each defendant, is the amount said defendant owned.

Admitted as under Paragraph 1 above.

3. That all transfers of Trustees' Participation Certificates made by the defendants, who have answered in this case, were out and out transfers of their Trustees' Participation Certificates to the BancoKentucky Company and were made more than sixty days before the closing of the National Bank of Kentucky and the BancoKentucky Company became the true owner thereof at the time of said transfers.

Denied.

Defendants' Request and Plaintiff's Response

4. That from and after the date of the transfers of Trustees' Participation Certificates to the BancoKentucky Company, it became the true, beneficial and only owner thereof.

Denied.

5. That at the time of the transfer of each and all of the Trustees' Participation Certificates to BancoKentucky Company the National Bank of Kentucky was solvent.

Not Admitted.

6. That at the time of the transfer of the Trustees' Participation Certificates by the defendants in this cause and at all times thereafter and up to and including November 15, 1930, the National Bank of Kentucky was solvent.

Not admitted.

7. That defendants' Exhibit No. 1, covering the Petition, the Answer, the Testimony, the Opinion, and the Judgment in the case of *Venhoff & Hillen* v. *Paul C. Keyes, Receiver*, filed in the United States District Court for the Western District of Kentucky, is correct and that there was no appeal taken in said cause and that said judgment is still in force and effect.

Admitted that defendants' Exhibit No. 1 sets forth a correct copy of the petition, the answer, the testimony, the opinion and the order of dismissal in the case of *Venhoff & Hillen* v. *Paul C. Keyes, Receiver*, that there was no appeal from the order of dismissal. Plaintiff's objection to the admission of the record in said case was sustained. (Defendants offered the record in said cause as an avowal and the same was marked for identification Defendants' Exhibit No. 3.)

8. That at the time the Trustees' Participation Certificates were transferred to BancoKentucky Company for its stock, each holder thereof believed that the National Bank of Kentucky was solvent.

Not admitted.

Defendants' Request and Plaintiff's Response

9. That Exhibit No. 2 contains a correct copy of the published statements of the National Bank of Kentucky as of

March 27, 1929
June 29, 1929
Oct. 4, 1929
Dec. 31, 1929
March 27, 1930
June 30, 1930 and
Sept. 4, 1930

and said Exhibit is an exact copy of "Exhibit No. P-171" filed by the Plaintiff-Receiver, or his predecessor, in action No. 649 in the United States District Court, for the Western District of Kentucky.

Admitted that Exhibit No. 2, a copy of Exhibit No. P-171 in the case of *Anderson* v. *Atherton*, the record in which case is Defendants' Exhibit No. 1 in this cause, sets forth a correct copy of the published statements of the National Bank of Kentucky as of the dates named. (See also Defendants' Exhibit No. 25.)

10. That the published statements set forth in Exhibit No. 2 reflect the actual condition of the National Bank of Kentucky.

Not admitted.

11. That no one of the defendants, who have answered herein, knew of any inaccuracies or untruthfulness in the published statements referred to in No. 9, if there were any such.

Not admitted.

12. That on each of the following dates the National Bank of Kentucky declared a quarterly dividend of four per cent and paid same on the dates shown below, the dividend amounting in each instance to $160,000:

DECLARED	PAID	AMOUNT
June 10, 1927	July 1, 1927	$160,000.00
September 2, 1927	October 1, 1927	160,000.00
December 9, 1927	January 3, 1928	160,000.00
March 16, 1928	April 2, 1928	160,000.00
June 15, 1928	July 2, 1928	160,000.00
September 14, 1928	October 1, 1928	160,000.00
December 14, 1928	January 2, 1929	160,000.00
March 8, 1929	April 1, 1929	160,000.00
June 14, 1929	July 1, 1929	160,000.00
July 26, 1929	October 1, 1929	160,000.00
December 12, 1929	January 1, 1930	160,000.00
March 14, 1930	April 1, 1930	160,000.00
June 20, 1930	July 1, 1930	160,000.00
September 17, 1930	October 1, 1930	160,000.00

Admitted that the Bank declared and paid the quarterly dividends above set forth except the dividend referred to as having been declared December 12, 1929, was actually declared December 13, 1929, and paid January 2, 1930. The dividend described as having been declared September 17, 1930, was actually declared September 19, 1930.

13. That following the declaration of each dividend, pursuant to the requirements of the United States Revised Statutes, the Cashier of the National Bank of Kentucky, under oath, filled in a form provided by the Comptroller of the Currency, showing the net earnings available for dividend in excess of the capital and surplus of the bank and after deducting known losses and statutory bad debts, and in each instance said reports showed that there were sufficient net earnings available for dividends to leave the capital of $4,000,000 and surplus of $2,000,000 intact.

Admitted that, following the declaration of each dividend, the cashier of the Bank filled in a form provided by the Comptroller of the Currency.

14. That each of said reports were received by the Comptroller of the Currency.

Admitted that said forms of report were sent to and received by the Comptroller of the Currency.

15. That the National Bank of Kentucky had been examined, prior to 1927, at least twice every year by a National Bank Examiner, acting under the Comptroller of the Currency, and was examined beginning April 23, 1927, and thereafter examined beginning October 14, 1927, March 9, 1928, October 13, 1928, May 25, 1929, December 30, 1929, April 26, 1930, and September 17, 1930.

Admitted.

16. That each of said reports was on forms prepared by the Comptroller of the Currency and contained a questionnaire as to dividends and surplus, requiring the Examiner to give the date of the declaration of the last dividend, the amount of same, and to state whether the last report of earnings and dividend was correct, and in each instance the Examiner reported in each of the above reports that all earnings and dividends were correct. A copy of each of said reports was sent to the Comptroller by the Examiner directly upon its completion and was received by him.

Admitted that reports of the examinations referred to were exhibited to defendants and admitted to be authentic and that said reports were sent to and received by the Comptroller of the Currency.

17. That no one of said dividends was criticized by the Comptroller of the Currency after the receipt of the notification from the Cashier, or after the receipt of the National Bank Examiner's report following the declaration of said dividend.

Not admitted.

Defendants' Request and Plaintiff's Response

18. That the Receiver of the National Bank of Kentucky brought action No. 649 in the District Court of the United States, for the Western District of Kentucky, against all the directors of the National Bank of Kentucky, in which he claimed that there had been an unlawful payment of each of the dividends referred to in No. 12 above.

Admitted that a petition was filed in said action No. 649 against the Directors of said Bank but asserted that said petition was available in the files of the Court and that it speaks for itself.

19. That issue was joined upon this question and, after a full hearing of evidence thereon, the Master in said cause rendered a report holding that each of said dividends had been lawfully declared.

Admitted that a hearing was had in said cause and a report filed by the Master but the conclusions with respect to said hearing and said report are questions of law which were not admitted.

20. That thereafter a hearing was had before the District Court of the United States, sitting in the Western District of Kentucky, on exceptions filed by the Receiver and an opinion was rendered, followed by a judgment dismissing the Bill as to any claim of illegality of any dividends. The pertinent portion of said opinion is as follows:

> "The Master disallowed this claim in its entirety, finding that the evidence failed to show any facts indicating any statutory violation of any of the directors or any negligence on their part in connection with these dividends. The Master discussed and analyzed, at great length and in much detail, numerous debts which the plaintiff claims should have been charged off as statutory bad debts, and after painstaking and thorough consideration of such debts and of the other relevant facts and circumstances the Master found that the evidence did not sustain this claim of the plain-

tiff. To recite or review these details would unduly prolong this opinion and would serve no useful purpose. It is sufficient to say that the findings of the Master are convincingly supported by the record. It is entirely clear, and I find, that the witnesses on whom the plaintiff relied in this connection had no personal knowledge of the facts concerning which they assumed to testify. There is no competent evidence sufficient to sustain the burden resting on the plaintiff of proving that any of these dividends were paid out of capital of the bank or were not paid out of its net profits after deducting therefrom its losses and bad debts, including all debts on which interest was past due and unpaid for a period of six months and which were not well secured and all debts in process of collection. It appearing that the findings of the Master are supported by the record, such findings are affirmed, and no recovery against these directors by reason of the declaration or payment of these dividends will be awarded."

That there was no appeal by the Receiver of the National Bank of Kentucky from said judgment. Said judgment was entered July 8, 1935, and Motion for a Rehearing was overruled more than two years ago.

Conclusions to be drawn from the proceedings had in said cause No. 649 are matters of law which were not admitted.

21. In the minute books of the National Bank of Kentucky, purporting to record the minutes of December 16, 1927 (p. 304), June 1, 1928 (p. 318), June 8, 1928 (p. 319), June 22, 1928 (p. 320), August 31, 1928 (p. 325), December 7, 1928 (p. 352), there is recited therein that certain letters from the Comptroller of the Currency were read to the directors present. None of these letters were read to the directors present.

Denied.

Defendants' Request and Plaintiff's Response

22. In the suit of *Keyes, Receiver,* v. *Akers,* being Equity Action No. 649, in the District Court for the Western District of Kentucky, the plaintiff in that suit, who was succeeded by the plaintiff in this suit as receiver of the National Bank of Kentucky, asserted the genuineness of the minutes, and the defendants in said suit, the directors of the National Bank of Kentucky, some of them being defendants in this suit, denied the genuineness of said minutes, and upon which issue was joined insofar as the verity of said minutes was concerned, and on which issue proof was taken. With the whole record before him, after both sides had announced through the taking of testimony, the Master found:

> "I don't think that any of these letters reached the board of directors, notwithstanding the recitation in the minutes to that effect. The minute book now indicates that there were six such letters presented and read to the board, namely, December 16, 1927, p. 304, of the minute book; June 1, 1928, p. 318 of the minute book; June 8, 1928, p. 319 of the minute book; June 22, 1928, p. 320 of the minute book; August 31, 1928, p. 325 of the minute book, and December 7, 1928, p. 332 of the minute book. It is satisfactorily established that the minutes, after being read to the board, were fraudulently altered so as to show the presentation and consideration of these letters. The concealment of these letters from the board and the fact that such questionable, not to say dangerous, means were resorted to to accomplish it, demonstrates the character of the collusion with which the directors were unknowingly surrounded."

Paragraph 22 contains conclusions of law and is not admitted.

23. The case mentioned in the next above numbered paragraph came on to be heard before the sitting judge for the

Western District of Kentucky upon exceptions to the Master's report, and after a full and complete hearing, the Judge of said court, in overruling the exceptions of the plaintiff so filed in said action, said:

> "The Special Master found . . . 'Further, he fraudulently caused to be concealed from the nonofficer directors reports of bank examiners, letters from the Comptroller of Currency, and other information which would have disclosed the character of such loans as loans to Wakefield & Company in excess of the statutory limit. That such directors did not have such information, had no reason to doubt the propriety of such loans, and, in approving them, relied on the officers of the bank to whom they had entrusted the administration of the details of its affairs; that such directors were not guilty of negligence in connection with such loans, and that, although the defendant officers were liable for the loss resulting from the making of these loans because they knew that such loans should be grouped together as Wakefield & Company loans, and, when so grouped, were in excess of the said statutory limit, yet, the other defendants being without that knowledge, were not so liable, except as hereinafter pointed out. I am satisfied by the record that the findings of the master just mentioned are supported by substantial evidence and that the court would not be warranted in setting such findings aside."

Plaintiff refers to the opinions rendered by the Court and the language contained therein.

24. On appeal of the aforesaid action, mentioned in the next above two preceding numbered paragraphs, to the Circuit Court of Appeals for the Sixth Circuit (86 F. [2d] 518), that Court confirmed and approved both the findings of the Master and the District Court as set forth in the next above two preceding paragraphs on the issue thus

joined, and that said findings of fact are still in full force and effect.

Denied.

25. In action No. 649, *Keyes, Receiver*, v. *Akers*, in the Western District Court of Kentucky, the plaintiff therein, succeeded by the plaintiff-receiver in this cause, claimed and contended that the criticisms set forth in the National Bank Examiners' reports as of April 23, 1927, October 14, 1927, March 9, 1928, October 13, 1928, May 25, 1929, December 30, 1929, April 26, 1930, and September 17, 1930, were read to the board of directors of the National Bank of Kentucky, and the defendant directors in said cause, some of whom are defendants in this cause, denied that said criticisms were read from said reports to the directors, upon which issue was joined, and after a complete hearing before the Master, on said issue so raised, he made findings of fact as follows:

> "It is perfectly apparent that Brown and Jones, without protest from any member of the loan committee, were designedly omitting to read parts of the reports of the Examiners, concealing letters from the Comptroller, fraudulently evading the demands of that office, and continuously misleading the non-officer directors. The covering up which Brown and Jones were guilty of, and their acts of concealment in the presence, and with the acquiescence of the other officers while the board of directors was in session, strongly indicates collusion between these parties, the purpose of which was to enable Brown, without the knowledge of the non-officer directors, to successfully extract funds from the bank in the name of Wakefield & Company, or its employees."

Paragraph 25 states contentions and conclusions of law and is not admitted.

Defendants' Request and Plaintiff's Response

26. The case mentioned in the next above numbered paragraph came on to be heard on exceptions filed to the report of the Master by the plaintiff therein, and the sitting district judge for the Western District of Kentucky quoted and adopted the findings of the Master as above set forth. This finding of fact has never been reversed, modified or set aside and is in full force and effect.

Denied.

27. Exhibit No. 4 is the testimony of *Jay* Fordyce Wood, taken in Equity Action No. 649, *Keyes, Receiver,* v. *Akers et al.,* found recorded in the testimony in said action, Volume 5—Kentucky Wagon Company, pages 2001-2070, copy of which testimony is in the possession of the plaintiff. Issue upon which such testimony so offered was as to the authenticity of the minutes of the board of directors of the National Bank of Kentucky as of the dates mentioned in paragraph No. 21, insofar as said minutes purported to show that the letters of the Comptroller of the Currency addressed to the Bank of Kentucky or its directors had been read to the board of directors at several meetings, which letters of the Comptroller are among the letters sought to be admitted herein by the plaintiff. Since giving said testimony the witness, Jay Fordyce Wood, has died.

Admitted that said Exhibit No. 4 is a correct transcript of the testimony of Jay Fordyce Wood taken in said Equity Action No. 649 and that said witness has died. The remainder of said paragraph denied.

28. Exhibit No. 5 is a statement of the BancoKentucky Company as of December 12, 1929.

Exhibit No. 5 not admitted for want of adequate information with reference thereto.

29. Exhibit No. 6 is a statement of the BancoKentucky Company as at December 31, 1929.

Exhibit No. 6 not admitted for want of adequate information with reference thereto.

Defendants' Request and Plaintiff's Response

30. Exhibit No. 7 is a statement of the BancoKentucky Company as at September 18, 1930.

Exhibit No. 7 is not admitted for want of adequate information with reference thereto.

31. Exhibit No. 8 is a consolidated statement of the National Bank of Kentucky and Louisville Trust Company as of June 29, 1929.

Plaintiff assumes Exhibit No. 8, not attached to defendants' request, is the same as Exhibit No. 26-12, paragraph 48, of plaintiffs' request for admissions.

33. That the BancoKentucky Company stock was listed on the Chicago Stock Exchange and the following Exhibit No. 9, which is copied in the record in Keyes v. Akers, hereinabove referred to, in BancoKentucky volume at pages 224 to 239, inclusive, a copy of which is in your possession, correctly shows the amount of sales and the daily price thereof of Banco stock as reflected by sales in Chicago.

Admitted.

34. That the BancoKentucky Company stock was listed on the Louisville Stock Exchange and the sales of BancoKentucky stock and the daily quotations are contained in Exhibit No. 10, filed herewith, a copy of which you already have.

Admitted.

35. That directly after the obtention of the charter of the BancoKentucky Company, July 16th, 1929, 49 directors were elected to its Board. 19 of these directors were at all times directors of the National Bank of Kentucky. 15 of the directors were never directors of the National Bank of Kentucky. 15 of the directors were at all times directors in the Louisville Trust Company. These same 15 directors were directors of the National Bank of Kentucky between June 3rd, 1927, and January 14th, 1930, and not directors of the Bank of Kentucky at any other time. Between July

19th, 1929, and January 14th, 1930, 34 of the directors of BancoKentucky were also directors of the National Bank of Kentucky.

Admitted.

36. That Exhibit No. 11 is a correct statement of the cash receipts and disbursements of BancoKentucky Company from September 13th, 1929, to November 22nd, 1929.

Admitted.

37. That BancoKentucky Company was incorporated under the general corporation laws of the State of Delaware. That said law provides and then did provide as the Kentucky Law provides, that the certificate of incorporation shall state whether or not private property of the stockholders shall be subject to the corporate debts. That in at least 99 per cent of all certificates of incorporation filed under the general corporation law of the State of Delaware the certificate states that the private property of the stockholders shall not be subject to the corporate debts in the same way as did the BancoKentucky Company certificate of incorporation. That said provision is also the usual and customary provision to place in articles of incorporation filed under the general corporation law of the State of Kentucky.

Reference may be made to the laws of Delaware and Kentucky and any authorized publications of such laws with reference to the statement of laws contained in Paragraph 37. The remainder of said paragraph is denied.

38. That Exhibit No. 12 is a correct copy of the opinion in action No. 205,178 in the Jefferson Circuit Court, wherein Anne Bullitt Brewer is a party and in which suit the answer of The Louisville Trust Company is especially referred to in the request for admissions of plaintiff. That following the delivery of said opinion the defendant, The Louisville Trust Company, settled and compromised and

paid to Anne Bullitt Brewer for the estate therein involved the amount of money that her fiduciary was willing to accept in compromise.

Admitted.

DEFENDANTS' EVIDENCE

T. E. Burkholder

called in his own behalf, examined by Mr. Van Winkle, testified as follows:

My name is T. E. Burkholder. I live at 1846 Rutherford Avenue, Louisville. I am not actively engaged in business at present and spend most of my time in California.

I was a holder of BancoKentucky Company stock at the time that institution closed. I purchased 400 shares through Mr. ZurSchmiede, who then had an office in the Bank of Kentucky, as I remember, the National Bank of Kentucky. I never owned any Trustees' Participation Certificates or any stock in the Bank of Kentucky or Louisville Trust Company.

I retired from business on account of my health in 1928, and have since probably spent half of my time in California. I would come back and spend some time with my sisters and mother and father and the balance of time in the West.

With respect to my knowledge of the financial condition of the Bank of Kentucky—my information of the Bank of Kentucky was that it was a first-class, high-grade financial institution, so much so that I recommended it to my mother and sisters so that in my family, my mother and sisters, we had four accounts—certainly three, but I think it was four. Some of those accounts are there yet. On October 2, 1929, I hadn't the slightest idea that the Bank of Kentucky was either insolvent or in financial difficulties.

Regarding my subscription for Banco stock—I have a friend here in town whom I regard as particularly familiar —particularly well informed on business conditions in Louisville. As I recall, I just returned from out of town and I called his office one day and he mentioned it and asked if I had subscribed for it. I told him I had not heard of it and didn't know what it was. I sat down and talked to him about it. He was under the impression—he recommended to me that he thought it would be a very good thing to invest in and would make a good, safe investment. It was on his recommendation, without going into it—on his strong recommendation that I subscribed for it.

The paper you show me is my signed subscription for stock of the BancoKentucky Company. It is dated October 2, 1929.

Said subscription was received in evidence and marked for identification "Defendants' Exhibit Burkholder No. 1."

When I subscribed to BancoKentucky Company stock, my understanding was that it was to be a general investment and financial business, underwriting business, not closely allied to any other one concern, but to have a general investment business.

At the time I bought this stock, I did not know that BancoKentucky Company owned or expected to own any particular amount of the Bank of Kentucky stock. As a matter of fact, I had no idea that they had or intended to have any other bank stock. The information that I had on it was through my friend who had recommended it to me, but I don't recall of having seen any plan of organization or reorganization. In the light of having signed the application for it there, I certainly must have read it as "Plan of Organization" rather than "Plan of Reorganization," be-

cause at no time had I any idea there was to be anything reorganized.

When I subscribed and received delivery of my stock, I did not intend to make a subscription to BancoKentucky Company stock with a view of avoiding or evading any liability on account of BancoKentucky Company owning or holding any National Bank of Kentucky stock.

I paid $25.00 a share for my stock in cash.

At the time I subscribed I had no understanding that BancoKentucky Company was going to engage in a banking business. I don't know where I got the impression, but I had the impression, from what he said when I talked to Mr. Gaylord, that it was to be largely, or to quite some extent, in the utility business, financing utilities, and that that would be quite an item of their line.

I never saw any such letter of July 19th and had no understanding at any time that there was any reorganization about it.

On cross-examination by Mr. Marx, Mr. Burkholder testified as follows:

These 400 shares of Banco cost $10,000. I did not commit myself to sign a document for $10,000 without reading it. In a general way, I would certainly want to know something about what I was reading.

My subscription reads in part—"In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 400 additional"—the word "additional" is crossed out—"shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective." I must have read the word "Reorganization" if I signed it there.

Before I retired, I was managing the agency for the Burroughs Adding Machine Company in Wheeling, West Virginia, for about seven years before I retired in 1928.

I noticed that this blue paper which I signed is perforated at the top. It is the same as the bottom part of Plf's Ex. 24-4.

The friend who gave me my information about Banco Company was Mr. Paul Gaylord, Anchorage, Kentucky. I had just one conversation with him before purchasing the stock. That was on Breckenridge near Third. He was at that time local agent for the Burroughs Adding Machine Company. I don't remember any one else was present. The conversation was the same day I signed the subscription blank.

I went to the National Bank of Kentucky, Fifth and Main, to sign the subscription where I saw Mr. ZurSchmiede. I can't recall verbatim what I said to Mr. ZurSchmiede. I think probably I just went in and told him Mr. Gaylord had sent me down there and suggested that the BancoKentucky Company would offer a good investment and I asked if he had any shares available and that I would want to subscribe—buy some of them. I did not know Mr. ZurSchmiede and had never met him before.

I went to see him because Mr. Gaylord told me to see Mr. ZurSchmiede and to tell him he sent me down there. Mr. Gaylord knew Mr. ZurSchmiede. Mr. Gaylord had subscribed for BancoKentucky Company stock.

I suppose the National Bank of Kentucky was commonly referred to in Louisville as the Bank of Kentucky—I don't know—I have not spent so very much time here in Louisville. When I went in to see Mr. ZurSchmiede I knew that the company whose stock I was subscribing for was called BancoKentucky Company. I don't recall that Mr. ZurSchmiede said anything about the company very much in

detail. I think my purchase was made largely on the recommendation of Mr. Gaylord, whose opinion on those things I respected and had confidence in. In view of the fact that he had invested his own money in it and seemed to be enthusiastic over it, I didn't investigate it as thoroughly as if I was dealing with a stranger. Mr. ZurSchmiede must have said something about the company, but I don't recall it. You see, it has been over ten years ago. I don't think Mr. ZurSchmiede said anything along the line that they were going to own the majority of the stock of the National Bank of Kentucky.

I regarded the National Bank of Kentucky as financially sound and regarded by business men as a high-grade bank. I don't know that I thought of it much one way or the other from the standpoint of a good investment.

73—Naturally, you knew from the name that it had some connection with the National Bank of Kentucky?

A.—No, I wouldn't know that. There was a good many institutions being organized.

74—You knew that a National Bank—you went to the National Bank of Kentucky to buy the stock, didn't you?

A.—Yes.

75—You talked to the Cashier of the National Bank of Kentucky?

A.—I talked to Mr. ZurSchmiede; I don't know what his position was.

76—You knew that a National Bank is not allowed to sell common stocks?

A.—Yes, I knew that.

77—So, the very fact that the National Bank of Kentucky were selling this stock indicated to you, both the name, where you went to buy it and the person to whom you talked, all indicated to you that there was some connection between the National Bank of Kentucky and the Banco-Kentucky Company?

A.—I don't know just what you mean by the connection. I understood the same people who officered or were interested in the National Bank of Kentucky were interested in the BancoKentucky, but I didn't understand there was any financial hook-up between the two.

78—Of course, you knew national bank stock was assessable and subject to double liability?

A.—Yes.

79—You knew or understood that this stock in the BancoKentucky Company was not assessable, didn't you?

A.—That the BancoKentucky Company stock was not assessable?

80—Yes.

A.—Yes.

81—Now, you say you knew the same people were going to own the BancoKentucky Company as owned the National Bank of Kentucky?

A.—I didn't say own it; I said the same people interested in the National Bank of Kentucky were interested in organizing the BancoKentucky Company.

82—Interested financially?

A.—I understood so.

83—Now, Mr. Burkholder, didn't you know that the principal investment at that time of the BancoKentucky Company was to be bank stock?

A.—I can't say that I did, sir.

84—You won't say you didn't though?

A.—As I said awhile ago, my understanding of the BancoKentucky Company was that they were to do a general financial business.

85—You said in financial institutions?

A.—I don't know about financial institutions.

Mr. Van Winkle: The witness didn't say that.

A.—To do a general financial business and underwriting.

86—You understood it was going to invest in bank stocks, didn't you?

A.—I don't know that I understood that. I don't think there was anything definite said about it at that time. My thought was they would buy and sell bonds and underwrite business. That is just about the sum of my impression at the time. My impression, as I say, was that bank stocks were not to be an appreciable part of their investments, or that they were to be particularly interested in any one bank, but, as I say, to do a general underwriting business and buy bonds.

87—Well, you said in your answer it was not your understanding that bank stocks were to be such an appreciable part of the business, but you did understand that among other things they were going to own bank stock?

A.—I would like to answer that, but I don't think I can say definitely and be fair to yourself or myself either, that I did understand they were going to own bank stock.

88—You don't want the Judge to understand that it was your thought that this company was not going to own any bank stocks?

A.—No, the chances are that I had some inkling there might be some investments in bank stocks.

89—Including the National Bank of Kentucky and Louisville Trust Company?

A.—No, I could not say I understood that part.

90—Didn't you understand they were going to have a chain of banks?

A.—No, I can't say that I understood that part either.

I can't remember how long prior to October 2, 1929, I had been in Kentucky because at that time I was making numbers of trips West and I doubt very much if I have any data that will enable me to refresh my recollection on that point. I will just say this: maybe this will clear it up:

The first thing I heard of the BancoKentucky Company being organized or anything in connection with it was when I went into Mr. Gaylord's office and he asked me about it and talked about it there, and I went from there that same day down to—subscribed for 400 shares of it.

I don't recall of having read anything in the papers about it. When I am home I read the Courier-Journal and Times. My home is right here in the city. I am pretty sure that I had come back from California but I can't recall specifically or state definitely how long I had been here.

I did business with the First National Bank and had a deposit account there. When I was in the city I took my deposit accounts down there. Yes, that will give it to me; I can look it up and find out the dates I may have made deposits or drawn checks. I can't recall how long I was in the city before October 2, 1929, and how long I remained here afterwards.

Occasionally I read the Herald-Post. My permanent residence was here at 1846 Rutherford Avenue. The paper was delivered there. The family was a regular subscriber, they subscribed for the papers there. In any event, I was here all the month of October, 1929, and until after the first of the year. That would be a little bit long.

I paid my subscription fee promptly because I know he said something about issuing temporary certificates and the certificates not being ready for some little time, and I made some payment on it, and then was under the impression that I would be notified that the permanent certificates would be issued, and they were not, and I went down to see about it, intending at that time to pay all of it. I found out at that time that they had a charge of interest against me for the unpaid part of it—I don't know how much, and I paid $25 a share and interest for the unpaid part, about $2 or $3. It took a day or two after that, because in order

to pay it I had to convert some other securities and pay it in cash. I was interested then in when I would be called upon to pay the $10,000. I understood it was to be cash—it was a matter of a few days. I didn't inquire when the Company would call the purchase price. I just understood that they would notify me when that would be.

I never saw any such letter as Plf's Ex. 24-5. Apparently that has reference to Trustees' Participation shares. I didn't own any. I didn't see Plf's Ex. 24-6, the letter sent telling people that they have to pay before October 1st. I don't think I ever saw anything in connection with Plf's Ex. 24-3, the letter of July 19th. That was before my subscription date. I received dividends from BancoKentucky Company. I am sure I could not recall whether accompanying them was any statement informing me as to what they held. I am not certain that I was in the city for as much as a week before October 2, 1929, but the probabilities were that I was.

You show me the Herald-Post for Thursday evening, October 26 and call my attention to the front page which says "Two Ohio Banks Taken Over by the BancoKentucky Company. Resources of Institution are increased to $215,000,000 by deal" and in the body of the article you call my attention to the fact that it says "the BancoKentucky Company was formed recently with James M. Brown, President of the National Bank of Kentucky, to take over control of the National Bank of Kentucky and the Louisville Trust Company through an exchange of stock. The exchange of stock was completed last Thursday." I certainly don't recall that.

You show me the Courier-Journal of September 27th, two days later, with the headlines "Two Banks Sold to BancoKentucky Company." I don't recall seeing that.

You show me the Herald-Post for September 27th with large headlines "Cincinnati Enquirer Lauds BancoKen-

tucky Company Deal and Sees Great Advantage to City" and a second headline "Cincinnati Banks Join Midwest Chain; Brighton and Pearl Market Join Big Unit in Kentucky." I am sorry, I didn't see any of it. I am sorry, I can't tell you how long before that I was in the city.

I kept my stock until the close. I will say I did know after I purchased it that they were interested in banks. I couldn't say when I learned that, but it was after the stock was delivered to me. We were getting dividends. Certainly, I was aware that they were interested in banks; everybody knew it. It was the general opinion later that they were interested in banks.

129—You then learned they owned practically all the stock of the National Bank of Kentucky?

A.—I would say—I would have to acknowledge I did learn that they owned practically all of it, or an appreciable amount of it, let's put it that way.

130—And also the Louisville Trust Company?

A.—I don't remember about the Louisville Trust Company, but my understanding was they were interested in banks in Cincinnati and in the National Bank of Kentucky, and probably others.

131—Cincinnati Banks: You mean the Brighton Bank and the Pearl Market Bank?

A.—I don't know the names of them.

132—You say possibly others: You knew, in other words, that they owned a chain of banks in the Ohio Valley?

A.—Let's not put it that way; I can put it better this way: I had information that they were interested in other banks. How many, I don't know. I don't know that I could tell you the location, at this time.

133—Ashland and Paducah?

A.—Yes, I think I heard of those.

134—Covington?

A.—I am not certain.

135—You knew that at the time you were getting your dividends?

A.—That is right.

136—You decided to keep your stock?

A.—Yes.

137—With that knowledge?

A.—With that knowledge, yes. It was probably a mistaken idea that we were without any double liability clause on it.

Mr. Marx: Now, if Your Honor please, that is all I want to ask him. I don't want to stop this gentleman from going to California, but I do want to check, by subpoena, his deposit account and his deposit slips at the First National Bank to ascertain the length of time he was here.

The Court: He says he will get that information as best he can, by consulting with the bank and by talking with the members of his family, to ascertain as best he can, how long he had been here prior to October 2, 1929. He can get that information and give it to his attorney and his attorney will put it in the record. That will answer the purpose.

Mr. Marx: I think it will. Mr. Kasfir has a suggestion to make. If Your Honor please, it appears also that he did not pay his subscription immediately, because he paid interest on a deferred subscription, so we want to know how long he remained here afterwards.

The Court: He will get that information. Mr. Burkholder, get that information and give it to Mr. Van Winkle to put in the record.

The Witness: I might say that that was due to a misunderstanding as to when the certificates would be ready, and I was, as I recall it, waiting for them to notify me that they were ready for delivery.

Mr. Van Winkle: I would suggest that they have the record showing the date of payment. It was on October 8th.

The Witness: If I can do anything to clarify it, please let me do it; I want to give you the information as impartially as I know how.

The Court: That is all, Mr. Burkholder.

Allen P. Dodd,

called for defendants, examined by Mr. Crawford, testified as follows:

I am a lawyer, having engaged in the practice of law for thirty-one years, twenty-five years in Louisville, Kentucky. Early in 1927 I was a director in the Louisville Trust Company and a stockholder of that company. In connection with the combination through trusteeing the stock of The National Bank of Kentucky and The Louisville Trust Company, an investigation was made by the Trust Company as to the net worth of The National Bank of Kentucky. A committee was appointed to represent The Louisville Trust Company in ascertaining the net worth of The National Bank of Kentucky. The Louisville Trust Company committee met with the committee for The National Bank of Kentucky and the two committees left the matter of the valuation of both banks to Humphrey-Robinson and Company, which concern had audited the two banks and the Louisville Clearing House for a number of years.

I was connected with the case of *Keyes* v. *Akers* later known as the Atherton case both as attorney and as a defendant. Question of the Humphrey-Robinson report was brought into that case.

Humphrey-Robinson and Company made a written report to The Louisville Trust Company regarding the value of The National Bank of Kentucky. This report was recorded in the minutes of The Louisville Trust Company board of directors, with the minutes of the adjourned meeting held May 21, 1927. The report is as follows:

"Mr. Amgereau Gray,
Chairman of Committee,
Louisville Trust Company,
Louisville, Kentucky.
Dear Sir:

As per your request, and that of Mr. Charles F. Jones, cashier of The National Bank of Kentucky, we would state that in our last examination of that bank we estimated its net worth to be $7,189,292.25, at December 31, 1926.

This estimated net worth was arrived at by us after taking the total net worth of the bank per the books, and adding to that figure the estimated appreciation over book values of its assets, and deducting the depreciation from book values on account of estimated losses.

Trusting this is the information desired, we are,

Yours respectfully,

Humphrey-Robinson and Company."

This letter was written before the Trust Company's board agreed to the unification, to-wit on March 17, 1927. Humphrey-Robinson and Company was the Clearing House Examiner for all the banks in Louisville belonging to the Clearing House Association and was one of the highest grade accounting firms in this locality. The Louisville Trust Company board of directors acted upon the information contained in this letter in recommending the consolidation to that company's stockholders. Prior to the approval of this letter by the Trust Company's board of directors I had no knowledge of the details of the assets of The National Bank of Kentucky and had not been connected with that bank in any way.

At that time the capital of The National Bank of Kentucky was $2,500,000.00 and its surplus $2,500,000.00. The general basis of the Trust Company's and the Bank's

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trade was four for one. The net asset value of the bank was approximately four times the net asset value of The Louisville Trust Company. The earnings were likewise approximately four to one. The net earnings of The Louisville Trust Company were approximately $200,000.00 and the net earnings of The National Bank of Kentucky, as reported to us, were approximately $800,000.00. The net asset value of The National Bank of Kentucky was $7,189,292.25 and the net asset value of The Louisville Trust Company was $1,830,123.82. Humphrey-Robinson and Company also made a report to The National Bank of Kentucky of the net asset value of The Louisville Trust Company. At that time The National Bank of Kentucky did not have enough outstanding capital stock to have the stock trusteed on the basis of four to one with The Louisville Trust Company and it was necessary for the bank to increase its capital from $2,500,000.00 to $4,000,000.00. This increase was affected by a declaration of a stock dividend, out of surplus and undivided profits, amounting to $1,500,000.00. It was necessary to secure the consent of the office of the Comptroller of Currency to the declaration of this $1,500,000.00 stock dividend. Mr. John Stites, President of The Louisville Trust Company made a report to the board of directors after his return from Washington where the whole plan of unification was submitted to the Comptroller's office for his approval. Mr. Stites reported to the board that the Comptroller approved the trust agreement and congratulated The Louisville Trust Company's president for such a splendid connection with such a splendid bank as The National Bank of Kentucky. This testimony was given in the director's case. It was also necessary at that time to obtain the consent of the Federal Reserve Board to the interlocking directorate. Such consent was given and the unification was approved by The Federal Reserve.

After the trusteeing of the stock in The National Bank of Kentucky and The Louisville Trust Company I had twenty shares, ten shares of National Bank of Kentucky and ten shares of Louisville Trust Company stock. I owned ten shares of National Bank of Kentucky stock. It was physically in the safety deposit box in The Louisville Trust Company from the time of the unification until the banks closed.

I was one of the trustees under the Trust Agreement. I was and am familiar with the terms of the Trust Agreement. When I deposited these ten qualifying shares of stock I and every other director got a copy of the same receipt. These receipts were filled in for the various directors, and were in the following form: "Louisville, Kentucky, June . , 1927. Received of A. J. Carroll, Certificate No. AJ3060 for ten shares of stock of the National Bank of Kentucky, same to be returned to him upon demand," signed "Trustees under agreement dated April 22, 1927, between the stockholders of the National Bank of Kentucky and Louisville Trust Company, by Huston Quin, Secretary."

I made an agreement with the Trustees as to the disposition of this stock in the event I ceased to be a director. The agreement with reference to the qualifying shares is in the minutes of the Trustees. I do not know what the actual agreement is.

The substance of such agreement was then read into the record as follows: "The Secretary reported that all but five of the Directors had signed Agreements to the effect that upon death, insolvency, attachment, or upon ceasing to be a director in either of the affiliating institutions, they or their heirs, assigns or personal representatives would forthwith retransfer to the Trustees, certificates for their qualifying shares of stock in each institution upon receiv-

ing from the Trustees' Participation Certificates of Interest for an equal number of shares thereof, upon the basis of a par of $100.00 each." This agreement or the substance of the agreement appears in a photostatic copy of the minutes of the Trustees for June 14, 1927. Neither I nor any other director signed any other agreement with reference to our qualifying shares. At the time of the consolidation or agreement trusteeing the stock there was no agreement of any kind that the members of the board of directors of either institution should remain the same.

I received the dividends on the qualifying shares in the Louisville Trust Company and in the National Bank of Kentucky. There were no strings of any kind attached to these dividends. I continued to function as a director of the National Bank of Kentucky until January, 1930.

The amendment to the articles of the Louisville Trust Company, increasing its capital stock, is recorded in the minutes of that company for March 15, 1929. (Plaintiff's Exhibit 126.)

The minutes of January 16, 1929, set forth the plan which was adopted for the acquisition of the Louisville National Bank and Trust Company and the absorption of that company into the Louisville Trust Company. Such minutes recite in part "that the Louisville Trust Company shall cause to be issued to the shareholders of the Louisville National Bank and Trust Company pro rata 7500 shares of the Trustees' Participation Certificates in return and exchange for 7500 shares of the Louisville National Bank and Trust Company stock, being its entire capital stock, carrying with it all the stock of the Louisville National Company, which the shareholder of the Louisville National Bank and Trust Company contribute and which stock, so contributed, shall be delivered to the Louisville Trust Company." These 7500 Trustees' Participation Certificates were the only con-

sideration which passed to the shareholders of the Louisville National Bank and Trust Company and Louisville National Company for their stock.

When I became a director of the National Bank of Kentucky there were thirty-four directors. Nineteen of them had constituted the former board of the National Bank of Kentucky and fifteen of them had constituted the former board of the Louisville Trust Company. At the time of the trusteeing of the stock of the Bank and the Trust Company I knew the officers and directors of the Bank and that they had the highest reputation as bankers and officers of banks.

The National Bank of Kentucky made loans through a loan committee consisting of eight vice-presidents who were experienced at making loans. They were bankers of long standing and had been connected with banks for a long time. Mr. Angermeier was President of the old German Bank. Mr. Ormsby was Vice-President of the National Bank of Kentucky and had previously been President of the old Southern National Bank. Members of the Bank of Kentucky loan committee were not directors of that bank, except Mr. Angermeier, Mr. Akers, Mr. Ormsby and Mr. Hayes. The other four members of the loan committee were not directors of the bank.

Vice-presidents of the bank who were not directors did attend directors' meetings. The bank's auditor was Mr. ZurSchmiede. The National Bank of Kentucky minute book, meeting for March 30, 1923, gives the following authority to the banks' auditor: "After careful investigation your committee recommends that the Auditor of the bank be given full and complete authority to make examination of any department of the bank at any time, in such manner as he may see fit. We recommend that this new authority of the auditor be as complete as that of a National Bank

Examiner or Clearing House Examiner. In this connection it is further recommended that the auditor report directly to the Cashier of the Bank." This committee's report was adopted. The Bank of Kentucky directors met once a week usually with full attendance.

I was present at most of the meetings of the Bank of Kentucky from June, 1927, to January, 1930. To show what was done at these meetings I will read out of one of the minutes. First, a statement of the condition of the bank and consolidated statement of the National Bank of Kentucky-Louisville Trust Company as of February 6, 1930, was read. A statement of the Bank was first always read, at the opening of the meeting. Next, a list of all loans taken the week before, up to Thursday, the day before the meeting of the Board on Friday, and known as the "clip-sheet," was submitted in writing to the Board. That list shows the name of each borrower, the line of collateral and the amount of the loan, all the information that was necessary for the directors to know about the particular borrower. Those clip-sheets came to the Board as a report of the loan committee with respect to loans taken the previous week up to the close of the banking business the day before the meeting. Before those loans reached us they were supposed to have been approved by the loan committee, under the rules of the Bank.

None of the Vice-Presidents who attended those directors' meetings criticized the loans that came through on such reports. Once a month there was read to the Board what was known as the "$50,000 And Over" book. Loans of $50,000 on up were read to the Board so as to keep the total of any one borrower before the Board. On an average about 500 loans would come before the Board each week.

The Bank of Kentucky had about 200 employees. From 150 to 160 were engaged in making records of the Bank.

Bank of Kentucky had a great many files. The Bank occupied the ground floor of two buildings and part of a third building at Fifth and Main streets in Louisville until it closed. The Banks' records were kept in the bank building. I do not know where the Bank kept its newspaper clippings file. The Banks' board of directors meeting lasted from one and a half to two and a half and sometimes three hours. There was a general discussion of the affairs of the bank.

122—Coming down to the Examination Reports of the National Bank Examiners: Were they read to the Board?

A.—They were supposedly read in haec verba, that is, read out to the Board.

123—By whom?

A.—Mr. Brown.

124—Was one of the other officers present when that would be done?

A.—Yes.

125—Was there any suggestion by any officer of the Bank other than Mr. Brown that he was improperly reading the reports?

Mr. Marx: I object to that.

The Court: Objection sustained—any suggestion he was reading the report incorrectly?

Mr. Crawford: Yes. That was the whole issue involved in the directors' case.

126—When Mr. Brown would read these reports, did any of the officers present, other than Mr. Brown, including the Cashier, ever suggest that Mr. Brown was not reading material parts of the report?

A.—They did not.

127—Did he always read the reports correctly, as you have now found out?

Mr. Marx: I object to that. The reports were there and he could have looked at them at the time.

The Court: Overruled.

A.—No; he did not; he deleted such parts of the Bank Examiners' reports as he saw fit and only submitted to the directors such parts of the reports as were not critical of the officers and directors of the bank and the large lines of the bank.

Mr. Marx: I object and move that that be stricken out of the record.

(At this point there was a long argument. The Court overruled plaintiff's objection and directed that the question be read. The question was read by the reporter.)

The Court: And you have answered that he did not?

A.—Yes.

No National Bank Examiner came before the Board of the Bank while I was on the Board. I was not a member of the Bank of Kentucky board of directors after January, 1930. I have learned that Mr. Wood did come before the board May 16, 1930.

Mr. John S. Wood, Chief National Bank Examiner, testified in the case of *Anderson* v. *Akers*. His testimony is found in the record in that case in volume 1, rebuttal and surrebuttal beginning at page 120 and continuing on to page 246. The Directors also testified on the question of what occurred at that meeting. In that case there was a decision by the Master on the question of what took place at that meeting.

The special section of the Master's report given over to the May 16, 1930, meeting begins at page 468 of Volume 1 of the record in the case of *Keyes* v. *Akers*, later *Atherton* v. *Anderson*, and runs through to page 477. Plaintiff filed exceptions to that section to the Master's report. This section of the Master's report is Exhibit A attached to the amended and supplemental answer of defendants William S. Speed, Saunders P. Jones and Allen P. Dodd.

The transcript of the record in *Keyes* v. *Akers*, later Anderson v. Atherton, marked for identification "Defendants' Exhibit No. 1," and filed in evidence.

It was stipulated that the answers filed on behalf of the Administrator of the estate of Henry Vogt, deceased, should be considered the answer of all defendants in this case who were directors of the National Bank of Kentucky and defendants in the Anderson v. Atherton case.

In the Atherton case plaintiff's exception to the rulings of the Master with respect to the May 16, 1930, meeting may be found in Defendant's Exhibit 1, volume 1, page 701. There was no appeal by the plaintiff in the Atherton case from Judge Tuttles' ruling on those exceptions.

Plaintiff's bill of complaint, with reference to dividends declared and paid by the National Bank of Kentucky appears in Defendant's Exhibit 1, page 133, section 431 of the bill of complaint. As the defendant in that case I filed a general traverse of the whole bill.

Plaintiff filed exceptions to the Master's ruling on the subject of the alleged illegal payment of dividend by the Bank. The District Court's ruling on plaintiff's exception are found on pages 846 and 847 of Defendant's Exhibit 1. There was no appeal taken by the plaintiff from that ruling. And the opinion of the District Court was carried into a judgment, section 55 of the decree, page 960.

BancoKentucky Company was first considered by the board of directors of the National Bank of Kentucky in the spring of 1929. The minutes of the board meetings of June 7, 1929, show the following resolution with respect to BancoKentucky Company, "Mr. Brown's proposition to form a new company with a proposed capital of $20,000,000 organized to own stock of other corporations, all, or any part, buy and sell securities, original and refinancing, etc., was submitted to the Board of Directors expressed

themselves as favorable and on motion duly seconded and unanimously carried the President was authorized to proceed along the lines outlined."

That, generally speaking, was the plan of Banco. It never was changed. In the formation of the company, there was put into the Articles of Incorporation the powers to do the business set out in that resolution. After the formation of the company a letter July 19, 1929, was sent to all Trustees' Participation receipt holders. Section 3 and section 6 of that letter refer to the same thing that I referred to in this minute. I never saw the letter of July 19th until after it was sent out although I was a director. I first saw it after my return to the city about July 22nd, 1929.

BancoKentucky Company was a separate and distinct organization from the National Bank of Kentucky.

187—Was there any reorganization of the bank following the formation of the BancoKentucky Company?

Plaintiff's objection was overruled by the Court.

A.—The National Bank of Kentucky was not reorganized, nor the Louisville Trust Company, by the organization of the Banco Kentucky Company.

Plaintiff's motion to strike the answer of the witness from the record was overruled by the Court.

There was no change in the charter of either the National Bank of Kentucky or the Louisville Trust Company after the formation of BancoKentucky Company. There was no contract or agreement of any kind between BancoKentucky Company and the National Bank of Kentucky relative to the business of those companies or relative to the management and running of those companies. The only connection was that the Board of Directors of the BancoKentucky Company was made up of the boards of the two banks. There was no written agreement or understanding regarding the managements of those institutions.

The purposes discussed in the formation of Banco when the Board of Directors of the Bank of Kentucky adopted this resolution that we have just read to you was thoroughly analyzed before I left Louisville in 1929. I left Louisville, I think, June 28th, or 29th and got back on July 22nd, as I recall. All of these matters were gone into by the Board and this letter was sent out while I was away, and I found it on my desk when I returned. The purposes for which this company was formed, as discussed by the Board and what the members themselves intended to do about it—that is what I knew about it before I left—the charter had already been secured. The principal purpose of the new institution was to own or to go generally into the security business, to own an interest in banks in the Ohio Valley, which was including the majority interest in the Louisville Trust Company and National Bank of Kentucky. . . .

And the purpose of the organization of this corporation at that time, one of the main things that I had in mind, and as shown from the charter of the corporation, I believe, was to get into the investment banking field. It was believed by me, if you are going to limit it to me, that there was a great opportunity here to do that kind of business, because the industries in this city could not get the financial assistance inside of Louisville that I thought could be furnished by this company. Now, there is a field of investment, and opportunity for profit, that was discussed. That was the matter of first mortgage—real estate first mortgage bonds and the market for them at the National Bank of Kentucky. We always had requests from out in the country for investments, first mortgage bonds, from bank depositors who were undertaking to get them for their customers, and could not find first mortgage bonds sufficient for the need. There was a profit in it for anybody who could get them. The BancoKentucky Company was organized to originate

first mortgage bonds—title insurance, title examinations and the floating of first mortgage bonds. It went so far, before the company was formed, as to have a complete outline of the business with Mr. Hugh Fleece at the head of it. All those matters were gone into. It was felt that by acquiring an interest in banks in the Ohio Valley that it would be a great avenue for the underwriting and placing of bonds, and the BancoKentucky Company could make a great deal of money along that line in the investment banking field and originating of securities.

193—Was that discussed generally in the Board?

A.—Yes, it was discussed very generally. The capital structure of the corporation was fixed at 2,000,000 shares to be sold at $25 a share, or $50,000,000. The disposition of that stock was discussed before I left here, and it was believed that they could acquire half of the Trustees' Participation Receipts and would not need to use any more than 700,000 shares of the stock for that purpose. That would leave 1,300,000 shares of stock for sale. The whole plan of Banco was conditioned from the beginning on there being a large reserve of cash of not less than $30,000,000.00. It was considered at the meeting of the Board of Directors, the last meeting I attended before this corporation was subsequently organized.

There were no secrets about Banco at all. It was public property. Everybody knew what was going on all the time. There was no secret about it at all. The plan of the proposed formation of BancoKentucky Company was published generally in the newspapers. The newspaper article that follows the meeting of July 19, 1929, carried the general outline of the scope of the BancoKentucky Company.

There never was any discussion at any of the meetings of the board of directors of the bank, prior to the formation of the BancoKentucky Company, that the bank might be

in a failing condition. Speaking for myself it was far from my mind to even question the solvency of the National Bank of Kentucky because it was thought by me to be a perfectly solvent company, one of the best banks in this section of the country, as good as any bank could be. Every quarter during all the time I was on the board, and for years before, the Bank declared a dividend of $160,000 a quarter. I heard no criticism of the legality of those dividends, or any criticism of the Bank for the way it was managed at all. I knew there was a regulation in the Banking Act which required notification to the Comptroller when a dividend was declared.

There was absolutely no purpose on my part, at the time of the formation of Banco, and in helping to bring about its organization, to transfer my stock to it as a fraud on the creditors. I never thought of that. In the formation of Banco, at any meeting I attended, I never heard any discussion of the probability of my shares being liable to assessment. It never was mentioned. I never heard it discussed and never thought, myself, of the question of double liability during the whole time the matter was discussed.

Mr. A. J. Carroll, a very able Louisville lawyer, who has practiced for a long time, actually prepared the Articles of Incorporation of the BancoKentucky Company. I never heard any discussion in the Board or outside the Board as to whether or not there should be put in the Company's Articles a provision that the private property of the stockholders should not be liable for the corporation's debts. I never heard any discussion, in the Board or out of the Board, that it would be a good idea to organize Banco for the purpose of allowing the stockholders to exempt themselves from the liability imposed upon bank stockholders. I never heard it mentioned during the whole time that I was in the discussion leading up to the organization of the BancoKentucky Company.

I did not transfer any of my stock to Banco. I only had twenty shares and I kept them for the purpose of qualifying myself as a director in each institution. Originally I had twenty shares in the Louisville Trust Company. Then I got ten shares of Louisville Trust Company and ten shares of National Bank of Kentucky. In January, 1930, when I left the Board of the Bank of Kentucky, I surrendered my stock in the National Bank of Kentucky and got Trustees' Participation Receipts. I deposited half of the Trustees' Participation Receipts and got 100 shares of the stock of BancoKentucky Company. I bought 800 shares of Banco stock for $20,000.00, signing the usual subscription for it at $25.00 a share. If I had thought about double liability or any liability on this stock I would never have bought a share of it. I didn't dream of any liability.

Defendants offered in evidence copies of the notices sent by the Cashier of the Bank to the Comptroller of the Currency with respect to dividends as of April 1, 1927, July 1, 1927, October 1, 1927, January 2, 1928, April 2, 1928, July 2, 1928, October 1, 1928, January 2, 1929, April 1, 1929, July 1, 1929, October 1, 1929, January 2, 1930, April 1, 1930, and October 1, 1930. Said notices were ordered filed as part of Defendant's Exhibit 2.

Prior to January, 1930 there were thirty-four directors of the Bank who were also directors of Banco. In January, 1930 fifteen directors retired from the Bank Board. Banco originally had forty-nine directors, made up of the nineteen of the old National Bank of Kentucky Board, fifteen of the old Louisville Trust Company Board, and fifteen from the old Board of the Louisville National Bank and Trust Company. At the election of directors in January, 1930, all of the officers of the three banks were eliminated from the Banco Board, leaving the Board, as I remember, at thirty-four. The former directors of the Louisville National Bank

and Trust Company remained directors of Banco, but they were never directors of the Bank of Kentucky. After January, 1930 the Banco Board had thirty members who were not directors of the National Bank of Kentucky. Only nineteen members of the Banco Board were directors of the National Bank of Kentucky. Thirty-four members were elected to the Banco Board in January, 1930.

Of the thirty-four Banco directors there were fourteen who were directors of the National Bank of Kentucky and the remainder, twenty, were directors of the other two institutions, the Louisville Trust Company and the Louisville National Bank and Trust Company. A number of the original Board of Directors of Banco were dropped. They were officers and directors of the Bank other than Mr. Brown and Mr. Bean.

Banco began to function actively on the 19th or the 20th of September, 1929. It had received its Charter July 19 and had then set out this prospectus, but it began to function on September 20th, 1929. It opened a set of books and thereafter its acts or doings were reflected by those books until the receiver was appointed.

Banco continued to purchase interests in banks from that time until it closed. It continued to have separate meetings of its directors and transact its affairs until, in June, 1930, it acquired a half interest in Caldwell & Company. It bought some stock in the Union Central Life Insurance Company in December. Its directors met regularly and separately and had reports from its officers like any other corporation and performed the functions it was organized to perform as far as it could. It had some obstacles in the way of accomplishing what it started out to accomplish, but it was making effort at each meeting to carry forward the original plan that was entered into.

The banks it purchased in part or in whole were the Pearl Market Bank & Trust Company, the Brighton Bank

& Trust Company, the Central Savings Bank & Trust Company, the Peoples' Liberty Bank & Trust Company, the First National Bank of Paducah, the Security Bank of Louisville, and the Ashland National Bank.

Plaintiff's objection to the question regarding the consideration paid by Banco for the banks was sustained and defendants made the following avowal, to-wit;—The banks were bought and paid for partly in cash and partly by stock. Some of them were paid for entirely by stock.

I have before me an exhibit made by Mr. Shuck, showing how much stock of the BancoKentucky Company was subscribed for and taken by a holder of Trustees' Participation Receipts. Mr. Shuck kept those records and he will identify this exhibit.

394,000 shares of Banco stock were sold for cash,—$9,862,000.00. These are approximate figures. The Trustees' Participation Receipt-holders purchased 198,000 shares and paid $4,775,500.00 for it. This is aside from what they exchanged in Trustees' Receipts for Banco stock. I purchased 800 shares. I didn't exchange any until January, 1930 when I left the Board of the National Bank of Kentucky. I paid $20,000.00 for the 800 shares I purchased.

Caldwell & Company was a very large investment banking house with its chief offices in Nashville, Tennessee. The purchase of that company's stock was discussed by the Banco Board at many meetings, possibly sixty days to ninety days before the contract was entered into. My reason for approving the contract with Caldwell & Company was that to me it was an opportunity to get into the investment banking business which we started out to go into, without the expense of building an organization, and it looked to me like this was a good opportunity to get into the security business, which was the main business I thought the com-

pany was organized for. Caldwell & Company was an investment banking house with offices in many, many cities throughout the United States. It had been in existence a considerable time and was a very reputable house in the South at that time. It was a large holder of insurance companies and industrial bonds and securities of every kind, and they sold a great many securities to insurance companies throughout the country. They handled municipal bonds, county bonds, and all kinds of real estate bonds and industrial bonds. It was represented to me that among Caldwell & Company's assets was the working control of the Inter-Southern Life. Inter-Southern Life, in turn, controlled the Missouri State Life. The Missouri State Life was one of the large stock insurance companies in this country. It was the third largest stock insurance company in the United States at that time.

Subscriptions for stock of BancoKentucky Company were due October 1, 1929. The call was made at a Board meeting on September 20, 1929. On September 20, 1929, the next day after the closing of the time for the deposit of Trustees' Participation Receipts and subscriptions, it was ascertained that the deposit of Trustees' Participation Receipts was beyond all expectation of anybody on the Board. It was almost unanimous and the Board set aside 1,150,000 shares of stock, exactly two shares for each Trustees' Participation Receipt out.

They had a report that there were 600,000 shares of stock that had been sold on subscription and there were only 250,000 shares left. Plans at once were set in motion to amend the Charter of the BancoKentucky Company, increasing its capital from 2,000,000 to 5,000,000 shares, because there was not sufficient capital available to furnish the character of service that the BancoKentucky Company was organized in the first instance to furnish.

Banco's Articles were amended. The matter was brought up before the Board at that time and later on, and discussed. Subsequently the Articles were amended, but they were confronted with the pre-emptive rights of the stockholders, and had to have waivers from them. Finally, in October, when this matter of amending was discussed to create the capital structure that was originally necessary to carry out the plan of the company, the stock market crash came—the security market went all to pieces and it was finally agreed to defer the amendment until January. At that time the Charter was amended, increasing the capital from 2,000,000 to 5,000,000 shares.

After the stock market crash, for the time being, no underwriting business could be done and no underwriting business was being done at all. After the stock market crash, you couldn't sell stock, you couldn't sell new issues at all at that time.

The Caldwell & Company contract was the first opportunity which presented itself to embark in the general business covered by investment banking. The matter was up for discussion time and again by the Board as to what they would do about placing this stock. The Caldwell & Company proposition came up and was discussed and it was felt that by this connection with Caldwell & Company, they could not only market the stock of the BancoKentucky Company, but they could get into the investment banking field at once and to get the capital structure they had intended to have at the beginning.

It was reported that the only remaining portion of stock that could be sold was 250,000 shares and the Board authorized a contract to sell that 250,000 shares to Blyth & Company and Byllesby & Company at $25.00 a share. This contract is referred to in the minutes of September 20, 1929:

"Motion was made, seconded and carried, authorizing the President, in his discretion, to close negotiations with broker or brokers for the sale of two hundred fifty thousand (250,000) shares of the BancoKentucky Company stock at not less than Twenty-five ($25.00) Dollars per share."

On September 27, 1929:

"Motion was made, seconded and carried, approving the contract with Blyth & Company and H. M. Byllesby & Company for the sale of two hundred fifty thousand (250,000) shares of the BancoKentucky Company stock at Twenty-five ($25.00) Dollars per share."

I did not know at any time prior to the middle of 1930 that this transaction was not a sale. I did not know that it was not a sale until the summer of 1930. I had some indication of it. It never was intimated to the Board during that period that we did not have a fixed contract for the sale of that stock to Blyth and Byllesby, at any meeting that I attended. I never thought the contract was not in existence. I thought it was a fixed sale. The question never came up before the Board at any time as to why the money was not received from that transaction at any meeting when I was present that I recall.

Defendants offered in evidence Defendants' Request for Admissions.

Defendant offered the pleading, the testimony, the opinion and decision in the case of *Venhoff and Hillen* v. *Anderson* in evidence. Plaintiff's objection to any of the record or proceedings being received in evidence was sustained. Defendant then offered the pleadings, evidence and judgmnt in said case, as an avowal, and the same were marked for identification, "Defendant's Exhibit No. 3."

I never saw or heard of the letters filed in the record in this case by plaintiff from Mr. Bean, Mr. Vaughan and

other people to the Bank and from the Bank and letters from the Federal Reserve Board. They were never presented to the Board or its attention called to them at any meeting I attended. I never saw any of the letters from the Comptroller to the Board. I didn't know any had ever been written by the Comptroller while I was on the Board.

It was claimed in the case of *Keyes* against *Aker* that the letters from the Comptroller reached the members of the Board of Directors and evidence was introduced by the Receiver in that case to sustain such claim.

The Court then ordered that the record in the Director's suit be a part of the record in this case.

Neither at the time transfers of Trustees' Certificates was made to Banco or before that was there any agreement or arrangement of any kind relative to what dividend Banco would thereafter pay. When the company started active operation it had a great many cash subscriptions for its capital stock. To my knowledge none of the directors gave any assurance to any person transferring Trustees' Certificates that their dividends would thereafter be the same.

Plaintiff's objection was sustained and the witness' answer limited to assurances with respect to dividends by non-officers-directors.

I knew of no plan that had been made or any contracts of any kind having been made for using up the money taken in by BancoKentucky Company. At that time there was no way of ascertaining how much money the money taken in would produce by way of interest or profit. Banco would necessarily have expenses.

The president of Banco was James B. Brown. Its Secretary-Treasurer was Tom ZurSchmiede.

Plaintiff's objection to the question of whether or not it was contemplated that the BancoKentucky Company

would be an active operating company was sustained, and the following avowal made:

> It was contemplated and discussed by the directors of Banco that Mr. Brown, due to its activity, would retire from the presidency of the Bank of Kentucky and devote all of his time to the BancoKentucky Company. That was discussed in a Board meeting in the latter part of 1929 and in January, 1930.

I don't know about BancoKentucky Company having separate quarters in the Bank Building in 1929. Its quarters were just in the Bank Building. There was a discussion in the Board as to separate quarters for Banco. Time and again during the Fall of 1929 and the following Spring it was contemplated and discussed. Various surveys were made of quarters for the BancoKentucky Company. The directors and officers made inspections of quarters in the Louisville Trust Building and then they inspected some property over there that ran off the Louisville National Bank Building on Fifth Street that they could make offices for the BancoKentucky Company separate and distinct from the other Bank. They made an inspection of the third floor of the Louisville Trust Building to see whether that was available or could be used as an office for the BancoKentucky Company. Banco did not immediately have a separate and distinct office because the directors of the Bank of Kentucky argued over which of the two institutions, the Bank of Kentucky or the Louisville Trust Company, would take the quarters at Fifth and Market, and which would take the quarters at 421 West Market, which was the new Bank Building of the old National Bank & Trust Company. That was around June, 1930, I believe. They never did come to an agreement as to which building the Bank of Kentucky was going to occupy, and which building the Louisville Trust Company was going to occupy.

For that reason they didn't know how much of the building the BancoKentucky would occupy if it did occupy the Louisville Trust Building. That was the discussion of the Board of Directors of the Bank of Kentucky and the Louisville Trust Company and BancoKentucky Company, which Board was made up of the same people.

BancoKentucky Company had Mr. Brown as President and Mr. ZurSchmiede as Secretary-Treasurer because they were elected by the Board of Directors.

Mr. Brown was an outstanding banker in this community and was regarded as the leading banker of Louisville and of Kentucky. Mr. ZurSchmiede was certainly a very competent auditor and was about as competent a man as we could ever get to act as Secretary-Treasurer of the Banco-Kentucky Company. Mr. Brown was a director of a great number of corporations in Louisville. As I remember, the Louisville & Nashville Railroad Company, the Standard Oil Company, the Jockey Club, the Bank of Kentucky and the Louisville Trust Company, and he had varied and extensive interests and connections here in Louisville. He had been prominent nationally in the past as a member of the Securities Commission, or those bankers who handled the Liberty Loan Bond under President Wilson. He was appointed at the instance of William Gibbs McAdoo and is credited with having suggested the sale of Liberty Bonds to the public by public subscription. Mr. ZurSchmiede had been with the Bank a long time, had grown up with it, and was a competent auditor and was elected cashier of the Bank. Mr. Brown went in the banking business in 1911 and he proceeded through the National Bank of Commerce and in 1912 was made President. The National Bank of Commerce was unified with the National Bank of Kentucky in 1919. Mr. Brown became President of the unified or consolidated Bank and remained with that Bank until 1930 as President.

I never authorized anyone or heard anyone in authority in the BancoKentucky Company authorize any person to represent or hold out the BancoKentucky Company as a holding company merely. Mr. ZurSchmiede was not given any authority by either myself or the Board of Directors, either written or verbal, to hold out the BancoKentucky Company as a holding company only in an application to the Chicago Stock Exchange or the Louisville Stock Exchange. No officer of the Bank in the solicitation of stock sales or otherwise was authorized by the Board of Directors or by me, or anyone on the Board of Directors, as far as I know, to represent that BancoKentucky Company was a holding company.

I have referred to two buildings, one on Market Street, 421 West Market, and one on Fifth and Market. The Bank of Kentucky was occupying a different building, the old Keller Building, the ground floor of the Keller Building on Fifth and Main. It was renting it. Up until the date of its close it occupied the building at the northeast corner of Fifth and Main. 421 West Market Street was constructed before the Louisville National Bank & Trust Company was absorbed by the Louisville Trust Company. After the consolidation, the Louisville Trust Company occupied the building at 421 for a while and then remodeled the building over at Fifth and Market and moved into that building, after the agreement between the two institutions that the Louisville National Bank would take the building at 421 West Market.

I have seen the table of Excess of Net Earnings Over Dividends filed in this suit by Mr. White.

Plaintiff's objection to a question concerning an exhibit, purporting to show the excess of net earnings over dividends, prepared by Carl Lutz, an expert with Lybrand, Ross Brothers & Montgomery, of Chicago, filed in *Atherton*

v. *Anderson*, was sustained, and defendants made the following avowal:

> The net earnings shown on the Lutz statement do not correspond with the net earnings shown on the statement White filed in this case.

Table, showing comparison of quarterly net earnings of the National Bank of Kentucky per its books, with the dividends paid, received in evidence, marked for identification "Defendant's Exhibit No. 4."

Semi-annual earnings statements of the National Bank of Kentucky, from June 30, 1927 to June 30, 1930, received in evidence marked for identification "Defendant's Exhibit No. 5."

Certified copy of the list of record shareholders of the National Bank of Kentucky, as of July 7, 1930, received in evidence marked for identification "Defendant's Exhibit No. 6." It was stipulated that said record, Exhibit No. 6, continued in the same way until the closing of the Bank.

From the Exhibit prepared by Mr. Shuck I made a tabulation of the stock purchased by directors of BancoKentucky Company. As of September 19, 1929, upon the clearing of the subscriptions to stock, directors subscribed for 53,920 shares at $25.00 a share, making a total of $1,348,000.00. Mr. Shuck's Exhibit shows the directors owned 71,757½ Trustees' Participation shares and the directors exchanged those Trustees' Participation shares for Banco shares in addition to the above purchases.

Cross-examination of Allen P. Dodd by Mr. Marx

Early in the 20's, it may have been 1922, I became a director of the Louisville Trust Company Board. At that time the Trust Company was an independent institution, purely a trust company, organized under the laws of Kentucky. I acquired my stock in it before I went on the Board,

twenty-five or fifty shares, as I remember. Then I sold some of it and finally had ten shares and then I got ten shares more in 1927, before the unification. At that time I did not own any stock in the National Bank of Kentucky and I never bought any. I always owned Trust Company stock and I deposited that stock with the Trustees and had issued to me, in lieu thereof, ten shares of National Bank of Kentucky stock and ten shares of Louisville Trust Company stock. Prior to the unification of the Bank and Trust Company I owned no National Bank of Kentucky stock. Before the unification, the National Bank of Kentucky was an entirely separate institution from the Louisville Trust Company. On April 22, 1927 the National Bank of Kentucky and the Louisville Trust Company were unified under the Trust Agreement.

Upon the unification of the Bank and the Trust Company, I became one of the Trustees. Mr. Kennedy Helm and Judge Alex Humphrey collaborated and prepared the Trust Agreement. I had no connection whatever in its preparation. I was elected a Trustee under it and accepted the trust. My associate Trustees were Henry Vogt, Thomas Minary, Charles H. Bohmer and Edwin M. Drummond. Three of these represented the National Bank of Kentucky; Mr. Vogt, and Mr. Minary were from the old National Bank of Kentucky Board and Mr. Bohmer, Mr. Drummond and myself were members of the old Louisville Trust Company Board. Stewart Duncan was a member of the old National Bank of Kentucky Board. Three of the Trustees were recommended and elected by the National Bank of Kentucky and three were recommended and elected by the Louisville Trust Company Board.

After the unification, I became a member of the Board of the National Bank of Kentucky. Each member of the Trust Company became a member of the Bank's Board of

Directors and every member of the Bank's Board became a member of the Trust Company's Board. As provided in the Trust Agreement, beginning with April 22, 1927, down to January 1930, two and a half years, the same identical men were directors of both the Bank and the Trust Company.

324—Now, beginning with April 22, 1927, the same identical persons, the same identical individuals were stockholders of both banks?

A.—I didn't say from the beginning they were, Mr. Marx, because all of that stock did not come in for deposit for quite a while after that Trust Agreement was entered into. The greatest majority of it did, and Trustees' Participation Receipts were issued against it.

325—Allowing for the interval of time that it took, within a comparatively short period of time after April 22, 1927, the stockholders of the National Bank of Kentucky, and the stockholders of the Louisville Trust Company, were the same people?

A.—I couldn't say that, because I think there were five shares of Louisville Trust Company stock that were never deposited under that Trust Agreement. I may be mistaken about that.

326—Let's leave those out.

A.—You asked me to be exact. I want to be exact, though I may be wrong about that.

327—Except as to the possibility of five shares of Louisville Trust Company stock not having been deposited with the Trustees—except for that possibility of five shares—the same identical persons owned the stock of both institutions?

A.—Undoubtedly that is correct.

That situation continued from June 1927, the time of the consolidation until January 1930. The directors owned

their own individual shares. The Trust Agreement was dated April 22, 1927, but the qualification of directors under it was not until June 1927. The qualifying shares, the shares owned by the Trust Company Directors and the shares owned by the Bank Directors, were not deposited.

With the exception of directors, the identical persons continued to own the stock of both institutions.

Prior to April 1927, holders of $100 shares of stock in the National Bank of Kentucky simply had a certificate for one share of par value $100 stock in that bank. That share of stock was subject to double liability under the National Banking Law. Likewise, prior to April 1927, a shareholder who owned one share of stock in the Louisville Trust Company had a certificate for one share of par value of $100 in the Louisville Trust Company which was also subject to double liability under the laws of the State of Kentucky. I knew that.

As a matter of mechanics, the $100 share of stock in either the Bank or the Trust Company was deposited with these six men as Trustees who issued a $100 par value Trust Certificate which recited on its face, in substance, that the holder accepted and agreed to be bound by the Trust Agreement. The Trust Agreement was filed in both the Trust Company and the Bank.

After the stock had been deposited the six Trustees had physical possession of the stock of these two banks and had outstanding against it par for par, Trust Certificates. After the unification the individual stock holder owned an indivisible interest in both banks—the stock of the banks was in the Trust Estate. The proportion changed and instead of the Louisville Trust Company man owning $100 of Louisville Trust Company stock which he had owned in the beginning, he owned $80 of the National Bank of Kentucky, and vice versa, a man who owned $100 of the Na-

tional Bank of Kentucky stock after the unification only owned $80 of the National Bank of Kentucky and acquired a $20 interest in the Louisville Trust Company. The proportion changed when the Louisville National Bank and Trust Company came in.

The mechanics of taking over the Louisville National, in substance, were that the Louisville Trust Company increased its capital by $750,000 and that increase was deposited with the Trustees, who were directed to issue to the stockholders of the Louisville National Bank and Trust Company $750,000 of Trustees' Participation Receipts. The Louisville National Bank went out of existence.

The Trustees issued to the former shareholders of the Louisville National Bank and Trust Company, one Trustees' Certificate for $100, for each share of stock of the Louisville National Bank the stockholder had owned. The Louisville National Bank and Trust Company stock was acquired without putting up any money, by a merger and then the issuance of Trustees' Certificates. The stockholders of the Louisville National Bank exchanged the capital stock they owned in that bank for other capital stock in the form of Participating Receipts.

I don't know anything about Louisville National Bank and Trust Company's stock also being a unified stock or that it had an affiliate with it. I don't know about the Louisville National Company.

When the exchange of Trustees' paper for stock of the Louisville National Bank occurred, the shareholders' proportionate interest in the banks changed. The man who had formerly owned $100 in the National Bank of Kentucky and who, after it was unified with the Louisville Trust Company, owned $80.00, found his proportion of the National Bank of Kentucky stock reduced to $70. $20 represented his interest in the old Louisville Trust Company

and $10 plus $20 his interest in the new Louisville Trust Company. It was $69 and a long fraction, but roughly 70% was National Bank of Kentucky stock and 30% was Louisville Trust Company stock merged with the Louisville National Bank & Trust Company. The agreement concerning the Louisville National Bank & Trust Company was made in January 1929, I think, and the final consummation was in May 1929.

The Louisville National Bank & Trust Company had built a building at No. 421 West Market Street, while it was a separate national banking institution. By the process of exchanging Trust Certificates and the acquisition of the assets of the Louisville National, the Louisville Trust Company acquired this new building with a side agreement that the National Bank of Kentucky would take it. The agreement was unenforceable on account of the statute of frauds.

Just after the merger on May 4, 1929, the Louisville Trust Company moved into No. 421 West Market Street.

Going back to April 1927, the Trustees had the power to vote all the stock unless directed by the Trustees' Participation Receipt holders to do otherwise. We had power to vote it in our discretion, unless we had instructions. The Advisory Committee had the right to direct us, but over and above that the Participation Receipt holders had the right to direct us. In case neither one did, we had the power to vote the stock as we saw fit. As a matter of fact, the Advisory Committee always directed us under the terms of the Trust Agreement. When we got directions we had to follow them. The Advisory Committee was the Board of Directors of the National Bank of Kentucky and the Louisville Trust Company, which was the same, as shown by the Trustees' Agreement.

As a matter of practice and as a matter of power the Board of Directors of the two institutions, the Trust Com-

pany and the Bank, directed the Trustees to vote for themselves and in that way had the power to perpetuate themselves in office so long as the stockholders permitted them to do it. The stockholders had the right to oust them at any time just as the stockholders in any other corporation can do, as all the Trustees' Participation Receipt holders had the right to direct the Trustees how to vote. I know of no other corporation in which the Board of Directors votes the stock, but I know of two unification agreements here in Louisville that vote the same way. Not quite the same lawyers drew them up.

I did not pay for stock in the Bank of Kentucky. I deposited 20 shares of Louisville Trust Company stock. At the time of the unification, I owned 20 shares of Trust Company stock. I deposited those twenty shares with the Trustees and got back 10 shares of Louisville Trust Company stock and 10 shares of Louisville Trust Company stock and 10 shares of National Bank of Kentucky stock and was then elected on the Board of Directors of the Bank.

I had to have stock to qualify. The Trustees had no right to give it to me. The Trustees issued to me 10 shares of Trust Company stock and 10 shares of National Bank of Kentucky stock and I surrendered to them the 20 shares of Louisville Trust Company stock. The Trustees never issued any stock to the directors who did not have either original stock of the National Bank of Kentucky or the Louisville Trust Company. I did not retain in my personal custody and possession these certificates of stock, but put them in the Trustees' box. I had no individual right of access to that box without the consent of the Trustees. I had the right to get my stock on demand. As an individual distinguished from a Trustee, I did not lose the physical custody and control of my stock certificates any more than any other agency. Every other director did the same thing,

except those who were not Trustees. They had no access to the box except as the Trustees who were holding it subject to their demand.

Each director made an agreement to surrender his stock, upon his resignation, to the Trustees and to take Trustees' Participation Certificates. The instant he ceased to be a member of the Board of Directors of the Bank, his interest in the qualifying shares ceased and he took Trustees' Participation Certificates. If a creditor of any director made a claim or levied an attachment on the shares of stock standing in the name of the director, it had to be surrendered to the Trustees under the Agreement. I don't know whether an attachment could have been levied but the Directors agreed to surrender such stock on that condition. I don't know whether a creditor could get such certificates. That is a question of law. The agreement sought to keep the stock so long as the director remained a director. If a director resigned or the stock was attached, it would disqualify him as a director because he would have to own the stock free. If a director's stock in either the Bank or the Trust Company was attached he would lose his stock interest under the Agreement. It would go to Trustees and Trustees' Participation Certificates would be issued for it. If he died, such stock would have gone under the Agreement to the Trustees, and then the Trustees would issue Participating Receipts to his estate. If a director died owning 10 shares of stock, his estate would not get 10 shares of stock in the National Bank of Kentucky, but would only get the equivalent of an interest of 8 shares in the National Bank of Kentucky and the balance in Louisville Trust Company. If his Agreement was carried out, the Trustees' Certificates superseded the stock. There wasn't any market in the stock at all. There was only a market in Trustees' Participation Certificates. That was all that was traded in.

If a person never owned any of the stock prior to unification and after unification purchased $1,000 Trustees' Certificates and then was elected a director, the Trustees would issue stock to him out of the Trust Estate that had to qualify him, providing he brought in Trustees' Participation Certificates equal to the required number of shares. If a director were elected he could qualify, if he had qualifying shares, regardless whether he agreed to anything.

The following provision of the Trust Agreement was read:

> "III. The Trustees shall hold all assets which shall come into their hands hereunder as one indivisible Trust Estate, the proportionate interest of each shareholder therein being represented by the certificates issued by such Trustees, and the Trustees agree to hold such estate upon the following trust, terms and conditions:
>
> (1) They shall reassign to each person who shall be at the time of signing this agreement a member of the board of directors of The National Bank of Kentucky, or of The Louisville Trust Company, who desires and is eligible a sufficient number of shares of stock in such Bank and Trust Company to qualify him as a director in both institutions.
>
> (2) The Trustees may, out of the shares owned by them, sell and assign absolutely to any holder of a Trustees' Participation Certificate desiring to be elected a director of either of said institutions, the number of shares of stock necessary to legally qualify him for such office. These provisions shall apply to any other stock acquired by the Trustees."

Under the Trust Agreement, the Trustees would have to issue qualifying shares if the director turned in enough Trust Certificates although the director had never previously owned a share of stock in the Bank or the Trust

Company. He would have to have Trust Certificates equivalent to the amount of stock he was to get. The Trustees had no right to issue him stock otherwise—the estate would never balance if they did.

In my case, I owned 20 shares of the Trust Company stock, which had I exchanged for 20 Trustees' Certificates representing, prior to taking in the Louisville National Bank and Trust Company, 80% National Bank of Kentucky and 20% Louisville Trust Company. Under the Trust Agreement my 10 shares of Trustees' Participation Certificates represented not only an 80-20 interest in the Banks, but it represented 20 units in the pool of the same value share for share throughout. If the Trust were distributed on the basis of proportionate ownership, for my 20 shares, I would only have received 4 shares of Louisville Trust Company and 16 shares of National Bank of Kentucky. I owned enough of an interest in the pool on the basis of trust certificates to entitle me to 10 shares of Louisville Trust Company stock because of the terms of the Trust Agreement under which the Trustees had to issue to me enough shares to qualify me.

At the time of the Trust Agreement in April 1927, I did not think of any stock assessment liability. I never thought of stock assessment liability at any time. In 1927, I considered the Louisville Trust Company a sound institution. I did not know anything about the National Bank of Kentucky, except what was reported to us. At the time of this Trust Agreement, I did not discuss the question of stock assessment. I didn't consider it because we had Judge Humphrey and Mr. Kennedy Helm to write the Trust Agreement. I would not have accepted the trust and assumed the liability on the stock. I knew there was liability on the stock; Section 66 of the United States Banking Code exempts Trustees from liability but I would not have

accepted the trust unless the Trust Agreement had provided for the double liability just like it did. I would not have left that for construction. The liability might not have been the same if the agreement had not provided for it.

454—Where we are getting is simply this, that at that time, in April, 1927, which was two and a half years before the stock market crash and two years before you organized Banco you did think of stock assessment liability?

A.—Yes, in connection with that.

455—And provided for it?

A.—Yes.

456—It is contained in Article IX?

A.—Yes.

457—Which you understand was a contract by every holder of a Trustees' Participation Certificate to pay any assessment that might be levied upon these banks that you held at that time of consolidation?

A.—It was put in the Trust Agreement and in the Trustees' Participation Receipts. That is right.

The $100 Trustees' Certificates were split into ten $10 Trust Certificates. The man who had held one piece of paper representing one share found himself the owner of 10 shares with a different par value. This was done in 1929 after the Louisville National Bank and Trust Company came into the picture and just shortly before we organized Banco. The $10 Trustees' Certificates continued the same terms with respect to liability for the payment of stock assessments.

At the time Banco was organized, I was a member of the Board of Directors of the National Bank of Kentucky and of the Louisville Trust Company and I was also a Trustee and a stockholder of record in both institutions. I subsequently became a director of BancoKentucky Company.

I didn't know that the day after the Trust Company moved into No. 421 West Market Street, the new building, the National Bank Examiner was in the National Bank of Kentucky. I remember when the Trust Company moved into No. 421 West Market Street, there was a public celebration with flowers and a dinner at the Pendennis Club on May 24, 1929. I didn't know that John S. Wood, Chief National Bank Examiner, moved into the National Bank of Kentucky on May 25, 1929, with a corps of bank examiners. He may have come there with a corps of examiners, but he didn't move in. It took a couple and sometimes three weeks to examine the National Bank of Kentucky. We had a Board meeting every week.

Before Banco was organized, since the same men were the Board of Directors of both institutions, we usually held our meetings on the same day and in the same place—the Board Room in the Louisville Trust Company, on the third floor—until the Louisville National Bank & Trust Company came in the Louisville Trust Company had a meeting once a month. The Bank of Kentucky met once a week. After the Louisville National Bank & Trust Company was taken into the picture, they had a meeting once a week. When the Louisville National Bank & Trust Company was at No. 421 W. Market Street, it had its board meetings over there and the Bank of Kentucky had its meetings at the Louisville Trust building and the Banco Board meetings were in the Louisville Trust building. Up until January 1930, we held our meetings at the same time and the same place. After the Boards were separated, that was not true. The first three months from September 1929, until January 1930, the meetings were held at the same place by the consolidated board. Always the meeting of the BancoKentucky Company followed the meeting by the Louisville Trust Company and the National Bank of Kentucky unless there was a special meeting called.

The Louisville Trust Company meeting was held first, immediately following that, the National Bank of Kentucky meeting was held and immediately following that the Banco meeting was held. As a director I did not have to change my seat. We could sit there and after adjourning as one Board, met as the next. The only people who changed their seats were the different chairmen, different officers, different secretaries and with different sets of reports. The only people who changed their seats were the chairmen and secretaries of each institution.

As a director of the National Bank of Kentucky, I might have known that the Chief Examiner was there examining the Bank during the period of May 25th until approximately June 7th. I can't tell now whether I did not. A lot of times we didn't know the Bank Examiner had been there until after the report was presented.

It is not true that when a Bank Examiner was there with a large staff I always knew it. Our meetings were not at the Bank building, but were at the Louisville Trust building and the Bank was at 5th & Main. There were several examinations made of the Bank while I was on that Board that I didn't know the Examiners were there until after the report came in. I never heard about the examination when Mr. Wood reported the large criticized loans were $3,500,000, the loans to officers, directors, and employees were $3,200,000 and slow assets were $ and doubtful assets were $, until after the Banks closed. That may have been in the National Bank Examiner's report when it reached there, but it never reached the Board of Directors.

495—You don't mean to say the report didn't come to the Board of Directors?

A.—I mean to say that no criticism was brought before the Board.

496—The Bank Examiner's report was always read in what you considered to be in haec verba, in answer to Mr. Crawford, but subsequently you learned that was not true?

A.—I said this, we were supposed to have got the reports read in haec verba, by Mr. Brown, but I found out he had deleted criticism. He never read any such criticism.

497—But, then, you did know the Bank Examination had been made?

A.—Oh, yes.

498—Because portions of it, at least, were read to you?

A.—Yes, and it was such a beautiful report, as read to us, that we thought the Bank was in fine shape.

499—Don't volunteer information; you are going to get a chance to argue the case. The Bank Examiner's report was there.

A.—There was a report there, yes.

500—The directors, as a matter of fact, and you have so testified in your own language, were free to take that report with them home and study it if they so desired.

A.—Correct.

I never heard Mr. Brown invite the directors to take the reports home and read them, but I have heard other directors say that.

The first official minute about the plan to organize Banco-Kentucky Company was June 7, 1929, but it had been discussed several weeks before that time. At that time, I did not know of the Comptroller's official letter to the Board of Directors of July 12, 1929. I heard afterwards that there was such a letter. None of these letters ever reached me while I was on the Board. I didn't know there was such a letter written from the Comptroller. Neither this letter, nor any of these letters were read to the Board or called to their attention in a regular or called meeting of the Board. There wasn't a letter of any kind from the

Comptroller's Office that came to me or my attention while I was on the Board.

The letter of July 12th, addressed to the Board of Directors, saying

> "The report of an examination of your bank completed June 13th, a copy of which was sent you, has been received, and shows that the estimated losses were not written off, and a number of other matters on Page 11-1 needing correction. It is understood that plans are being developed whereby your bank will be consolidated with the Louisville Trust Company within ninety days, the continuing institution to operate under a State charter. If measures are being taken to consummate this arrangement, the matter of insisting upon corrections of the items listed on the page referred to will be postponed a reasonable time. Please, therefore, advise definitely not later than August 1, what steps, if any, have been or will be taken to carry out the plan in regard to the proposed consolidation";

was not reported to the Board. The Bank may have got the letter, but I never got a letter from the Comptroller.

On July 12, 1929, there was a special meeting of the Trustees following the regular meeting, but I don't seem to have been present that day. I was out of the city. I am familiar with the minutes of the Trustees. They had a special meeting on July 12th. The minutes are as follows:

> "The Trustees, under Trust Agreement dated April 22, 1927, executed by the stockholders of the National Bank of Kentucky and the Louisville Trust Company, in accordance with a resolution adopted at a meeting of said Trustees this 12th day of July, 1929, hereby appoint and constitute the law firm of Miller and Chevalier, 922 Southern Building, Washington, D. C., as attorneys at law and in fact for the purpose of obtaining a ruling, as to whether the Trust, created by the said Trust Agreement, is an 'association,'

within the meaning of the Revenue Act of 1928, as applied to the provisions relating to stamp taxes and income taxes, levied under the said Act, with powers of revocation and substitution.

You are hereby authorized and requested to discuss with the above named firm, and in particular with Robert N. Miller, S. Lyman Barber, J. R. Sherrod, Ward Loveless, F. O. Graves, J. C. Ristine and Homer Hendricks, any matter pertaining to the above subject, the same as you would with the undersigned.

Respectfully,

Trustees, under Trust Agreement dated April 22, 1927, between the National Bank of Kentucky and The Louisville Trust Company.

By CHARLES H. BOHMER,
Vice-Chairman.

Attest:

JOHN S. AKERS,
Secretary."

It seems that Mr. Vogt, Mr. Minary, Mr. Bohmer, Mr. Metcalfe, and Mr. Akers were present, Mr. Akers acting as Secretary.

I am not familiar with the discussion that was held in Washington. When I came back to the City, I found a copy of the letter of July 19th in my desk and I read it and went and discussed with Mr. Carroll the contents of that letter. The same day the Trustees passed a resolution reciting that upon the request and with the consent of the Advisory Committee, they authorized the Chairman or the Vice-Chairman and the Secretary or Assistant Secretary of the Trustees together with the proper officers of the National Bank of Kentucky and the Louisville Trust Company to cause to be filed the attached copy of articles of incorporation, and to approve and send to the holders of

Trustees' Participation Certificates the attached recommendation to exchange their Certificates for stock in BancoKentucky Company when organized in accordance with and subject to the conditions of the plan of re-organization therein set forth. These minutes were signed by Mr. Vogt and Mr. Akers as secretaries. Attached to these minutes were the articles of incorporation of the Banco-Kentucky Company.

I assume that Paragraph Eight of the articles read "the private property of the stockholders shall not be subject to the payment of corporate debts whatsoever" was in the original proposed articles attached to the Trustees' minutes. I don't know that I saw that charter at that time. I knew Mr. Carroll was preparing it.

The Advisory Committee referred to in those minutes were the identical men, man for man, who were the Board of Directors of the National Bank of Kentucky and the Louisville Trust Company. They were the ones who instructed the Trustees to cause the BancoKentucky charter to be executed. They were the ones who instructed the Trustees to put in "the private property of stockholders shall not be subject to the payment of corporate debts to any extent." That would be the ordinary thing to do in drawing a charter. I don't know that the Trustees had anything to do with it at all. But the Trustees resolved with the consent and at the request of the Advisory Committee, with the proper officers of the Bank and Trust Company, to cause Banco's articles to be filed. These articles were approved and caused to be filed at the request of the Board of the Bank and the Trust Company containing the words with reference to the exemption of the property of the stockholders and all the rest of the charter.

The actual request, personally signed by the officers and directors of the National Bank of Kentucky, dated July 12,

1929, is attached to those minutes. It requests this particular charter "approved by us and hereto attached, under the laws of the State of Delaware and having a capital stock of $20,000,000, divided into shares of $10 par value be filed," and "we hereby further approve a submitted form of letter to the holders of Trustees' Participation Certificates as hereto attached and request the Trustees' to cause the organization of such company and the submission of the proposed plan to the Trustees' Certificate holders, to the end of a re-organization of the allied interests."

The Advisory Committee directed the Trustees to have the charter of the BancoKentucky Company, exactly as it is here, recorded in Delaware to organize the company. The signatures on the request are the signatures of the officers and directors of the National Bank of Kentucky.

Also attached to the minutes of the Trustees is the letter of July 19th, 1929, which was subsequently sent out to all Trustees' Participation Certificate holders and the subscription to shares under the re-organization plan which was outlined in that letter, subsequently dated July 19th, but dated July blank in our minutes. The subscription refers to the fact that the shares of stock in the proposed company "shall be fully paid and non-assessable under the terms of the re-organization plan as outlined in the letter of July 19th, if, when and as said plan shall become effective."

Mr. Brown was elected an officer of Banco because he was a very prominent banker and Mr. ZurSchmiede was elected secretary because he was a very competent auditor. It is recited in a letter of July 19th, 1929, part of the Trustees' minutes of July 12, 1929, before Banco was formed, that it was an essential part of the re-organization that the BancoKentucky Company be managed and operated by the Boards of Directors and officers of the banks. It was part

of the plan of re-organization of the BancoKentucky Company, irrespective of this letter, that the first Board of Directors of BancoKentucky Company would be the Board of Directors of the Bank and the Trust Company.

There is nothing in the letter about "first Board of Directors" but I am telling about what the original plan was before I left Louisville. When I left, it was part of the plan that the Board of Directors of the Bank and of the Trust Company would be the first Board of Directors of the BancoKentucky Company. The letter states that it is an essential part of the re-organization, that a majority of the stock of the company be owned by the Trustees' Participation shareholders and that it be managed and operated by the Board of Directors and the officers of the banks. It was contemplated at the outset that Banco should be operated and managed by the banks' auditors and directors until the stockholders had an opportunity to elect a new Board. We couldn't provide that beyond the first meeting of the stockholders; the stockholders had a right to change that, as they did.

The Directors of BancoKentucky Company from the first of January, 1930, were made up principally of the non-officer directors to the two banks. Every non-officer director of the National Bank of Kentucky and of the Louisville Trust Company was at all times, without a single exception, a director of BancoKentucky Company. The President of the bank, James B. Brown, was at all times both President of the National Bank of Kentucky and BancoKentucky Company. The cashier of the bank, Mr. Zur-Schmiede, was at all times the Secretary-Treasurer of the BancoKentucky Company. Mr. Brown was a member of Banco's Board of Directors.

Of the 34 directors of Banco there were none who were not either members of the Board of the Bank or of the

Trust Company. Mr. Bean, President of the Louisville Trust Company, was likewise a director and Vice-President of BancoKentucky Company during the fall of 1929, but was not elected Vice-President at the January, 1930, meeting.

After the BancoKentucky Company was organized the Board of the Bank and the Trust Company continued to act as the Advisory Committee under the same Trustees' Agreement. The same individuals, members of the Board of Directors of BancoKentucky Company were the Advisory Committee of the Trustees.

The Advisory Committee were directors of Banco after they were elected to its Board of Directors and that Advisory Committee instructed the six Trustees how to vote the stock of the Bank and the Trust Company, on all occasions when it was necessary to elect directors. We did not elect any directors after January, 1930. The BancoKentucky Company didn't come into existence until July, 1929.

After Banco was organized, I know of no physical change in the possession or control of stock certificates of the Bank. That still remained in the hands of the six Trustees.

BancoKentucky Company could direct the Trustees how to vote the stock at any time because it owned the Trustees' Participation Receipts. The individuals who instructed the Trustees as the Advisory Committee, were the same individuals who were the Trustees' Participation Receipt holders.

I testified on direct examination about the purpose of the organization of Banco. I have previously testified on the same subject. I had forgotten that I was called as a witness in Case No. 205,223 Jefferson Circuit Court, Chancery Branch, First Division, Anthony J. Carroll et al, plaintiff

v. Chemical Bank & Trust Company, on November 23, 1937. I have been called in in nearly every one of these cases. I remember testifying in that case in Mr. Castleman's office. I was sworn as a witness and was examined by Mr. Kasfir and possibly Mr. Castleman.

In that case I was asked "On this notice of July 19, 1929, your name appears as signifying the approval of the Trustees, did you sign any approval" and I answered, "I approved,—I do not remember signing the approval—but I approved the whole plan of organization of the Banco-Kentucky Company before I left, but I did not sign or consent to any circular or consent that my name appear thereon." I was asked, "This circular of July 19, did that meet with your approval?" and I answered, "I saw it before they got through with it,—yes, I think I approved it." I still approve of it. When I came back to town, I got the letter off my desk and read it and went to Mr. Carroll and asked him about the term "Re-organization" and he explained to me that that was in connection with a tax matter. I never disapproved of this at all, and I never said I disapproved of it.

In that case I was asked "What was the purpose of the organization of BancoKentucky Company?" and I answered, "It was organized for the purpose of acquiring a chain of banks in the Ohio Valley." That answer was true —that was one of the purposes for which it was organized.

In that case I was asked: "Was there any intention at that time of the National Bank of Kentucky withdrawing from the Federal Reserve System upon the organization of BancoKentucky Company?" and I answered, "Only when we fully acquired a chain of banks in the Ohio Valley." It was the purpose of the Bank of Kentucky to act as the 'hub of the wheel'—that is the main 'link in the chain'—it was expected to acquire banks from Cincinnati along the Ohio

Valley and that we also acquire banks in Indianapolis and in Chicago." I made that answer and it is true.

I was asked: "You considered the bank and all member banks as one entire unit?" And I answered: "I considered the bank as accomplishing—more truly it was a chain of banks,—they were separate and distinct corporations,—BancoKentucky Company was organized under the laws of the State of Delaware,—" I remember then explaining the organization of Banco. It was separate and distinct.

I was asked: "Wasn't it the purpose of BancoKentucky Company to carry out functions and engage in enterprises that the National Bank of Kentucky could not engage in because of limitations in its charter?" And I answered: "Certainly,—and to buy stocks in insurance companies,—we had insurance companies that we discussed the assets and liabilities of very seriously, and very seriously considered the purchase of insurance companies,—it never intended that they should be limited to banks at all."

I was asked: "And that is, as I understand it,—that was one of the reasons for the organization of BancoKentucky Company, that is to create a corporation that could engage in business that was forbidden to the National Bank of Kentucky and The Louisville Trust Company because of the limitations in its charter?" And I answered: "That is correct. To acquire control of stocks in banks and other companies, there would not have been any purpose in organizing BancoKentucky Company if that had not been done."

I testified in my own defense in Keyes v. Akers, the directors' suit, in April, 1932. I said that the primary purpose of the organizers of BancoKentucky Company was to acquire a group of banks in the Ohio valley, and I still say that. I said this morning we intended to acquire a chain of banks, or acquire banks in the Ohio valley. I never testified

different from what is in there, and if you will take the whole deposition in the Keyes case you will find substantially the same testimony I gave here today.

The primary purpose of organizing the BancoKentucky Company was to acquire a group of banks in the Ohio valley in order to accomplish the very things I said this morning that we had in mind. The purpose was to acquire control of The Louisville Trust Company and Bank of Kentucky and was set out in the prospectus. After the organization of Banco and prior to October 1st they discussed the question of acquiring other banks. On September 11 they had this in the minutes: "The President then disclosed that negotiations with Cincinnati banks and matters relative to the sale of stock; whereupon, it was moved, seconded and carried that the President be authorized to proceed, in his discretion, with the matter of the Cincinnati banks and the sale of stock—reporting to the Board the proposition tendered." September 11 was before we had got stock sufficient to know whether there would be sufficient deposited or not to declare the plan of BancoKentucky effective. It was declared effective September 19, 1929. On September 11 we did not go ahead with contracts to buy two banks in Cincinnati. There were no contracts. But negotiations had been started. On September 25, 1929, they made a contract to purchase the Pearl Market Bank and the Brighton Bank. They started it before September 25. That is what I said, and that is what the minutes show. That did not by any means call for the practical exhaustion of the cash that was to be paid in on stock subscriptions. I cannot tell you what the purchase price of the two banks was. The exhibits show it.

The Banco plan as submitted was to sell the stock of BancoKentucky Company only to owners of Trustees' Certificates, but it was changed and made wide open to any-

body that would buy. The letter of July 19, 1929, states that it was to be sold only to holders of Trustees' Participation Certificates, but it was later changed.

I testified on direct examination about the amount of money we expected to realize and stated, in substance, that the Trustees' Certificate shareholders exchanged their stock in such large numbers that we did not have enough capital to sell to the public—to realize enough capital to go ahead. In the first place, under the original authorized capital, we had two million shares of a total par value of $20,000,000.00 which, if sold at $25.00 a share, would produce $50,000,000.00. I knew at that time that there were outstanding 575,000 authorized Trustees' Participation Certificates less the number of shares owned by the directors. We will call it 570,000 odd. Under the plan each one of these 570,000 certificates of the par value of $10.00 was to be credited for two BancoKentucky Company stock certificates at $25.00. We set aside 1,050,000 shares to make the exchange, on Sept. 19, after it was found out that the Trustees' Receipt holders had almost unanimously deposited their certificates for exchange. We urged them to deposit them. We did not think we would get any more than a majority.

I do not know anything about trustees of trust estates in this community, who were unwilling to make the exchange, being urged to do so for the reason that if they did not there would be no market for the Trustees' Participation Receipts after the plan was consummated. The officers didn't. I did not know that it was urged in the community that there would be a very narrow market, or no market, for the Trustees' Participation Receipts after the plan went into operation. I heard people trying to sell it saying that there would be no market, but we did not have anything to do with that, at least, I didn't. It would

be a broker's argument that the Trustees' Participation Certificate holders should exchange for Banco, that there would be no market for the Trustees' Certificates because the Trustees' Participation Certificates would be taken off the market. After the reorganization of BancoKentucky Company and the exchange of substantially all the Trustees' Certificates there would be no market for Trustees' Participation receipts. There was an active market in Trustees' Certificates. It went up over $50.00 after October 1. After all of them had been exchanged there wasn't any market. I am not denying that the argument that was made to induce the exchange was a true argument. I am just saying the Board of Directors didn't make it. I haven't any evidence that the officers of the Bank made it. They didn't tell me about it at the time.

I know there was an active campaign among the officers of the banks to induce Trustees' Participation Receipt holders to make the exchange and to purchase more stock. After 1,140,000 or 1,150,000 shares of BancoKentucky Company stock had been set aside for exchange with Trustees' Certificate holders, that left 250,000 shares for sale. As reported to us, the balance of the stock was sold. That left, roughly speaking, 900,000 shares for sale, but we had a report at that time that we had already sold 600,000 shares. We did not make the allotment of 1,150,000 shares until September 20. At the beginning we thought we would use only 700,000 shares of this stock altogether for the exchange. 700,000 shares of Banco for conversion by exchange was just 50% of the outstanding T.P.C.'s. That is what we contemplated getting. 350,000 out of 575,000. It was over half. The plan stated that we must have a substantial majority, and I considered that a substantial majority.

657—Now, my question that the Court asked me to repeat is that after—as an arithmetical calculation—after you

provided 2 shares of Banco for every one Trustees' Certificate outstanding at the time the plan was submitted, how many shares would you have left for sale to the public or to the Trustees' Participation Certificate holders at $25 a share?

A.—700,000 shares from 2,000,000 left 1,300,000 shares.

Mr. Marx: That is why I say this witness is persistently refusing to answer a very simple question.

The Court: Lead him.

Mr. Marx: I did try that.

The Court: Go ahead and ask him another question and lead him again.

Judge Dietzman: The gentlemen are obviously talking about two different times.

The Court: He is talking about the inception, when Banco was first launched—is that the time, Mr. Marx, that you are talking about?

Mr. Marx: I just want to know as a matter of arithmetical calculation—take my pencil and this piece of paper——

The Court: What time are you talking about?

Mr. Marx: When they started out.

The Court: That is what I mean.

The Witness: In June, July or September?

Mr. Marx: Before they had issued a single, solitary share——

A.—(Interrupting.) They had not issued any share until after September.

658—(Continuing.) ——for either exchange or money.

The Court: Now, then, ask him a leading question and go ahead.

659—Put down how many trustees' certificates there were and multiply them by 2.

A.—You mean how many there were authorized?

660—How many there could possibly have been turned in for exchange?

A.—575,000, and twice that is 1,150,000 shares.

661—Subtract that from 2,000,000 and what is the answer?

A.—900,000.

662—Multiply that by 25 and what is the answer?

A.—$22,500,000.

663—$22,500,000?

A.—Yes.

If 1,150,000 shares of Banco were exchanged that would have left 850,000 shares which, multiplied by $25.00, would be $21,250,000.00. Actually, 540,484 T.P.C.'s were exchanged for Banco stock, which left 920,000 shares of Banco for sale. That amount, multiplied by $25.00, would be $24,500,000.00. If we had, without increasing Banco's capital stock, sold all of the available shares of stock that we had for sale, it would have produced $24,000,000.00. We did not sell near all of them. We had 5,000,000 shares before we got through.

We declared the plan effective September 20, 1929, and on that date we thought all of them had been sold or exchanged except 250,000 shares, or set aside for exchange. We had not sold all of them when we declared the plan effective. We declared it effective upon information furnished us by the officers and we afterwards found out it was not true. No officer of the bank told me they had sold $24,000,000.00 worth of stock. I never said they did. Mr. Brown said they had sold 600,000 shares, which in money would be $15,000,000.00, and we authorized the sale of 250,000 shares. There was a contract on that. It subsequently turned out to be just an option. The minutes say a contract of sale, but it turned out to be an option. Byllesby Company, Blyth & Company, Wakefield & Company, ac-

cording to the minutes had the option. I do not know who drew that option. We had several lawyers on the Banco-Kentucky Company Board. Lawyers on the Board were Mr. Carroll, Mr. Helm, Mr. Vaughan, Mr. Dodd, Mr. Hieatt, Mr. Dosker, Judge Garnett, Mr. Kahn, Arthur Rutledge, Leland Taylor and Judge Stites. I believe that is all the lawyers on the Board.

There isn't a bit of doubt and never has been any that the officers and directors of National Bank of Kentucky and the Louisville Trust Company and the holders of the Trustees' Participation Certificates representing the sum of those two concerns initiated and organized Banco-Kentucky Company, nor is there any doubt that they organized it with the intention that it should hold at least a majority of their own stock, of the stock of the Louisville Trust Company and National Bank of Kentucky represented by the Trustees' Participation Certificates. That was the stock of the men who organized Banco.

Banco was initiated at a series of meetings of the Board of Directors of the National Bank of Kentucky. That was the place where it was discussed. The same men were also on the Board of Directors of Louisville Trust Company. Although no reference is made to the organizing of Banco-Kentucky on the minutes of Louisville Trust Company, the same men who comprised the Board of Directors of National Bank of Kentucky, where it is discussed, were also members of the Board of Directors of Louisville Trust Company. I might say this, that it was discussed following the close of a meeting of the National Bank of Kentucky, that is, after the Bank's business was over, that is, Banco itself was discussed after their meeting and was recorded in its minutes when those that organized it felt the time had come to put it in. Before that time it was discussed

after the meeting and was not put in the minutes because it was not part of the minutes of the Bank of Kentucky.

When Mr. Carroll, a distinguished lawyer, took the articles of incorporation of the BancoKentucky Company to Delaware he was not, so far as I know, the attorney for the National Bank of Kentucky. The regular attorneys for the National Bank of Kentucky, as I understand it, at that time were Messrs. Selligman & Selligman. Mr. Carroll was employed, as I understood it, to draw the articles of incorporation for the BancoKentucky Company. He was employed by the people who were organizing the BancoKentucky Company, and that was the company that employed him. The Bank of Kentucky did not employ him. The individuals who organized BancoKentucky employed Mr. Carroll to prepare its articles and he represented the company, itself, in getting its articles and doing the legal work necessary to start it on its way. Those individuals were the officers and directors of the National Bank of Kentucky.

I referred in my testimony yesterday to the minute of June 7, but the decision to go ahead was made at a later meeting when they had finally rounded out the discussion where they wanted to go ahead.

The minutes of a meeting of June 21, 1929, recites:

> "On motion duly seconded and unanimously carried the following resolution was adopted: 'Resolved, that it is the sense of this meeting that a corporation of the character as outlined by the President at this meeting be formed, and Resolved further, that the President be and is hereby requested to report to the Board such details necessary for the organization of the company with his recommendations in regard to the organization connected therewith.' "

The company referred to in these minutes was subsequently named the BancoKentucky Company.

An examination of the National Bank of Kentucky was begun May 25, 1929, and closed June 15, 1929, and was finished before the June 21 meeting of the bank directors. The following statement from the bank examiner's report:

> "Your examiner was advised that a plan was in contemplation whereby a sort of finance and holding company will be organized with a large capital stock, say $20,000,000.00. The holding company will hold, amongst other things, the stock of the National Bank of Kentucky and its affiliated banks through a surrender and exchange of the stock of the bank for stock of the company on some satisfactory basis."

This was never read to the Board when the report of the examination was read. I never heard of it at any Board meeting. I cannot say whether it was correct or incorrect. I do not know whether the Examiner got that report from the officers of the bank.

On direct examination I referred to a Bank minute of June 7, 1929, at which time it was determined that a holding company of this general character should be formed. This examiner's report was finished June 15, only a week after our meeting of June 7. What is stated in the examiner's report is a report on the National Bank of Kentucky, I take it, gathered from the officers of the company. Evidently, the officers of the Company had told him about it. I do not know anything about it. I never heard of it until after the bank closed. I do not know that the Examiner was correctly advised.

I did not know that there were large loans to the Kentucky Wagon Works. I knew that the Wagon Company investment was carried at approximately $430,000.00, which was the basis of the trade between the stockholders of National Bank of Kentucky and the Louisville Trust Company. In fact, we took into consideration that asset of the

bank as $437,000.00, as we understood it, and we had it appraised at this time to see if it was worth that amount. We knew that much of the bank's assets were invested in the Wagon Company at the time of the consolidation. There had been charge-offs, charging it down to that. I knew the Bank owned the plant; all they needed was a deed to it. They had purchased it at a court house door sale and the Bank was carrying it until they could get a deed to sell it and get the money out of it.

I knew the Murray Rubber Company was a borrower, but it wasn't a large borrower when I came there. I knew it became a large borrower during the time I was there. It was not a local industry. It was located in Trenton, New Jersey, and had been in the Bank a long time. The Murray Rubber Company loan was between $200,000.00 and $300,000.00 when I came into the Bank, as I recall. I cannot carry the exact figures in my head. I did not know anything about the Murray Rubber Company bonds in the investment account of the Bank until long after I went on the Board, possibly at the time I left the Board. They were carried in the investment account and these bonds never came before the board. It reached a total of $580,000.00 after I left the Bank in January, 1930. In the spring of 1929 we had a report from Mr. Brown that Caldwell & Co. had taken over the Murray Rubber Company and that it would drop down, as he reported to the Board, to less than $200,000.00. Then it crept back up, but we had assurance that the Bank's problem with the Murray Company was about over. I left the Bank with the feeling that the Murray Rubber Company was to be taken out. I know it wasn't.

I knew the Bank had made a large advance to The Norman Lumber Company, a local company, having sawmill property in Louisiana. The advance was something like half a million dollars, but it was reported it was a pretty strong company.

I didn't know anything about the VanCamp Packing Company or that they were borrowing money, or that the Bank was investing in its common stock. We never heard of that until after the banks closed. I know now Mr. Brown is accused of misappropriating certain of the Bank's funds to buy the stock.

When I left the Bank in 1930 I knew the Consolidated Realty Company was a borrower from the Bank, but my recollection is that they paid out before I left. I knew they owed a lot of money to the Bank, $400,000.00. That is pretty large. The Bank had a lot of large lines. It was a big bank. $600,000.00 was the maximum the law would allow and the Consolidated Realty Company owed $400,000.00 while I was on the Board, but it was paid off before I left, as I remember.

The Herald-Post had borrowed $400,000.00 as reported to the Board. I knew about that much, but I didn't know it was over a million dollars with the lines consolidated with it. I didn't know anything about that. Since you have brought up the Herald-Post matter, I would like to tell you this: In 1928 I had an opportunity, if I could have gotten Mr. Brown to sell it, to sell it for $1,500,000.00. I don't know how much the Bank lost in the Herald-Post loan. I know we were sued for $400,000.00 by reason of the Herald-Post loan in the Bank suit.

When I was in the Bank the Wakefield and Company loan, as a Wakefield and Company loan, ran all the way from $225,000.00 up to about $400,000.00. Mrs. Latta was Wakefield and Company. The loans subsequently came up in the Bank case because they exceeded the legal limit. They were in the name of Greer, Harris and Schweitzer. All those loans added together made an excessive loan above $600,000.00.

The Kentucky Wagon Works was an investment. I knew it was $437,000.00. We had an appraisal of the Kentucky

Wagon Works of over $1,000,000.00 when we went in, and we hoped that that would be worked out by a sale as quick as we got a deed to the property, which we did not get until December, 1928. There was never a loan made to the Kentucky Wagon Company that I knew of, while I was on the Board, except one time there was a discount of receivables and we were told that they were merely carrying it to sell it. They never did sell it. It was well known that the Kentucky Wagon Works was a work out of an old debt. It was never intended to be profitable.

The increase in the capital stock of the National Bank of Kentucky, about which I testified in direct examination, just prior to the unification of the Bank with the Trust Company, was a 60% stock dividend. No new money was subscribed to the Bank. There was a stock dividend declared and paid out of the surplus and undivided profits of the Bank. The Board of the Bank met and distributed to its stockholders additional certificates of stock equal to 60% of its then capital. The Comptroller of the Currency approved every step they took. They reduced the Bank's surplus and undivided profits with the Comptroller's approval. The Comptroller even went further and congratulated us on the splendid bank we were going to be affiliated with. That was in 1927.

The Bank's deposits, taken from plaintiff's exhibits and tabulated, were, as of the published statements and leaving off odd thousands and cents—June 30, 1927—$44,000,000.00; October 10, 1927—$47,000,000.00; December 31, 1927—$45,000,000.00; February 28, 1928—$45,000,000.00; June 30, 1928—$40,000,000.00; October 3, 1928—$37,000,000.00; December 31, 1928—$42,000,000.00; March 27, 1929—$38,000,000.00; June 29, 1929—$35,000,000.00; October 4, 1929—$41,000,000.00; December 31, 1929—$40,000,000.00; March 27, 1930—$38,000,000.00; June 30, 1930—$39,000,-

000.00 and September 24, 1930—$37,000,000.00. The average deposits were $41,852,235.18.

In June, 1927, the Bank's deposits were $44,000,000.00 and on June 29, 1929, they were $35,000,000.00, a decline of about $10,000,000.00 in deposits between the unification of the banks and the formation of BancoKentucky Company. It went back up after we organized Banco, and made reciprocal deposits back and forth. That Bank's deposits varied sometimes $5,000,000.00 a week—county bank deposits. On November 16, 1930, the Bank's deposits were about $27,000,000.00. On the nearest date to the unification they were $44,000,000.00. They had shrunk after the run on the Bank by November 15, 1930, to about $27,000,000.00. September 24, 1930, they were $37,000,000.00. That is a shrinkage of more than 40% in the Bank's deposits. We had a run of some $12,000,000.00 or $13,000,000.00 the last week of the Bank.

The Comptroller of the Currency did not congratulate us in June, 1929, when we organized BancoKentucky Company. He never said anything about it. He did not condemn it.

I purchased 800 shares of Banco stock and signed that subscription ticket which everybody else signed. I knew the plan to which I was subscribing well, and approved it very much. I borrowed the full amount of the purchase price from the Louisville Trust Company and put up the stock plus $8,500.00 additional collateral. At the time the Louisville Trust Company closed that loan had not been paid, but I paid it off before a year after the Bank closed. I reduced it to $4,000.00 in January, 1930, and paid the balance off before the end of that year. Prior to the closing of the Bank I had paid $4,000.00 on the principal. They called on me and I had to pay it. I did not want to do it.

October 4, 1929, was the first time Banco minutes noted

the matter of the increase of the company's capital, "the President talked at length relative to propositions with Cincinnati, Indianapolis and Covington banks." He also talked at great length regarding the matter of increase of the capital of BancoKentucky Company. It had been discussed before. The resolution to make the increase in capital from 2,000,000 to 5,000,000 shares was not adopted until January, 1930.

The first reference in BancoKentucky minutes to how much stock was to be set aside for Trustees' Participation holders and how much was to be offered for sale, was in the minutes of September 20, 1929,

> "motion was made, seconded and carried, setting aside temporarily, 1,150,000 shares of BancoKentucky Company stock for the National Bank of Kentucky-Louisville Trust Company Participation shareholders. A motion was made, seconded and carried authorizing the President, in his discretion, to close negotiations with broker or brokers for the sale of two hundred fifty thousand (250,000) shares of BancoKentucky Company stock at not less than Twenty-five ($25) dollars per share."

The minutes do not say how much was to be sold. There is a sale of only 250,000 shares; that left 600,000 shares, but we had a report that they had already been sold. I never saw the contract referred to in the minutes with Byllesby and other brokers which turned out to be an option for 250,000 shares until after the Bank closed. I do not know what lawyers on the Bank Board examined it and I don't know that any lawyer on the Board saw it. I don't know that any lawyer represented the National Bank of Kentucky in the drafting of it.

If the 600,000 shares had been sold at Twenty-five ($25) dollars per share, that would have produced $15,000,000.00.

That is what we thought we had sold. I know now we never had $15,000,000.00. At that particular time when this meeting was held, we didn't have any money.

The stock market crash occurred in October, 1929. At that time the banks were owned by BancoKentucky Company and were hard pressed for money.

If BancoKentucky Company had $15,000,000 from the 600,000 shares and the 250,000 shares had been sold that would have added $6,000,000 more, all about $21,000,000. The 250,000 shares were to be paid for, as we understand it, over a period of six months. The $15,000,000 were by subscription which were called on September 19 to be paid October 1, 1929, so, that at the time of the stock market crash, we would have had our money. I didn't know how much money we had at the time of the stock market crash. I thought we had $10,000,000 or $11,000,000. I know we didn't have $15,000,000. I did not know that we were unable at that time to supply cash to our banks. We supplied a lot of cash to the banks.

I recall Mr. Ormsby very well. He was Vice-President of the National Bank of Kentucky and a director of Banco-Kentucky Company. The National Bank of Kentucky had borrowed up to the limit at the time of the stock market crash. I don't know that it had no more paper, that it could rediscount with the Federal Reserve. I know it had borrowed a considerable amount of money. I don't know what the limit was. I do not know that it could not borrow any money from the Federal Reserve. I did not consult the Federal Reserve and they didn't consult me. I knew we borrowed some money in New York for BancoKentucky Company,—$1,000,000. I knew the National Bank of Kentucky needed more money—that both of our banks needed more money. Mr. Ormsby was, in October, 1929, sent to New York to see if he could borrow money, as I under-

stand, for the BancoKentucky Company. This was in October and the stock market crash was in October, but the borrowing of the money occurred in November, right after the stock market crash. On November 8, 1929, there is a resolution adopted by the BancoKentucky Company authorizing the borrowing of money by that Company. I don't know anything about the National Bank of Kentucky borrowing. I was a director of the National Bank at that time, but they didn't consult us, the directors, every time they wanted to borrow money. They had authority to do it.

Subscriptions for BancoKentucky stock were callable and payable October 1, 1929. I don't know that it was necessary for Banco to borrow any $1,000,000 on November 8, 1929. I knew the Bank was a heavy borrower. Directors were not consulted every time they borrowed money. I was present at the meeting of the Board of Directors of the National Bank of Kentucky, October 25, 1929, when that resolution was passed, ratifying the loan made to the Bank October 21, 1929, by the Guaranty Trust Company of New York and when the Board ratified and approved the act of H. D. Ormsby executing the note of the Bank payable on or before 60 days after date for that loan. I knew Mr. Ormsby had borrowed money for the Bank. I had voted that resolution. After borrowing the $1,000,000 from the Guaranty Trust Company, we gave Mr. Ormsby this resolution of BancoKentucky Company in November. At that time he borrowed $1,000,000 from the Chemical Bank for the BancoKentucky Company.

863—So, the BancoKentucky Company did not have at that time, in November, $1,000,000 available, did it?

A.—Oh, yes.

864—It did?

A.—Yes.

865—Where was it?

A.—In the bank.

866—But the bank had used up that cash?

A.—It owed the BancoKentucky Company the money it had on deposit.

867—It didn't have any free money that it could give to the National Bank of Kentucky?

A.—It had all of its money deposited in the bank.

868—That was a claim on the bank?

A.—It was a deposit.

869—If the bank needed more money, the BancoKentucky Company could not give it any more?—that is a fact—if you had $1,000,000 on deposit at the bank, you could not supply an $1,000,000 by using that $1,000,000?

A.—You put down two and take two from it and it leaves zero. If you take two and add two to it, it makes four. Why not get along with the facts of this case?

870—What I am trying to show is that the National Bank of Kentucky needed money at that time in order to survive.

A.—I don't know if the National Bank of Kentucky needed money at that time in order to survive. It was borrowing money. Not all people who borrow money need it to survive.

871—This was not a loan made by the National Bank of Kentucky, but was made by the BancoKentucky Company?

A.—Yes, it was borrowed by BancoKentucky Company in New York and deposited in the National Bank of Kentucky to the credit of BancoKentucky Company. That was done.

872—Banco didn't need any money at that time?

A.—No, sir; not that I know of. I don't know what it needed.

873—So, that money was borrowed for the National Bank of Kentucky?

A.—It was borrowed—you can look in the records and see what it was for. Don't try to substitute me for what the books show.

874—What I am asking you is—it was borrowed for the National Bank of Kentucky, but was borrowed by the BancoKentucky Company—it was borrowed for the use of the National Bank of Kentucky in order to add every available bit of liquid cash?

A.—You can draw that assumption, but the records will show whatever was the necessity for it.

875—I don't want it to stand as an assumption; I want facts.

A.—I don't know whether it is a fact or not.

876—You were a member of the Board of both institutions?

A.—I was a member of the Board of both institutions.

877—You are familiar with the Ormsby loan?

A.—I am familiar with the Ormsby loan. It was nine years ago, but——

Mr. Crawford: I object. That is argument.

The Court: No; I don't think so.

A.—I stated the purpose of it, as I recall it, was to assist the Bank of Kentucky.

878—That is what I wanted to get.

The stockholders of the National Bank of Kentucky and Louisville Trust Company, who owned the Trustees' Certificates, had a preemptive right in the original plan of BancoKentucky Company to take all of its stock. The stock was offered to them by letter of July 19, 1929. Later, after the original offer had been made, we did not take steps to abolish that preemption. The preemptive right to subscribe for any increase in the capital stock was the matter that was taken up on the amendment and that preemptive right was taken from them by a vote of the stockholders

at the January meeting of 1930. That is different from the original offering.

The subscribers to Banco stock had a preemptive right under the laws of Delaware, to subscribe for and pay for the increase ratably. In January, 1930, the stockholders voted a waiver of that preemptive right so that it could be sold to the public generally. That was not at the time it was put on the Chicago Stock Exchange. 2,000,000 shares had been put on the Chicago Stock Exchange in the fall of 1929. The Participation Certificate holders were given the preemptive right to suscribe and pay for stock in addition to what they secured by exchange. Before it was placed on the stock exchange or sold to the public, the Trustees' Participation Certificate holders could have subscribed for the whole issue and if it had been subscribed it would have been pro-rated. That was the offer. That was part of the plan devised by the stockholders and directors of the two banks. That was terminated by the directors of the Bank and Trust Company in a letter to the Trustees' Certificate holders on September 12, 1929, when they issued to the stockholders of the Bank the letter, plaintiff's Exhibit 24-5, which concludes: "If it is your intention to exchange your Trustees' Certificates, or buy additional shares in Banco-Kentucky Company, you should do so on or before September 15, 1929, as the privilege given you in the letter of July 19th, 1929, to exchange or subscribe for additional shares, terminates on that date."

The right terminated by the very terms of the offer unless extended, and they refused to extend it by that letter.

889—Yesterday, I asked you, on the Brighton Bank in Cincinnati, and Pearl Market Bank in Cincinnati, if in September, before you declared the plan operative or effective, you had not made commitments which practically exhausted your available cash? Now, I want to ask you, in

addition to that, whether the commitments to buy those two banks didn't call for paying them all cash or cash and stock, at the option of the seller?

A.—That is right; I think it shows for itself.

890—And if the sellers of the Brighton and Pearl Market Banks had demanded all cash, it would have required $7,683,000, wouldn't it?

A.—Yes, I imagine so—whatever the proposition shows.

891—And in addition to that, the Central Savings Bank, which was bought in November, cost $329,000, didn't it?

A.—I will take your word for it; you have got the record—it is all in here.

The Court: That is all part of the record.

On direct examination, I said that Banco necessarily would have expenses. It had no salaried officers. It had no separate quarters. It never did get the time or opportunity to get separate quarters. On direct examination, I said the reason was that it was not determined when, or which, building was going to be occupied by the Bank, and that remained a matter of uncertainty up until the end. I gave June, 1930, as the date when it was finally determined. I think that was the date. I won't be bound by that date.

898—If you take the minutes of June 21st, at which the BancoKentucky Company was formally launched, it refers in those minutes to which building the Bank of Kentucky was going to occupy?

A.—I don't recall what it says in the minutes.

The Court: You mean the National Bank of Kentucky was going to occupy?

Mr. Marx: Yes. The names are very similar.

The Court: I think it is important to call it the National Bank of Kentucky because of the similarity of the names.

The minutes of June 21, 1929, the same day that Banco was formally launched, refer to the building the National Bank of Kentucky intended to occupy. The Bank, in that minute, proposed to occupy 421 West Market Street; that was determined at the very time Banco was ordered organized. That reminds me of the fact that sometime after that it was stated that Banco would occupy offices in that new building when the Bank of Kentucky went there. The Louisville Trust Company was already at 421 West Market Street.

As I remember it, I may be wrong when speaking entirely from recollection, the old Louisville Trust building at 5th and Market Street was vacant at that time.

904—So, there wasn't any reason why the BancoKentucky Company, if it was going to occupy an office at 421 West Market, could not immediately occupy that office?

A.—It was then occupied by the Louisville Trust Company.

905—But that was owned by Banco just the same as the National Bank of Kentucky?

A.—The stock, the Trustees' Participation Receipts were owned, but it was a big question of room, actual room, space. We had those buildings surveyed half a dozen times, back and forth, to see if they had enough room to accommodate the banks.

906—You didn't need much room to accommodate the BancoKentucky Company?

A.—As contemplated, it would have required considerable room.

907—I say as it actually operated?

A.—As actually operated, no, but as contemplated, if we had been able to establish the plans of Banco, it would have taken considerable space.

908—Leaving out of consideration ideas on this, as a matter of practice, the BancoKentucky Company only kept two or three little books?

A.—It kept the set of books you introduced here.

909—Those could be held in a drawer?

A.—You have got the books here. If they could be held in a little drawer, the Court's opinion is as good as mine.

910—Its correspondence could be held in a correspondence file?

A.—I don't know but that anybody's correspondence can be kept in some correspondence file.

I recall testifying about BancoKentucky Company before the Grand Jury at Jefferson County, Kentucky, investigating from February 23rd to February 27, 1931, the financial crash in Louisville of November 17, 1930, including the BancoKentucky Company. I testified before the Grand Jury that BancoKentucky Company was organized without $1 of the stockholders' money except the recording fees. What I meant by that was that they did not pay any commission for the sale of its stock. It had its expenses, of course, attorney fees—we didn't hire a lawyer and not expect to pay him. No salaries were paid that I know of. I have learned since there have been a lot of claims put in for salaries and expenses.

Mr. Tom ZurSchmiede, and his assistants, I understand, did all of the work done at the bank.

"The Court: I don't think there is any dispute about that.

The Witness: There hasn't been, no, sir."

It was an essential part of the plan of the formation of the BancoKentucky Company that not only was that company to own a substantial majority of the Trustees' Participation shares, but the holders of the Trustees' Participation shares prior to the formation of Banco, should hold

the majority of the shares after its incorporation. That is set up in the letter of July 19th.

"The Court: Can you state from independent recollection about the thing, whether or not the holders of Trustees' Participation shares were to be the majority stockholders in Banco?

The Witness: That is my recollection, but I would rather that the answer would be confined to the document itself. It says here, Section 7: 'It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participation shareholders, and that it be managed and operated by the Board of Directors and the officers of the two banks.'"

It was an essential part of the plan, as set forth in this letter, that a majority of the shares of stock of Banco Kentucky Company be owned by the Trustees' Participation shareholders.

From the compilation made by Mr. Shuck showing the holders of BancoKentucky shares as of November 15, 1930, the date of the closing of the Bank, showing a total of 2,472,468, I made a list of the shares of stock purchased by the directors alone. That list is of the stock the directors purchased and paid for during the whole life of Banco. It represents the stock that they subscribed for initially. My list shows Mr. Vogt subscribing for 8,850 shares. The original subscription book of BancoKentucky Company shows Mr. Vogt only subscribed for 2,200 shares at $25 per share, a difference from my figures of 6,650 shares or $108,000.

The Court suggested that since Mr. Shuck collected the materials from which Mr. Dodd made his computation, and would later be on the stand, that further cross-examination on this matter be deferred until Mr. Shuck took the stand.

I mentioned in direct examination that there was the idea of BancoKentucky Company going into the title insurance business and the business of title examination. It never went into the title insurance business or the title examination business. To get into the title insurance business in Kentucky, certain legal formalities have to be complied with. One of them was an application to the Superintendent of Insurance—getting a permit to do business in Kentucky. To get a permit to do business you have to deposit securities or collateral with the Insurance Commissioner. The BancoKentucky Company never made any such application. The plans never progressed that far. They never deposited any securities. It never did get to that point in its development. They made no title examinations. It never did get into business.

I mentioned the subject also of originating first mortgage real estate bonds. BancoKentucky Company never originated any first mortgage bond issues. It never got that far in its plans. As far as first mortgage bond issues were concerned, the Louisville Trust Company were selling first mortgage bonds with its guarantee and had been for a number of years but it never was able to supply the demand.

These bonds that were originated by the Louisville Trust Company were first mortgage bonds on various tracts of real estate. The Louisville Trust Company was a guarantor not the maker. Some of those bonds were secured by the deposit of collateral or trust deeds and mortgages on real estate and some of them were direct. In cases where there was a deposit of collateral, they used some other company as trustees. They used the Louisville National Bank & Trust Company and the National Bank of Kentucky as I remember. Possibly, they used the United States Trust Company. The question of the trustee was a

question of a satisfactory trustee and his willingness to act. At the time the Trust Company closed they had outstanding more than $4,000,000 of those collateral trust bonds, I think.

As far as the ownership of insurance company stock, about which I spoke on direct examination, the only insurance company stock that BancoKentucky owned was $25,000 of the Union Central Life Insurance Company stock.

There was a greater demand for first mortgage bonds than the Trust Company could supply so we did not need any selling organization but we contemplated going into the security business beyond anything that had been done here in Louisville before and we expected to have quite a selling agency. If we could have originated those bonds we hoped to use these banks to place them. We did not need any selling organization at the time, but if we had gotten the plans of the BancoKentucky Company going, we would have needed a selling organization.

I said during my direct examination that the whole plan was conditioned on our having a $30,000,000 cash reserve. That was the discussion before we ever organized. The conditioning the plan upon our having a $30,000,000 cash reserve or more was in the preliminary discussion and was actively set forth as a part of the plan, and approved up until—during the whole organization we were trying to get back to that. We started off with that in mind. It stayed in our minds until the very close.

I cannot show you any place in the minutes where there is any reference to that. Many things happen that there is no reference to. There is no reference in the letter of July 19, 1929, which sets forth the plan and states its essentials, to the back-log of $30,000,000 but it refers to the charter of the BancoKentucky Company and that charter is very broad. It gives authority to do everything we felt we could

do. In the subscriptions to shares of BancoKentucky Company there is no reference to the fact that the whole plan was conditioned on a $30,000,000 cash reserve.

970—In other words, you can't show me any place in writing in any of the corporate records or minutes or plans where there is any reference to that fact that the whole plan was conditioned on a $30,000,000 cash reserve?

A.—It is not set out in the minutes and I never said it was in the minutes.

971—I asked you if you can show me any place in writing, in the entire history of Banco where that is set forth?

A.—I will answer that plainly: There is no reference anywhere in the minutes to a $30,000,000 reserve to meet the situation that I discussed of the plan, but I call your attention to the fact that the capital stock was 2,000,000 shares, at $25 a share, and after the first subscription we immediately increased it from 2,000,000 to 5,000,000, and I say, although it was not in the plan as written, that that was discussed and it was understood that the purpose of that increase was to gain that reserve.

It was planned that this third corporation which was to be added, as part of the plan of re-organization, to the Bank and Trust Company, was to engage in functions prohibited by law to banks and trust companies. That is what the letter says and if I may explain—what they had in mind—was that the Banks could not underwrite securities, had no right to underwrite bond issues, and had no right to go into the investment business. National banks had branches here but have no right to have branches outside the community.

I said in answer to Mr. Crawford's question that there was no secret about the plan of BancoKentucky Company. I think everybody knew it, if they read the newspapers. It looks like they ought to have known it. The newspapers

simply reprinted either in haec verba or in substance the letter of July 19, 1929. I don't know how many newspapers it was published in. I saw some of the articles myself and the plan, the letter of July 19th was published.

The activities of Banco such as the purchase of additional banks in Cincinnati and the purchase of banks in Covington and purchase of the bank in Paducah and Ashland and subsequently the Security Bank in Louisville were all published in the newspapers as well as the acquisition of the Caldwell & Company interest.

At the time we organized Banco, it was thought in the Bank that it would be a pretty good plan to denationalize the National Bank of Kentucky. It was the collective judgment of the six Trustees that it would be a good thing to denationalize the National Bank of Kentucky.

On September 27, 1929, a document was signed by the directors of the two institutions to denationalize and there is the agreement of the stockholders to denationalize. It was signed by the Advisory Committee and addressed to the Trustees. I was one of the Trustees. This paper marked "Consent of Advisory Committee," addressed to the Trustees, is not dated. It appears in the Trustees' minute book immediately after the subscription of the shares of the BancoKentucky. It orders the Trustees, holding all the stock of the National Bank of Kentucky, to place the Bank in voluntary liquidation under Secs. 5220 and 5221 of the United States Revised Statutes. A charter for the State Bank was drawn and the organization tax of $4,000 was paid to the State of Kentucky. That was paid out of the assets of the National Bank of Kentucky to secure a charter for a State Bank. The determination to liquidate the National Bank of Kentucky was made four days before the call date for the subscriptions to shares of BancoKentucky Company. It was the plan of the National Bank of Ken-

tucky, I would say, dating back until June at least, to denationalize—to go out of the national system. What we intended to do was to liquidate the National Bank of Kentucky and transfer the assets as a going concern to a State Bank to pass from one system into another. As Trustees, as stockholders of the Bank, we approved the step. Mr. Vaughan handled it for the Bank as I recall. You will have to ask him about the details.

After having gone through all the formal resolutions and certifying the liquidation to the Comptroller of the Currency and paying money to the State of Kentucky for a State Bank Charter, we postponed the carrying out of the plan from month to month.

The postponement was not because we had made application to the Federal Reserve Bank of St. Louis, to get the new State Bank admitted into the Federal Reserve System. An application had to be made. I didn't know anything about the Federal Reserve Bank writing that if the State Bank intended to take over the assets of the National Bank of Kentucky, it would be necessary to eliminate more than $4,000,000 of the substandard assets and to eliminate the concentration of loans on Banco stock.

1015—I am talking about knowledge.

A.—They sent such a letter to Mr. Charlie Jones and Mr. Brown.

1016—And sent a copy of it to Mr. Vaughan?

A.—I don't believe Mr. Vaughan will state that. I never knew anything about it, as far as being a Trustee.

1017—You know now, and have known for a long time?

A.—Since the Bank closed.

I don't think a copy of that letter was sent to Mr. Vaughan—that is the so-called criticized assets were not furnished to him at least. I mean the list of criticized assets. A copy of the letter was sent to him but the letter

did not give him all this information you are giving me now as an interrogatory. Before we went into the Federal Reserve, we were told by officers that we would have to submit an application and that that could not be given at once. They had no assurance when the Federal Reserve would give the examination. The officers of the Bank of Kentucky gave that excuse to me for extending the time for liquidation. There was no assurance that if we made the National Bank of Kentucky into a State Bank, we could get into the Federal Reserve at any time, but we needed to get in because the stock market crash was coming along.

I testified in the directors' case "There was no assurrance that if we made the National Bank of Kentucky a State Bank that we could get the privileges from the Federal Reserve. At that time, we hadn't sold enough stock to furnish us the cash necessary for the reserve which we expected when we organized Banco. For that reason it was necessary for us to remain in the Federal Reserve System until the stock market situation adjusted itself and the stock struck a level and we could see what was coming."

I was one of the members who brought the suit for the receivership for the BancoKentucky Company. I was a member of that company's Executive Committee. The style of that case is Carroll v. Chemical Bank & Trust Company. Plaintiff's Exhibit 66 is the petition in equity in the Jefferson Circuit Court, Chancery Branch Division, No. 205-223. The allegations in that bill are correct.

I testified on cross-examination, in the case of Louisville Trust Company v. the National Bank of Kentucky, growing out of the dispute over 421 W. Market St.

I don't know what I said yesterday when you asked me whether I did not know these bank examiners were in the Bank before we organized Banco, or just before we organized it. In the building case, I was asked "With refer-

ence to this particular date, June 21st, did you know the examination was made as of the 25th, that the National Bank Examiners with a large force had come in?", and I answered, "We undoubtedly knew that they were there."

I was asked the question, "Regardless of when it was read to the directors, you knew the Bank had been examined beginning the date after the Louisville Trust Company moved into No. 421 W. Market Street," and I answered, "I don't say we knew the day, but I say we undoubtedly knew the Bank Examiners were there. There was quite a force and we knew it." Yesterday, I said I could not tell what days they were there. From some of your questions, you elicited a different answer; you used this statement: "Didn't the National Bank Examiner and his force move into the National Bank of Kentucky?" You were a little bit more polite in your question there.

I did know that the National Bank Examiner was there. I had to know that, because I did know they made an examination of the Bank. What I didn't want to do was to confine myself to the exact day they started and the exact day they ended; we knew it because we had what purported to be a complete report of the examination read. I couldn't tell you now whether I knew that later or at the time. The answer is undoubtedly I knew that they were there, and I still say undoubtedly, I did know they were there but what day they stopped, I couldn't tell you to save my life nor how many examiners they had there either, I would be a remarkable man if I could.

I signed certain reports of the condition of the Banks they brought to me. At one time, I don't remember when, the statement showing the Bank was a very heavy borrower—that some $14,000,000 was being borrowed by the National Bank of Kentucky.

It was a hope, more of a hope than a plan, to put the two banks into one banking house. It was hoped from the be-

ginning of the unification of the two banks that the two banks could be housed in one building. In the early history of the unification, we actually appointed a committee to try to do that. We did that two years after the unification, in 1929, and finally gave up the idea that the two could be housed in one bank in January, 1930.

1053—(Interrupting.) But you still clung in January, 1930, to the denationalization plan?

A.—That extended over until March.

1054—It was not until March, 1930, that you finally abandoned the denationalization?

A.—Correct.

1055—When you found you could not get into the Federal Reserve?

A.—No, sir. I didn't find that out. The reason why the Trustees—they were advised as to why it was given up. It was because there was no opportunity to market the stock of the BancoKentucky Company at that time in a sufficient quantity to raise the money we started out to raise in the first instance, which was the plan as I stated it to you awhile ago, of having some $30,000,000 in BancoKentucky in reserve to manage this system.

1056—What did the ability of BancoKentucky to market additional stock in March, 1930, have to do with the denationalization of the National Bank of Kentucky?

A.—As we understood it—as we were advised, but for the stock market crash, there never would have been a checkup or stop in the final denationalization. We had reached—we did not have sufficient stock to carry out our plan, and we were then endeavoring first, to get additional stock, and but for the stock market crash, if we could have got that additional stock on the market, we would have gone out of the system. That was as the plan was stated to us. Now, there were conditions the directors didn't know anything

about that the Bank officers did know, that is, there were conditions made to the Bank by the Federal Reserve Bank at St. Louis, that certain assets had to be removed from the Bank, and certain things had to be done as a condition precedent to the state bank getting into the system, but what I am saying to you is that the directors did not know anything about those conditions.

After abandoning the denationalization plan in March, 1930, we took up the plan of actually physically consolidating the Bank and the Trust Company, so that legally there would be only one institution, in the fall of 1929, and again in the summer of 1930, as a matter of saving expenses in the matter of the operation of the institutions and making more money for the stockholders. We were searching for some plan to eliminate expenses. The banks were working all right, so far as the directors were concerned.

We appointed a committee on the plan to consolidate. Mr. Carroll represented the Bank and I represented the Louisville Trust Company. Mr. Vaughan and Mr. Castleman were on the committee. We worked on the plan sometime in August, as I remember, August or September; just before the Bank closed. Nothing was done about it. The trouble about it was the possibility of losing trust estates; we were trying to consolidate them without doing that; that was the thing that was giving us the headache.

We bought an interest in Caldwell & Company.

1064—Let's see what you testified before, as to whether you consummated any such deal: Isn't it a fact that although there was a contract drawn up, that the contract was not consummated on its terms as written, and it was thoroughly understood that it was a scale contract and nothing was to be done until after the securities were valued, and the securities were never valued and the contract was never consummated?

A.—Who said that?

1065—A gentleman by the name of Allen P. Dodd, testifying before the Grand Jury of this County, under oath.

A.—All right, you read that question to me.

1066—"In your experience as a lawyer and director of a bank, would you say that Caldwell & Company contract was consummated. A. Of course, the contract was not consummated on its terms as written but let me be plain on the proposition, when I left the Board of Directors meeting on May 26th, it was thoroughly understood that the only contract to be made with Caldwell & Company was to be a scale contract and nothing was to be done until after the securities were valued. I didn't think a contract would ever be drawn. When I got back to Louisville, I understood nothing had been delivered. The contract was never consummated, because half of the stock was held here subject to an appraisement. It was not consummated except as to 500,000 shares of stock. The other 400,000 shares were held in the Louisville Trust Company."

A.—I made that answer, yes, but not the way you undertook to show it.

1067—Was that correct?

A.—Yes, that was a correct answer. I didn't vote for that contract, and I only gave you my understanding about it when I got back, and that is correct. It was a scale contract.

It was my understanding that the purchase price would be held by BancoKentucky Company until after its own appraisement so that, if the assets proved to be of no value, it would not have to be delivered.

Before the Jefferson County Grand Jury, I was asked this question, "Was this good or bad for BancoKentucky?" and I made this answer, "It was bad, simply because Caldwell & Company went smash in November and the making

of this contract as presented to me and as I thought of it, it was a contract that couldn't hurt the BancoKentucky because the purchase price would be held in its till until after its own appraisement and if the assets proved to be of no value, it didn't have to deliver anything under the contract."

The Court sustained defendants' objection to further questions along this line and plaintiff made the following avowal: That Mr. Dodd, if permitted, would say that he had been asked the following questions and that he had made the following answers:

> "Q. 'If the contract had been drawn as you thought it was going to be done, they were not to deliver anything until the appraisal was made? A. The contract had to go through if Caldwell & Company guaranteed its assets to prove out on our appraisement, we couldn't stop the contract from going through if his appraisements held, and neither could we. In other words, the escrow agent was to hold the stock until it was appraised and proved up. Q. (Here Mr. Allen, Foreman, read two clauses of the contract.) Do these two clauses imply the meat of the contract you had in mind when they were discussing it in May, 1929,—I am bringing out this point that the assets of BancoKentucky were listed in total by the assets of the company which they were going to purchase it would take 12 months to find out what they were? A. My understanding was before I left here that the Caldwell & Company would guarantee it had a net worth of nine million, subject to our appraisal and that we were to deliver nothing until that appraisement was had, although we would put the stock in escrow.' "

Then, he is asked a question, and plaintiff avows that if permitted to answer he would say:

> "Q. 'In previous meetings which you attended were there other directors agreeing on that phase as to the

way it was to be handled? A. That was the only way it was intended to be handled. Caldwell & Company were attempting to make connections with Banco-Kentucky. If they made a preliminary contract and then that contract was not carried out the effect would be disastrous to any banking house to have it turned down. If the preliminary contract was drawn and the basis of trade was worked out and then on the appraisement the net worth turned out to be five million instead of nine million dollars, the contract could have gone through but the price would have been scaled down on the basis of 5 to 9. If his assets didn't price according to us to more than two million and he wanted to turn out he could do so, but if he wanted to go on, we had the right to back out.'"

BancoKentucky never made any appraisement or audit of the assets of Caldwell & Company, and never paid any dividends on the stock allocated to Caldwell in the deal, that I know of. I think I have checked the records and found that to be true.

Caldwell & Company owned an interest in banks. As to how much it was, I don't know. I don't know that they owned a controlling interest in banks or that through insurance companies they owned additional banks, you will have to ask Mr. Donovan.

I don't know that the directors borrowed $670,000 from their own bank to pay for Banco stock. I don't know how much they borrowed.

On re-direct examination by Mr. Crawford, Mr. Dodd testified as follows:

I was asked about certain letters from the Comptroller of the Currency and referred to in the minutes of the Bank. As I recall, six letters were noted in the minutes of the directors of the National Bank of Kentucky as having been received and read to the directors, and referred to the

directors for action. Among the letters was one, Mr. Marx read to me yesterday a part of it, it was the minutes of December 16, 1927, June 1, 1928, June 22, 1928, August 21, 1928, and December 7, 1928.

I was present June 1st, June 22nd and December 7th and absent the other three. At the meetings I attended, there was no reference to any letter from the Comptroller at any time. No letter was read to the Board at any meeting including those meetings and no minute was ever read that showed that at a former meeting a letter was read from the Comptroller from June 7, 1927, until I left the Board in 1930.

I never heard from any Director at any time or from anybody that a letter from the Comptroller had been referred to or a minute read referring to a letter from the Comptroller at any meeting when I was not present. I never heard of a letter coming from the Comptroller's office to the Bank of Kentucky while I was on the Board.

I was present when testimony was taken in the director's case in which there was a question of whether these letters had been read to the Board or whether any minute in reference to these letters had been read to the Board.

Plaintiff's objection to the Master's ruling on that subject was sustained and the following, from the Master's report was offered as an avowal:

> "Defendants' Exhibit No. 1—Vol. 1, p. 301:—
>
> I do not think that any of these letters reached the Board of Directors notwithstanding the recitation in the minutes to this effect. The Minute Books now indicate that there were six such letters presented and read to the Board, namely: December 16, 1927, page 304, of the Minute Book; June 1, 1928, p. 318 of the Minute Book; June 8, 1928, p. 319 of the Minute Book; June 22, 1928, p. 320 of the Minute Book; August 31, 1928, p. 325 of the Minute Book; and December 7, 1928,

p. 332 of the Minute Book. It is satisfactorily established that the minutes, after being read to the Board, were fraudulently altered, so as to show the presentation and consideration of these letters. The concealment of these letters from the Board, and the fact that such questionable, not to say dangerous, means were resorted to to accomplish it, demonstrate the character of the collusion with which the directors were unknowingly surrounded."

Exceptions were filed to that finding.

When the Bank and Trust Company's stock was trusteed in 1927, a committee of Trust Company directors was appointed which had appraisal of the Wagon Company made at that time. Mr. Hieatt made the first appraisal when we were negotiating the unification. He was the largest individual stockholder of the Louisville Trust Company.

As I recall, the reported value of that appraisal at that time was more than $1,000,000. In 1928, shortly after the National Bank of Kentucky procured a deed to the Wagon Company property, Mr. Harry Goodman, Mr. C. C. Hieatt and Mr. Bob Martin were appointed a committee or were employed as realtors or real estate agents in Louisville to make a detailed appraisal of the Wagon Company properties. They made that appraisal and reported to the Bank Board. This copy of that appraisal was obtained by the bank in 1928. It is dated May 11, 1928, and shows the value of the Wagon Company properties to be $2,077,732. Mr. Hieatt was and is one of the outstanding real estate men in this locality. He was a former President of the National Realtors Association. Mr. Martin is a prominent real estate broker in Louisville. He had been connected with the valuation department of the City Tax Office for many years prior to that time. Mr. Goodman is a real estate broker

here of the highest standing. His firm is Semonin, Goodman & Company.

(Continuation of Re-Direct Examination of Allen P. Dodd.)

The Bank of Kentucky had from three to four hundred country bank accounts all the time. The deposits of Bank of Kentucky would fluctuate from week to week several million dollars. One week they would be up and the next down; it would vary backwards and forwards. It was explained to the Board there were so many country bank accounts that the withdrawal by country banks who would withdraw deposits would vary the amount of the deposits very much.

Photostatic copies of the claim of Paul C. Keyes, Receiver of the National Bank of Kentucky, dated April 8, 1931, the claim of Frank Dugan dated April 8, 1931, and W. T. ZurSchmiede's claim against the BancoKentucky Company, filed with the Receiver of BancoKentucky Company, were marked for identification "Defendant's Exhibit 7."

Timothy Graham Donovan,

called for defendants, examined by Mr. Crawford, testified:

My full name is Timothy Graham Donovan. I live and have lived in Nashville, Tennessee, practically all my life except for six years which I spent in Atlanta, Ga. I become associated with Caldwell and Company on January 27, 1925. That company had been in business since 1917. From December 9, 1926, to the time of the receivership of Caldwell and Company, I was Secretary and a member of its board of directors.

Caldwell and Company started in September, 1917, and until approximately 1920, engaged exclusively in municipal bonds, and principally Southern municipal bonds. Along about 1920, Caldwell and Company acquired the interest of

Frank and Norton Marr, who had conducted a brokerage business there for a long time; it was an old house, well known. The Marr brothers' father had conducted a private banking business in Nashville since the Civil War and after that had continued to own a stock brokerage business.

The original charter of Caldwell and Company permitted it to deal in securities, stocks and bonds. In 1922 the charter was amended to permit wider operations in the securities field and following that the Company went into the first mortgage real estate bond business, both underwriting and financing. Along in 1922 or 1923 they branched out into the underwriting and financing of first mortgage real estate bonds. They financed the erection of the Kentucky Hotel and subsequently the financing of the Beha Laundry Company. Of course the securities market from 1923 until 1925 changed, and Caldwell and Company entered into the stock field. Following the purchase of stock they branched out into the underwriting of industrial securities of their own, that is, corporation finance. Subsequent to 1923 Caldwell and Company participated in many syndicates both as an origination group, selling group, buying group, and whatnot of securities throughout the country.

Caldwell and Company had participation in national issues. At that time it had built up a considerable reputation and was known as the largest investment house in the South. It was invited into practically all the new financing of issues. It was nothing unusual to have participation in issues originated by J. P. Morgan, Halsey Stewart and Dillon Reed. It had also built a reputation as a distribution house and by that I mean it had offices in twenty-two cities. It had offices in Chattanooga, Tenn., Louisville, Cincinnati, Chicago, Detroit, St. Louis, Kansas City, and up to 1929, in New York City. At that time it was necessary to incorporate under a different name in New York because of a

duplication of names, as Caldwell and Company and they incorporated under the name of Rogers Caldwell and Company, which was a New York corporation. The Company had offices in New Orleans, Birmingham, Knoxville, Greensburg, S. C., and in 1929 and 1930 it had offices in San Francisco, Jackson, Miss., Bristol, Tenn., Columbia, S. Car., Dallas, Texas, Montgomery, Alabama, Jacksonville, Florida, Tampa, and they had offices at one time in Miami during the winter season. There were 22 principal offices in all.

From 1926 on I think the business of Caldwell and Company ran around $40,000,000.00 in the sale of securities and in 1929 it reached $75,000,000.00 in securities and I think for the first four or five months of 1930 the sale of securities was around $37,000,000.00, which, of course, at that time, was maintaining the average of sales.

In the early part of 1930 Caldwell and Company's assets consisted of and were principally investments in securities, consisting of Certificates of Deposit and we had a small amount invested in Liberty Bonds, foreign bonds, industrial bonds, municipal bonds and stocks.

Plaintiff objected to the question and the answer of the witness Donovan, regarding Caldwell's assets consisting of bank stocks, on the ground that the books and records were the best evidence. In response to the Court's questions the witness testified that he did not have the books available; that he had consulted them with a view to testifying to that fact; that he had testified to that fact in many other cases involving Caldwell and Company; that he was in charge of the books and was responsible for them, and that he knew approximately the amount of bank stock held by that company in the first part of 1930, and plaintiff's objection was overruled. Plaintiff made a further objection on the ground that the books and records of Caldwell and Company were not within the jurisdiction of the court and that

where a witness is permitted to testify with reference to figures shown in books and records, such books and records must be within the jurisdiction of the court.

Q. How much relatively of your assets was bank stock?

A. I am taking the range of the early part of 1930. I would say they were relatively small. The total in the Caldwell books between January and May would represent not 5% and certainly not over 10%—they would be less than 10% of the total investment in securities.

Mr. Marx: I move to strike out that answer on the grounds previously stated. I am not thoroughly familiar, if your Honor please, with the details of Caldwell and Company—I don't know that any human being is—but if the books were here, I am informed that they would show that in addition to controlling directly certain banks through stock investments, they controlled indirectly, through their control of other companies, certain additional bank stocks, and that this answer is fundamentally false.

The Court: My point is that I don't see that it has any consequentiality. That is the reason I am permitting him to answer.

Mr. Marx: It was considered to be a chain of banks in the Federal Reserve.

The witness: I am telling you Caldwell & Company were not a banking institution and had nothing to do with the Federal Reserve Bank.

Mr. Marx: I move to strike that statement out. It was not in answer to any question.

The Court: Let it be stricken out, but I am overruling your motion to strike out his answer to the other question.

On cross-examination by Mr. Kasfir, Mr. Donovan testified:

Prior to May, 1930, Caldwell & Company had 10,000 shares of stock outstanding. Those shares were not listed

on any exchange. It was a closed corporation. Rogers Caldwell owned the entire 10,000 shares. The stock market crash was in November—October, 1929. After the stock market crash, sales of securities were curtailed, but the security market did not dry up. At that time, subsequent to that time, Caldwell & Company took steps to save expenses. It closed down some of its offices, several, I would say 3, 4, or 5 or 6 or 7. Practically all the salesmen were not eliminated from the force. To the contrary, in the spring of 1930, they had a sales school to develop additional salesmen with the idea that they were going from there into the retail sale of securities. It is not true that the principal business of Caldwell & Company was floating municipal issues. You will find, by looking, that corporation and industrial securities exceeded municipal bonds in 1929. My company did not make any campaign to sell Banco stock. They sold some, however. You recall that in July, 1930, there was a further decline in the market. We did not acquire BancoKentucky Company stock until June, 1930. From that time on until the failure of Caldwell & Company we did not put on a campaign to sell Banco stock but we did sell some.

The receivership of Caldwell & Company occurred November 13, 1930. No request was made by any of the officers or directors of Banco to Caldwell & Company to conduct any campaign for the sale of BancoKentucky Company stock that I knew of. We sold four or five thousand shares of BancoKentucky stock.

There may have been some discussion between Mr. Caldwell and Mr. Brown between June, 1930, and the receivership of Caldwell & Company regarding request by Banco to sell any other issues backed by Banco, but to my knowledge I can't answer that. I don't know of any issue of stock floated by BancoKentucky which it asked Caldwell & Company to sell on the market from May to November, 1930.

Banco was paying dividends of 20¢ a share every quarter. Caldwell & Company received a check in June, 1930, for $180,000.00 as dividends. I don't know that we were requested to return it. The records of Banco show that check was issued to Caldwell & Company. I endorsed it and sent it back. The contract between Caldwell & Company and BancoKentucky Company provided for an examination of the former's assets within a year after May 28, 1930. It provided that 200,000 shares of stock was to be placed in escrow with the Louisville Trust Company. There was nothing in there about the consummation of the contract; it was simply—it was, to my mind, consummated, but subject to the determination of the values of Caldwell & Company, why, 200,000 shares of Banco was put in escrow with the Louisville Trust Company pending such investigation.

We received in all 900,000 shares of Banco. This $180,000.00 represented a dividend on that amount of stock. In spite of the fact that the contract said we were to deposit 200,000 in escrow, we returned the entire $180,000.00 to BancoKentucky. It was my thought that although the contract was consummated, we were not entitled to any of those dividends in June, 1930, because the examination of the assets of Caldwell & Company had not been completed. The next quarterly dividend came in September, 1930. I don't recall that a check was issued to us for that dividend. My recollection is that a check was not issued. We received no part of the September, 1930, dividend. I think there was some discussion between Mr. Caldwell and Mr. Brown about that check but the details of it I don't recall at this time.

I received the original of plaintiff's Exhibit 104, a letter sent me by Mr. ZurSchmiede which enclosed this $180,000.00 check. I signed plaintiff's Exhibit 105. That is my letter returning that check.

My testimony in regard to the ownership of banks by Caldwell & Company was with respect to direct and indirect ownership. Caldwell & Company had a large stock interest in the Missouri State Life Insurance Company held through the Insurance Securities Corporation. Of course, if you are going to reach out like that—I still say the assets of Caldwell, regarding investments in bank stock were very small.

We didn't keep a record of what Missouri State Life held with respect to bank stocks. Through Insurance Securities Corporation, we did control a large block of Missouri State Life but we didn't hold a controlling interest in Missouri State Life at that time. Caldwell & Company did, in 1930, own a controlling interest in Inter-Southern Life, and had from 1926 on. After May, 1930, Inter-Southern Life held 116,000 shares of Missouri State Life, approximately 30% of Missouri State Life's stock. I don't know how many banks Missouri State Life held. Caldwell & Company bought a 60% interest in the Home Life Insurance Company in 1929. In the early part of 1930 that interest was taken over by the Inter-Southern Life Insurance Company.

When I speak about the ownership of the bank, I am speaking about stock in banks that Caldwell & Company had in its portfolio which it could offer for sale. In other words, you have some evidence of ownership of bank stock. If you own Missouri State Life, you can't represent that you own banks any more than a man who owns stock in C.I.T. can claim he owns every automobile in Louisville. When I told Mr. Crawford that Caldwell & Company's bank stock assets were 5 to 10% of its total assets I had reference to direct ownership. I meant there wasn't more than 10% of bank stock in Caldwell & Company's portfolio that it could use as security or offer for sale. I was not

speaking of any interest in bank stock which some subsiduary corporations of Caldwell & Company might have owned. The Home Life Insurance Company owned stock at a large number of banks in Arkansas. Quite a few small country banks. Something like 30 or 40. I don't think it went as high as 100. I don't think it went as high as 70. My recollection of that is 25 or 30 banks in a small section at Arkansas.

Caldwell & Company did not have an interest in the Southwestern Life Insurance Company of Texas, but Missouri State Life did. I don't know whether Southwestern owned any banks in Texas. I have never seen a statement of Southwestern.

Plaintiff requested that the witness produce the books and records so that he could be cross-examined regarding the percentage of Caldwell & Company's assets in bank stocks.

The Court: If you care to, you may take the deposition of this witness at Nashville on cross-examination to determine what those records show.

Caldwell and Company did own a controlling interest in Inter-Southern Life Insurance Company in May, 1930, and it held approximately 29½% of Missouri State Life—116,000 shares out of 400,000 outstanding at that time. Mr. James Caldwell, father of Rogers Caldwell, was chairman of the board of Missouri State Life Insurance Company. Rogers Caldwell was on the executive committee of the Missouri State Life. The other members of the executive committee were Mr. C. G. Arnett and Mr. Hillsman Taylor. Mr. Arnett was President of Inter-Southern Life Insurance Company and Mr. Hillsman Taylor was attorney for Rogers Caldwell back in 1922. From that time Mr. Taylor was attorney for the Cotton State Life, but never for Caldwell & Company. In 1923 Caldwell bought the Cotton States

Life, which was then in Memphis. Subsequently he consolidated it with other companies and it went into the Inter-State Life Insurance. Hillsman Taylor was attorney for Cotton States Life. Mr. Charles McCabe, now collector of Internal Revenue at Nashville, was President.

Shortly before May, 1930, Missouri State Life bought certain securities which the Inter-State Life Insurance Company had transferred to the Nashville Trust Company. Missouri State Life bought the securities coming out of this trade from the Fourth and First National Company, a subsidiary of Fourth and First National Bank. Insurance Securities Corporation received $2,040,000.00. It was not a trade, it was a sale of securities to the Missouri State Life. The sale was on a repurchase agreement of the Inter-Southern Life to the Nashville Trust Company at Nashville. This $2,040,000.00 paid off the one year notes of the Insurance Securities Corporation. Those notes were guaranteed by Caldwell & Company and the Fourth and First National Company. The day after the stock market crash certain securities were sold by Caldwell & Company to the Missouri State Life Insurance Company on a repurchase agreement.

Caldwell and Company had a very nominal investment in the Fourth and First. We sold our stock in that in 1929 and got out. Mr. James Caldwell, Rogers Caldwell's father, had no interest in Caldwell & Company. Caldwell & Company owed the Fourth and First one million dollars but that was nothing unusual. We owed the Chase and the Chemical one million dollars. It was nothing unusual for us to borrow.

CLERK'S COPY.

Vol. III

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, ~~1942~~ 1943

No. ~~497~~ 3

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

October Term, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

VOLUME III

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,

ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

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District Court of the United States

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

Appellant,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Appellees.

Robert F. Vaughan,

called for defendants, examined by Mr. Crawford, testified:

My name is Robert F. Vaughan. I am a lawyer and live in Louisville. I was connected with the Louisville National Bank and Trust Company as director at the time it merged with the Louisville Trust Company. The proposal had been made by Mr. James B. Brown, President of the National Bank of Kentucky to Mr. Bean, President of the Louisville National Bank and Trust Company, that the two banks, that is, the Louisville Trust Company and the Louisville National Bank and Trust Company merge. That matter was brought to our board by Mr. Bean, with his recommendation, and consolidation after certain mechanics, denationalizating, etc., was affected.

The purpose of making that trade was that we felt it was very advantageous to our stockholders. Mr. Bean had gone into the Louisville National Bank and Trust Company as a rather young man, as a representative of the Ballard family which controlled the bank. He had built the bank up in the '20's to a point where he felt he could not carry

it any further. He felt he had reached his peak and he believed that this merger with the Louisville Trust Company and the Trust Agreement with the National Bank of Kentucky would be advantageous for his stockholders, for the bank and for all concerned. That is the only reason that I know of for the trade.

At that time the National Bank of Kentucky was regarded by us as the leading national bank in this part of the world. The Louisville Trust Company was regarded as the second largest and oldest trust company in Louisville. The basis of the trade was that we traded share for share with the Louisville Trust Company. We got Trustees' Participation Certificates.

Copy of the agreement covering the merger of the Louisville Trust Company and the Louisville National Bank and Trust Company ordered filed as part of Mr. Vaughan's testimony.

After the consolidation had been effected I became a director of the Trust Company. It was along in May, 1929. After that trade the question came up of the formation of BancoKentucky Company. I had participated in those conferences.

In answering the question regarding the intention of the organizers of Banco as to the character of the company that should be organized, I would like to give something of the background of the banking situation to make myself clear. I can only testify as to what went on in the preliminary meetings that were held leading up to the organization of Banco. The banking situation as developed in these discussions, had changed materially, due to the development of security markets and the booming of security markets in this country, and the financing of the larger corporations by selling their securities rather than by commercial loans in banks. The net result of that was that the net

amount of security in banks for rediscount in the Federal Reserve was growing smaller and smaller. The banks had to borrow money, to buy securities for financing these companies, and we felt that the banks were being used by the investment bankers to bring out these securities. As Mr. Brown frequently said, "They are getting the cream and we are getting the skimmed milk."

The idea of organizing Banco was to engage in the underwriting, buying and selling of securities, and also to serve as a reserve or back-log for a number of banks. The means by which that should be done was the acquisition of a large number of commercial banks. Those ideas were finally discussed at the meetings leading up to formation of Banco.

It was decided to form a corporation known as the Banco-Kentucky Company. A. J. Carroll prepared the articles of incorporation. There was no discussion in the Board in any meeting I ever attended as to just what should be put into the articles of incorporation. That was left to Mr. Carroll, except as to the amount of capital and the business and purpose of the corporation. The detail as to the form was left to him.

My recollection is, of course, this has been a long time ago, that Mr. Carroll read those articles to a meeting. I won't say it was a meeting of the Board of Directors, because there were meetings of groups of the Board, but he read the articles at one time and he was instructed to prepare and file them at Dover, Del. As far as the people that went into the trade were concerned, there were copies of it lodged in both banks, the Louisville Trust Company and the National Bank of Kentucky, for inspection by any shareholders who wanted to see them.

With reference to clause 8 in the article "That the private property of the stockholders shall not be subject to

the payment of the corporate debts to any extent," there was no specific direction to put it in the articles and no discussion of it whatever. When Mr. Carroll read the articles to the incorporators there was no discussion of that clause. It was regarded as a formal clause, the usual thing in corporate charters.

Along about the first week in July the question came to me as to tax matters involved in the exchange of Trustee Certificates for Banco. After one of the meetings of the Bank of Kentucky, I think it was on Friday, Mr. Brown, as I recall it, beckoned me to the chair after the members had scattered and asked me if I had an opinion with reference to whether or not there would be any income tax levied by the Federal government upon the exchange of two shares of Banco for one Trustee Participation share, and I gave it as my opinion that unless a majority of the stock was exchanged, and unless further very careful regard was paid to the provisions of the Federal Income Tax Law with reference to that situation, there would be.

He asked me to write him a letter, which I did, as I recall, on the next day, and in which I cited the provisions of the Revenue Act of 1928 or 1927 calling his attention to the way I thought the tax might be avoided on the difference or gain between the cost of Trustees' Participation Certificates and the fair market value of whatever he got in exchange. The first letter I wrote him, July 6, 1929, is Plaintiff's Exhibit 25.

The witness then read the letter interposing that the prospectus, as he recalled it, as originally drawn, was read at the meeting of July 5th. The prospectus was the letter of July 19 as amended by what is suggested in this letter of July 6th.

At the time I wrote this opinion the prospectus which was proposed to be used in writing the Trustee Participa-

tion stockholders had been read to us. It did not contain any statement about a "reorganization." It did not say anything about the necessity of securing a majority of Trustees' Participation Certificates. I was then requested by the Trustees to secure a ruling through Miller and Chevalier, who had offices in Washington. I asked Mr. Robert N. Miller of that firm, an old Louisville boy who had been Solicitor of Internal Revenue under the Wilson administration, to get that ruling. He got it. I think the report was sent to Mr. Brown or the Trustees, enclosing the ruling of the Department. Plaintiff's exhibit 134-1 is the ruling by the Department that the Trustees would be regarded as an association or corporation.

With respect to our proposed prospectus, I then wrote another letter to Mr. Brown. My recollection is that this is the letter Judge Marx was referring to a minute ago, in which there was an enclosure. I wrote him another letter on July 9th, supplementing the letter of July 6th. The letter of July 9th (Plf's Ex. 25-5) addressed to Mr. James B. Brown was then read into the record.

With that letter I enclosed this suggested preface to the prospectus which is Plaintiff's Exhibit 25-1. "The suggested preface to the prospectus," addressed to the holders of Trustees' Participation shares, was then read into the record. The prospectus was changed after my letter. I don't know whether it was re-read to the Directors or not. It was sent out that way to the Trustee Participation Certificate holders.

At the time that letter was sent out there was no change made in the organization of the National Bank of Kentucky or the Louisville Trust Company. Neither the National Bank of Kentucky nor the Louisville Trust Company was, as a corporate entity, a party to any reorganization at that time.

At that time the National Bank of Kentucky did not enter into any agreement with the BancoKentucky Company or with the Trustees in any way affecting its corporate status, that I know of. Neither did the Louisville Trust Company. Their business continued to function after Banco was formed exactly as before.

The parties to the reorganization plan referred to in the letter sent out to the stockholders, the Trustees' Participation holders, were the Trustees on the one part and the BancoKentucky Company on the other.

60. Were they the parties that caused you to use the terms "reorganization" in that letter to come within the tax statute?

All I can say is this, that the Trustees for these two banks under that agreement referred to, employed Miller and Chevalier, my associates at Washington, to get a ruling that they were an association or corporation within the definition or meaning of that revenue act, and they got the ruling.

That related to the income tax of individual owners or holders of Trustees' Participation Certificates. The shares of the National Bank of Kentucky and the Louisville Trust Company were not to be dealt with in the organization of this separate corporation.

I became a director of BancoKentucky Company. It was my intention and the intention of the board as revealed by discussions in the board to carry out the charter powers of Banco.

Q. 71. Did anything interfere with the full completion of that in the early stages of Banco?

A. Well, I think the market conditions did in the fall of 1929.

From my experience in the banking field, so far as I know, there were no issues being floated around Louisville

between the time of the depression and the early part of 1930. There had been prior to that time.

By a rather curious coincidence on the day Hoover came here to visit us and went across the bridge the stock market was sinking. The bridge had been built from revenue bonds which had been floated a year and a half before. So far as I know that was the last issue, except one that Mr. Brown got extended—he got the Louisville Railway bonds extended in 1930—but that was not the floating of a new issue, merely the extension of an old one. That issue was about six or seven million dollars. Louisville was not big enough to take the Bridge Bonds. Stranahan, Harris and Otis of Toledo took it. That particular issue was referred to by Mr. Brown in the meetings when Banco was being discussed as an example of how the banks were getting the skimmed milk and the investment bankers the cream. Here was an issue taken right out of the lap of Louisville with no one here to handle it.

There was no discussion between the organizers of BancoKentucky Company in my presence at any time as to the desirability of forming that Company in order that Trustees' Participation Certificates might be transferred to it and thus avoid or evade any liability they might have as stockholders of the Louisville Trust Company or the National Bank of Kentucky. I never heard anyone mention it, first or last, in the whole organization. I never had any questions at the time Banco was formed or through October, 1930, as to the solvency of the Louisville Trust Company or the National Bank of Kentucky. The question of relieving the Trustees' Participation Certificate holders from double liability never came up in any meeting or any discussion that I heard.

I was employed by Mr. Brown, through Charley Jones, to do the job of denationalizing the National Bank of Ken-

tucky; I drew the papers and prepared all the details which should have been gone through with for the consummation of that plan.

The reason for denationalizing goes back to the original program of Mr. Brown, if I may be permitted to state, your Honor, and that was, his ultimate plan was, to acquire a group of banks. His idea, if I may state it, was not chain banking or branch banking, but group banking, which is an entirely different thing. Group banking is owning, managing and controlling any bank under its own directors and officers—not a chain. His idea was to buy a group of banks in the Ohio and Mississippi Valleys, and his ultimate objective, as he explained to me many times, was to carry the reserves of this group in a central city like Chicago, and not through the Federal Reserve.

I never heard any discussion of the bad condition of the National Bank of Kentucky as the possible reason for denationalizing it. There was no discussion of the fact that the Louisville Trust Company might be in trouble as a cause for denationalizing the National Bank of Kentucky. There was no discussion at any time which I participated in or heard that the condition of either the Trust Company of the Bank made the formation of BancoKentucky Company desirable or necessary. I am going to make this statement in connection with that, that on the contrary, Mr. Brown's idea was that a large organization like Banco would be able to aid all the banks that were acquired in this group banking program. That was one of the purposes of it. In other words, it was a mutual proposition.

Economizing was not the prime purpose of denationalizing the Bank of Kentucky, as I understood it. At one time we had discussion about housing the banks in the same building, probably eliminating some of the overhead.

It was desirable to get out of the Federal Reserve system because there were so few discountable or rediscountable

items in the banks, as I explained a minute ago. The National Bank of Kentucky had to carry reserve in the Federal Reserve, and Mr. Brown's idea was that that was wasted money, that he could carry our reserve in Chicago. That was the cap, then, in our own institution. In other words, the loans in the bank, mostly, were collateral loans that could not be rediscounted, and the utility of the Federal Reserve to his bank was questioned by him.

Reference has been made to a letter written by Mr. Stewart of the Federal Reserve to Mr. Jones with a list of what was termed substandard assets attached. I never saw that. I saw the copy of the letter sent to Mr. Jones but I did not see the copy of the list of substandard assets. Plaintiff's Exhibit 54 is a copy of a letter. There was not a list of so-called substandard assets with the copy I received. After I got a copy of that letter I talked to Mr. Jones, the Cashier of the Bank of Kentucky, about it. He said there was nothing but the usual criticism that bank examiners make of a bank. I never saw the Exhibit. I never took that up at any time with any member of the board. I wasn't a director of the Bank of Kentucky. I took it up with Mr. Jones, the cashier. I did not take it up with the board of directors of the Louisville Trust Company. I didn't pay any attention to it after what he told me.

During the formation of BancoKentucky Company and prior to the actual transfer of Participating Trustees' Certificates I did not know that the Bank or Trust Company were in any financial trouble. I never had any discussion that there might be any double liability. None that I ever heard of. I never heard any discussion that the formation of Banco was got up to avoid double liability. After Banco was formed I purchased stock in it. I have forgotten when. I think I bought 500 shares, but I am not sure.

Robert F. Vaughan,

cross-examined by Mr. Marx, testified as follows:

I was originally on the Board of Directors of the Louisville National Bank. As a director and an attorney I was familiar with the National Banking Laws of the United States in a general way and had had experience in those laws. I knew generally what the provisions of the United States Code with reference to national banks were.

The capital of the Louisville National Bank & Trust Company was $750,000, represented by 7,500 shares of the par value of $100 each. When that bank was a separate institution, it built a new bank building at 421 West Market Street, which was completed prior to the merger or consolidation with the Louisville Trust Company. I don't remember when the Louisville National Bank moved into the new building. It probably was May 24, 1929. My recollection is that the Louisville National Bank occupied the building before the consolidation or at least before the Louisville Trust Company moved over from the old building.

We had built the building and paid for it before the consolidation. I can't recall the approximate cost of that building but $857,000 more or less sounds about right. It was sold to the Lincoln afterwards for about half, and my recollection is that the Lincoln bought it for about $400,000. I would not regard the Louisville National Bank & Trust Company's investment in that bank building as frozen. It was not a liquid asset but it was probably necessary to the conduct of business.

They had more than the bank's capital invested in the building. They did not have more than the capital and surplus and undivided profits, as I recall it. At the time of the merger Mr. Bean had gone as far as he could go with that bank in the way of getting new business.

As a result of that merger the Louisville Trust Company owned the building at Fifth and Market, the old Louisville Trust Building, and they owned 420 West Market. The National Bank of Kentucky was located in rented quarters at Fifth and Main Streets. The Louisville Trust Company did not need more than one building. When the merger took place and the Louisville Trust Company moved to 421 West Market, that left the Louisville Trust Building at the corner of Fifth and Market, the bank's offices, vacant.

I don't know what the Trust Company had invested in the Fifth and Market Building. I say this, at the time of that consolidation it was contemplated that the Bank of Kentucky would occupy one or the other. It occupied some of the safety deposit boxes at 421 West Market before they closed.

I don't recall how long the Louisville Trust Company banking quarters stood vacant. The building was remodeled with the idea that the Louisville Trust Company would move back from 421 to Fifth and Market, which it subsequently did.

I don't know the time when Caldwell's trouble became rumored about. I remember testifying in a law suit between Mr. Anderson and the Trust Company having to do with 421 West Market Street. A newspaper article in the Louisville papers with reference to some troubles with Caldwell & Company about the middle of October, 1930, was the first news that I had of any trouble with Caldwell. I can't recall when that news story appeared but I know that it was in the fall of 1930. I don't recall when the Louisville Trust Company moved back to the Louisville Trust Building. When they moved back that left 421 West Market Street, the banking offices, vacant. Substantially all there was at 421 West Market Street was the banking offices and the fourth floor which was rented to the Board of Trades. It was substantially a one purpose building.

The time the Louisville Trust Company moved to 421 was just about the time the Caldwell & Company trouble became public. I don't know the date but I think it was approximately about that time.

I remember going to Nashville in connection with Caldwell's trouble on election night November, 1930. I found those troubles were quite real. I was in touch with Mr. Brown on the telephone all the time that I was down there. Among other things I suggested to him that it had a bad effect on the public to have this vacant bank building here. That it would excite public comment. I told him we ought to announce that we were going to move into that building in the paper—he owned the Herald-Post. He did announce it but he never moved anything but some valuables of customers into that building.

151—So to speak, that was really the last, desperate gesture to stop the impending catastrophe?

A.—It was desperate at that time unquestionably.

The Louisville National Bank & Trust Company was unified with a wholly owned subsidiary or affiliate. That was the Louisville National Company, affiliated with the Bank through a trust agreement. The Bank declared a dividend and the stockholders agreed to apply that to creating the capital of the Louisville National Company, which was unified with the Bank, and the dividend upon the bank stock carried with it the return upon whatever earnings the Louisville National Company made.

The Louisville National Company was a corporation formed and operated on the same theory as the National City Company. That was the precedent, I think, for that type of affiliate. It was organized to sell collateral trust bonds and buy securities. It was organized by the Louisville National Bank & Trust Company and owned by the stockholders of the Louisville National Bank & Trust Com-

any, through that trust. In other words, the stock certificates stated that the stock ownership in the Louisville National Bank & Trust Company carried with it ownership in the Louisville National Company. That made the shares of the stock indivisible with those of the bank itself.

When the merger occurred between the Louisville National and the Louisville Trust Company, I was a stockholder of Louisville National owning, I think, 25 shares. I think the first stock I bought cost around $175.00 a share, and I think the second lot cost more than that. I don't recall accurately. I know at the time we consolidated the Louisville National Bank stock was selling around $175.00 to $200.00. I think my stock cost me, on the average, $150.00 to $175.00.

In exchange for my Louisville National Bank and Trust Company stock I received 10 shares of Louisville Trust Company stock, that I had to have to qualify as a director, and the difference in Trustees' Participation Certificates, as I recall.

I think I received 25 shares of Trustees' Certificates having the par value of $100.00, and that I then deposited ten Trustees' Certificates with the trustees and they issued 10 shares of Louisville Trust Company stock to qualify me as a director, and then I deposited that stock with the Trustees. Unquestionably, Trustees' Participation Certificates were issued to stockholders of the Louisville National Bank and Trust Company because there was no Louisville Trust Company stock out. It was all in Trustees' Participation Certificates, but whether I did that or not, I don't know; they may have just cut it short and issued the Trust Company stock to me directly. I never had physical possession of the director's qualifying shares. It was all held by the Trustees. That is the reason I didn't think I ever got it; they kept it over there under the trust receipts. Except

as to men who were directors in the Louisville National, its stockholders received only Trustees' Certificates.

At that time the Trustees' Certificates were $100.00, I think, but they were very quickly changed to $10.00 par, around that time the change was made.

A man who owned $100.00 of stock of the Louisville National received $100.00 of Trustees' Certificates which were exchanged, ten for one, into $10.00 Trustees' Certificates. And that was subsequently changed to twice as many shares of Banco, at $25.00 a share. When I exchanged my stock for Banco I got $500.00 in Banco stock. That is approximately correct, I suppose.

In the letters to which Mr. Crawford directed my attention, in which I spoke of taxable gain, the taxable gain would be the difference between $175.00 and $500.00, or $325.00 per share. If it was an outright sale I would have had to pay income tax. The statute provided that in exchanges of property for other property, a gain would be realized represented by the difference between the cost of the original property and the price of the property exchanged. If a man was a purchaser at or about par of the National Bank of Kentucky and there subsequently was a 60% stock dividend which he got, he would be the owner of $160.00 par. When he exchanged his stock he would get $160.00 par of Trustees' Certificates. That was split ten for one and would give him 16 Trust Certificates at $10.00 each. If he traded them in for Banco at two for one, he would get 32 shares of BancoKentucky at $25.00 a share, equal to $800.00. The taxable gain on that transaction, assuming the acquisition of National Bank stock at a cost of par or $100.00, would be $700.00. If it was an outright sale or exchange of property, he would have to pay tax on $700.00 for each share that he transferred to the BancoKentucky Company.

189—And it was your opinion that it was not an outright exchange or sale, wasn't it?

A.—Well, it was my opinion that if the Trustees complied with the section of the Revenue Act that they acquire a majority of the Trustees' Participation Shares, pursuant to—the technical language of the Act—the plan of reorganization, that there would be no taxable gain until the stock was sold; I mean, there wouldn't be any on the exchange.

190—Because it was a reorganization and not a sale or outright sale?

A.—A reorganization within the meaning of the act.

It was my opinion that they ought to comply with the provisions of the Act. No taxable gain was realized by those who were original Trustees' shareholders and exchanged their stock for BancoKentucky Company stock. I think I recall in that connection that the Revenue Agent in charge ruled that way in regard to one of your fellow townsmen up in Cincinnati, Mr. Gustave Mosler. He was President of the Brighton Bank and Trust Company, one of the banks acquired by the BancoKentucky Company in September 1929.

In my letter of July 9, 1929 I said that the transaction, if carried out in the manner recommended by me, would be a mere receipt of the same property in another form and not a closed transaction, wherein they part with one species of property in exchange for an entirely different species of property, and it was done that way. What I was stating there was the philosophy of that law, in which the exchange is characterized, from the tax standpoint on the theory—while it is literally not true, if you acquire the majority of the stock, that is the same property, it is the theory of the statute that it is the same property.

197—In other words, the theory of the law is that the stockholders of these corporations had reorganized in that they had taken shares of stock in a holding corporation of which they owned a majority, in exchange for the certifi-

cates that they formerly held in the trust estate, of which the holding company owned a majority?

A.—That was the fact of the transaction.

As far as the Trustees themselves were concerned, there was no change in their setup that I know of. They had to continue to function under the Agreement of April 22, 1927 just as they had before in order to make this statutory reorganization effective. We had them declared to be a corporation or association within the meaning of the act. The Trustees continued to own the stock of the Bank, and to vote the stock of the Bank just as they had before. The only difference was that the stockholder in the trusteeship now owned stock in the BancoKentucky Company instead of the stock in the trusteeship. I don't agree that it was a holding company.

After the reorganization BancoKentucky Company held the same paper that the Trustees' Certificate holder had held before the reorganization. They acquired the majority of those shares, an overwhelming majority of them accepted the plan. No money changed hands in that at all. It was just an exchange of one kind of paper for another kind of paper.

The Board of Directors, of course, of the BancoKentucky Company, was in control of it. Under the Trust Agreement, as I recall it, the Trustees were under the control of the two institutions, subject to certain rights of an Advisory Committee and a certain number of receiptholders—I don't recall the terms of the trust.

Under the terms of the letter that went out, the circular, we stated that the officers and directors would be the same, as I recall it. The plan called for a majority of the BancoKentucky stock to be acquired by the Trustees' Certificate holders. A majority of the Banco stock gave legal control, and vice versa. I checked that double that way because I

didn't know what they were going to do about these Trustees as an association. Actually, by reason of this double check, the same identical people were in control of both the bank stock and the new corporation before Banco and after Banco. There was an identity of the people who got the dividends from the bank stock before and after, to the extent that they exchanged. Some of the people got dividends besides those who exchanged.

I don't know it to be a fact that the dollars that a person got on Banco stock received in exchange for Trustees' Certificates was the same number of dollars received on the Trustees' Certificates before the exchange.

The dividend was $16.00 a year on $100.00 par value old Trustees' Participation Certificates before the exchange. I do not recall that the rate of the Banco dividend was $0.80 a share.

I had been having meetings with Mr. Brown, and possibly Mr. Jones and others, with reference to the formation of the BancoKentucky Company prior to July 6, 1929.

I stated in my letter of July 6: "In view of the fact that every shareholder of the National Bank of Commerce is still a shareholder of the two institutions, it will be at once seen that the taxable gain would be very large, were it not possible to treat the BancoKentucky Company as a reorganization under the Revenue Act of 1928." National Bank of Kentucky was the old bank. The National Bank of Commerce was merged into it in 1919, I think. A shareholder of the National Bank of Commerce, if he had retained his holdings, was still a shareholder in the two institutions. This National Bank of Commerce was a very old and profitable bank. Many stockholders acquired their stock before 1913, in which case there would be no tax.

I remember very well writing the letter hurriedly and sending it out to Mr. Brown's house. That was Saturday.

There was a meeting on Friday, July 5. The bank always met on Friday.

I was employed as an attorney for the National Bank of Kentucky for the purpose of denationalization in the fall of 1929. During July I sat in at the Board meetings of the National Bank of Kentucky. I usually did, but not always. I did that meeting of July 5 and remained that afternoon, and that is when I had the conversation with Mr. Brown.

It was my recollection that at this meeting on July 5 that the prospectus was read by Mr. Brown. I suppose it was given very careful consideration. I don't recall just how much consideration it was given at that meeting. I know it had been discussed, tentative prospectuses or prospecti, before that. I think Mr. A. J. Carroll had been employed by the National Bank of Kentucky to prepare the articles of incorporation and to frame the stock certificates and subscription. I know he had been employed to file the articles.

This thing was not done hurriedly or without consideration. It was done deliberately and various ideas were advanced, and some ideas were discarded, and the final plan that was agreed on as a result of those deliberations, conferences and consultations, had been given thought and consideration. Undoubtedly the prospectus was corrected many times.

I have no independent recollection of the paper headed "Important Information. Don't Say it—Write it." Addressed: "To Bob: Paragraphs marked might have a suggestion for you in formulating the prospectus. R. Bean." Dick Bean usually called me Bob. That is Mr. Bean's signature, and it looks to me like Mr. Bean's handwriting. Undoubtedly there was quite a bit of conference as to the exact language to be used.

Mr. Carroll's proposed articles of incorporation were read at a meeting of the Board of Directors of the Bank.

We had several meetings in the Bank of members of the Directors, not sitting as a formally constituted Board. Whether it was read at a regular meeting, I don't recall, but I know he read them.

I signed the consent of the Advisory Committee dated July 12, 1929, Exhibit 8, to the Trustees, requesting them to cause Banco to be organized and approving the letter to holders of Trustees' Participation Certificates. It appears that all the other officers and directors of the Bank signed it. The letter, subsequently dated July 19, 1929, is attached, including the subscription to shares of the BancoKentucky Company. I assume that the language in the subscription

> "I hereby deposit with you Trustees' Certificates for an aggregate of Participation Shares of the National Bank of Kentucky and the Louisville Trust Company, in exchange for which you are to cause to be issued to me two shares of stock of the BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July , 1929, if, when and as said plan shall become effective as therein provided."

was in there at the time. I have no independent recollection of these papers, it has been so long a time. It sounds to me like it was in there.

Article 8 of the attached articles of incorporation "The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever" was in there.

The Directors certainly knew that the plan contained the language that was actually used, and every person who exchanged had an opportunity to know it because the plan recites, as I recall, that a copy of the charter was on file at the two banks, the proposed charter, for anyone to inspect that wanted to see it.

The custodians of those documents would have to answer the date on which the proposed charter was available at the two banks for the inspection of shareholders, the T. P. C. holders, or interim receipt holders. It was customary, wherever you have an interim receipt or exchange that way, to provide a copy of the new charter, and details, so that if he wants to see it he can do so, and we provided that here. I assume it was carried out.

Shortly after this meeting of July 12, Mr. Carroll took the articles of incorporation approved that day to Delaware and filed them. The prospectus in its final form met with my approval, as counsel, and with the approval of my tax associates, Miller and Chevalier.

I have not been able to find Miller and Chevalier's letter of July 15 to the Treasury Department. It is the letter referred to in Exhibit 134-1, dated July 30, 1929.

The Department ruled that the Trustees were a corporation or an association within the definition section of the Acts of 1918; that the Trustees were an association or a corporation in that definition. I don't think anybody ever reported it as a taxable gain.

I was employed to effect the liquidation of the National Bank of Kentucky as a national bank and to reincorporate it as a state bank. Of course, the Bank did not liquidate in the ordinary sense. It was supposed to cross from its national charter to its state charter and avoid any interruption in the continuity of the business.

I was employed around the early part of September. The American Legion meeting, I know, was here, the convention, and I think the closing of Banco subscriptions was along towards the latter part of that month. That is my best recollection. I prepared the forms provided by the Comptroller's office for what they wanted, denationalizing the National Bank and converting it into a state bank. Sev-

eral papers had to be prepared, as I recall it. They included first a resolution placing the Bank in voluntary liquidation and naming the Board of Directors as the liquidating agents. Secondly, a certificate of that resolution to the Comptroller of the Currency in order to obtain his approval, which was obtained.

I also prepared Articles of Incorporation for a state bank to be called the Bank of Kentucky. The purpose in selecting that name was not to prevent the public's observing any distinction between the National Bank of Kentucky, BancoKentucky Company, and Bank of Kentucky. You see, the National Bank of Kentucky was originally a state bank, the Bank of Kentucky, before it was ever a national bank, and it was only logical to go back to its old name. Popularly it was always called the Bank of Kentucky, I suppose.

We paid $4,000 for the charter fees. I drew a contract whereby this new bank would buy the assets and liabilities of the National Bank of Kentucky. I filed an application with the Federal Reserve Bank of St. Louis for the admission of the new state bank into the Federal Reserve system. This was done before the stock market crash. The stock market crash had nothing to do with this attempt to get out of the National System. BancoKentucky Company was formed before the stock market crash. The plan was declared operative and effective before the stock market crash. All the stock that was sold at the time they deemed that enough cash was realized to go ahead was before the stock market crash.

It was necessary that a bank as large as the National Bank of Kentucky have rediscount privileges with the Federal Reserve if it was to function satisfactorily. It certainly was at that time because you could not interrupt the continuity of that relationship all at once.

The letter Mr. Crawford asked me about, the letter of October 22, 1929, from the Federal Reserve Bank, Exhibit

54, referred to conditions which certainly were not created by the subsequent stock market collapse. I presume the condition referred to as existing in the National Bank of Kentucky must have come into existence during the period when the country was thought to be abnormally prosperous.

The letter is addressed to Charles F. Jones, Cashier of the National Bank of Kentucky, and a copy of that letter was sent to me. I received a letter from Mr. Stewart, the Assistant Federal Reserve Agent, under date of October 24th.

Said letter was offered in evidence as Plaintiff's Exhibit No. 157.

Exhibit 157 enclosed this letter of October 22nd in which it says "With reference to your request for an examination of the new state bank"—they point out that they cannot admit this new state bank to the Federal Reserve System without an examination. Then they say:

> "We prefer to defer the examination until the new state bank has received its charter and has taken over such assets and liabilities of the National Bank as it is going to have. This will give the management ample opportunity to correct the criticisms contained in the last examination of the National Bank as of May 25, 1929. In this connection, I attach a list of substandard assets which we feel should not be taken over by the new state bank."

That called my attention to the fact that there was a criticism of this National Bank in the Bank Examiner's Report of May 25, 1929. It is my testimony that the list of substandard assets was not enclosed with the copy sent me but I knew, from this letter, that Mr. Jones had such a copy. I did know that the National Bank of Kentucky, which was the largest unit of the Banco chain, was at the very outset under criticism of the National Bank Exam-

iners. But I didn't take it very seriously, for the reasons I gave, I think—may I make an explanation of that statement, Judge?

It is just this, that Mr. Martin, the Federal Reserve Agent at St. Louis, stayed over in here for a week or ten days and criticized the collateral loans in banks, trying to get the bankers to be good boys and not take any more collateral loans. He said Louisville was the worst city in the Eighth Federal Reserve District about that. I took it—all banks here were criticized, and there was no flag or warning to me that the National Bank was in trouble.

The last paragraph of the letter, in which Mr. Stewart stated to me:

> "Of course, if the application is approved, it would be done subject to the conditions contained in Regulation H issued by the Federal Reserve Board, series of 1928, and also upon condition that certain objectionable assets are not taken over by the new institution and other criticisms corrected. Shortly after the new bank opens for business, our Examiners would make an examination to see that the conditions have been complied with."——

was a statement to me that there were objectionable assets and other criticisms. But I did not at the time regard it as a warning of anything serious.

Then he put a postscript on it calling attention to Section 9 of the Federal Reserve Act which specifies

> "The Federal Reserve Board shall consider the financial condition of the applying bank, the general character of its management, whether or not the corporate powers exercised are consistent with the provisions of this Act."

As I recall it, there was a provision which required every state bank admitted to be examined.

I never saw this list of substandard assets totaling $4,000,000. I never asked for it. I didn't think I was entitled to see it. I was not a member of the Board of Directors. As far as being entitled to see it I was a director of the company which owned the stock of the Bank. But that transaction had just about become consummated at the time.

I talked to Governor Martin or Mr. Stewart of the Federal Reserve Board by long distance telephone. I was told that the Federal Reserve System would not admit the new bank to membership without an examination. He did not tell me that there was some trouble there.

I don't recall testifying the first time in the Building case before Judge Cochran that

> "Governor Martin didn't come to Louisville to talk to me about this matter, but I talked to him once on the telephone prior to this time the resolution in March, 1930, rescinded the liquidation. I don't know definitely that the Federal Reserve System would not admit the new bank to membership, but I did know there was some trouble there."

If I made that statement I was certainly stating what was true at the time, but I had no conversation with him in connection with letter you just read there.

The failure of the new bank to get into the Federal Reserve was the thing that made me postpone the original effective date of the cross-over to October 15th.

If the Court please, this is what happened: After I set the cross-over, the effective date of the cross-over, from the National Bank of Kentucky to the Bank of Kentucky originally in a resolution, I think, for October 15th, I communicated with the Federal Reserve Bank so there would not be any interruption of their rediscount privileges. It was then that I was told they would require an examination. I then asked when they could get their examiners

over and I was told not before October 15th, so I had a resolution drawn rescinding the period, the time. That happened in this period we are talking about now.

We got the charter for the reason that we had to have the state bank already set up and ready to go when the resolution became effective.

Plaintiff's Exhibit 158 are all authentic copies of letters I wrote to the persons I addressed or copies of letters I received.

Said letters were received in evidence and marked for identification "Plaintiff's Exhibit No. 158" to Plaintiff's Exhibit No. 158-17," inclusive.

I submitted a bill June 5, 1930, to Mr. Brown reciting my services in connection with the denationalization of the National Bank of Kentucky and the organization of the State Bank of Kentucky. This is the original bill. On this bill I say I was employed about October 1st to do this work.

The bill says, "About October 1st I was employed to do the above work, through Mr. Charles F. Jones who called me over the telephone. I went to his office at the bank and spent the remainder of the day in outlining the plan of procedure, copy of which was furnished to him. It was decided to rush the procedure as rapidly as possible, fixing October 15, 1929, as the effective date of liquidation." I don't recall why, on October 1st, 1929, they wanted to rush the procedure except that was about the time Banco-Kentucky was being organized and I suppose it was to time it with that. They never gave me any special reason for it.

I recall when I called up Mr. Stewart, the Assistant Federal Reserve Agent, and tried to get him to waive the requirement for admission.

I don't think I went to see Mr. Moore, of the local branch of the Federal Reserve Bank, to try to get him to waive the requirement for admission. I don't think he could have.

My idea was, in the event that examination had to be made, we might work out some temporary facilities for the Bank in handling their rediscountable items through that branch. Of course, Mr. Moore would not have authority to waive it. At any rate they would not waive it.

Said bill was filed, marked for identification "Plaintiff's Exhibit No. 159."

I don't recall that the directors of the two institutions considered that a merger of the Bank of Kentucky and the Louisville Trust Company, under State Law, as early as the fall of 1929.

My recollection is refreshed by my letter of January 25th, 1930, Exhibit 158-60, which says "Early last fall the directors of the two institutions, together with Mr. James B. Brown, President of the National Bank of Kentucky, and Mr. Richard Bean, President of the Louisville Trust Company, were favorably disposed toward denationalization of the National Bank of Kentucky and the organization of a state bank under the laws of Kentucky as its successor; and it was at one time considered (though never decided) that a merger of the Bank of Kentucky and the Louisville Trust Company, under state law, might be of considerable advantage in the prosecution of the business conducted by the two banks." I thought you were speaking of the time when we did get down to the actual consideration of it seriously, which was much later than this.

Defendants' objection having been sustained, the plaintiff offered the following avowal: "Now, in the final analysis, you could not go through with the scheme to denationalize because the Federal Reserve Bank would not agree to take this new state bank in until it had eliminated the bad assets and corrected the criticism.

I think I was a member of the committee to value Caldwell and Company. I do not remember who the other members of that committee were.

I recall testifying before the Grand Jury of Jefferson County between February 23 and February 27, 1931. I said there that there was a resolution passed on May 29, 1930, appointing a committee consisting of Mr. Jones, Mr. Boomer and myself to assist Mr. Brown, the President, in determining the value of the assets of Caldwell & Company. I did not recall the personnel until you reminded me. That committee never met. We never valued the assets of Caldwell & Company and never made any attempt to. The only information we had with respect to the value was what Mr. Caldwell stated to Mr. Brown. And what Mr. Brown reported to us.

I didn't know the Kentucky Wagon Works was a sore spot. It was represented to us by Mr. Brown at the time we went in with the Louisville Trust Company that the Wagon Works loan did not exceed $500,000. That is one reason why, if I had got a copy of those assets from the Federal Reserve man, I would have jumped right out of the window.

I knew that in this deal Caldwell & Company was to take over the obligations of the Kentucky Wagon Works so as to get it out of the Bank.

"335—* * * You did know that Caldwell & Company, in this deal, were to take over the obligation of the Kentucky Wagon Works so as to get it out of the Bank, didn't you?

A.—Yes, that is true.

336—And 100,000 shares of BancoKentucky stock were allocated as a sort of consideration for Caldwell & Company lifting that load out of the National Bank of Kentucky?

A.—I think that was the figure."

I don't think Caldwell & Company actually did take the Kentucky Wagon Works over. I have forgotten, to tell the

truth. I didn't regard the transfer of the Kentucky Wagon Works to Caldwell as unloading anything on him. It was at one time considered to be a very valuable property. I think Caldwell was in better shape to administer that and put it on its feet than a national bank, perhaps. I know that was the way the deal struck me, that it was easier for Caldwell to do that.

Before the Grand Jury I was asked if I didn't consider at the time that it would help the National Bank of Kentucky and I answered: "Of course, I was not a director in that company. Of course, everybody knew the Wagon Works was a sore spot in all of the banks. We were all glad to see the opportunity to clear up the liability." When I said "sore spot" in all the banks I was referring back to the old condition, when the old Wagon Works owed a great number of Louisville banks. It was a money maker years ago, and Mr. Brown, as I recall it, bought or compromised the notes of the other banks and attempted to reorganize the business and make it a success.

Defendant's objection having been sustained the following was offered by plaintiff as an avowal. I was then asked:

> "That was the added inducement for the Board of Banco agreeing to the Caldwell deal?"

And I said:

> "I don't think that was true so much as to the men on the Louisville Trust Company, but I do think it did as to the directors of the National Bank of Kentucky."

At the time we allocated 100,000 shares to Caldwell & Company as a consideration for taking the Kentucky Wagon Works off our hands Banco stock was selling on the market at $17.

344—That would be $1,700,000 given to Caldwell to take over an obligation that you thought was only $500,000?

A.—At the time we made this deal with Mr. Bean and Mr. Brown, which was around January 1, 1926, I think—I think that was the date—it was represented to him that the line at that time was $500,000, according to what Mr. Bean and Mr. Dosker told me.

345—It sounds like a very excessive consideration to give Caldwell $1,700,000 in stock to take over $500,000.

The Court: Don't argue the case, just ask him questions. Objection sustained.

As a matter of fact I knew when we made this arrangement for a trade with Caldwell in the summer of 1930 I knew that Caldwell owned banks. I think the failure of the Bank of Tennessee which was owned by Caldwell & Company, and the publication, under the laws of Tennessee, of its inventory of assets and liabilities, caused some of the country banks to withdraw their deposits from the National Bank of Kentucky. Along the line some other persons, when they found out that the Bank of Tennessee owned Banco stock, that, in turn, caused disquiet among some of the large depositors. That, in my judgment, would be what ultimately caused the collapse of the Banco chain.

I don't know whether Caldwell owned banks in Arkansas directly or not. I testified before the Grand Jury: "Two weeks before our banks failed here there had been failures in Tennessee and Arkansas of banks, notably the Holston, the Hermitage, American Exchange and about forty banks that were chained up with that bank in Arkansas." There was a chain of banks in Arkansas, but whether they were owned by Rogers Caldwell, I couldn't tell you. They may have been affiliated with some of his businesses.

The only bank Mr. Caldwell was connected with in Nashville was the Fourth and First. His father, Jim Caldwell, was President. The failure in Nashville was the Hermitage National. I don't think it was owned by Caldwell. If Cald-

well owned the Hermitage National it is news to me; I never knew it.

I was a member of the committee of lawyers who went up to Jim Brown's house on the night of May 29th to go over the contract with Caldwell and approved that contract. I think the other lawyers were Mr. Carroll and Mr. Kennedy Helm. I think all the lawyers of the Board were invited to go. That is my recollection. Mr. Brown stated at the meeting that Mr. Dodd was out of town, and Judge Rutledge was sick, as I recall it. It was the understanding that we were going to deliver the Banco stock to Caldwell, part of it, before an audit of Caldwell & Company was made. It was the intention to deliver part of the Banco stock before the assets of Caldwell had been determined, under the contract part of it was to be held in escrow. I don't recall that that was a last minute idea.

It was the original idea that all of it would be held. Mr. Dodd went out of town and was not at the meeting, and thought the Board had run out on him. There undoubtedly was a change in the intention. I knew at that time that Caldwell would not submit to an audit at that time. I don't think I ever saw a financial statement of Caldwell & Company. He never made one. I never saw a balance sheet.

It happened this way. This supplemental agreement about Caldwell delivering 100,000 shares of BancoKentucky Company stock to the National Bank of Kentucky for its interest in the Wagon Works, was not discussed at Mr. Brown's house that night. It was discussed at the Board. Caldwell wanted to get back to Nashville that night. There were three lawyers there and we had no stenographic facilities and we almost overlooked this Wagon Works thing. As I remember it, this was drawn up in long hand on a sheet of yellow paper and signed before he left. It was not discussed at all. I made the actual

delivery of the stock in Nashville on the Monday following the trade. I delivered 900,000 shares and took their receipt. They endorsed in blank and redelivered to me 200,000 shares for deposit in escrow in the Louisville Trust Company and I gave them my receipt. I think that was Monday after the contract was signed—June 2nd. The additional 200,000 shares of that stock were placed in escrow about September 1st.

I can tell you why it was. Rogers Caldwell said he could not give us that audit during the summer or that inspection that this committee I was a member of was supposed to make. Mr. Brown exacted of him the return of these 200,000 shares until that audit could be made. The first 200,000 shares were turned over at Rogers Caldwell's house on June 2nd, and the second 200,000 shares on September 1st.

All I know about the addition 200,000 shares being placed in escrow is that one night Mr. Brown called my residence about 11:30 and said he wanted to know if I would draw a little contract for him. And he came by the house and had a letter from Caldwell in which he said he was surrendering 200,000 shares to be deposited in the Louisville Trust Company in escrow just as the other stock was. On the next day I drew just a form escrow agreement with the Louisville Trust Company for that 200,000 shares. The 200,000 share certificates were handed direct to the Louisville Trust Company by Caldwell the next day. The only conversation I had with Brown was in regard to the terms of the instrument. It was very late and he was hurrying home and he asked me what I thought the contract should provide.

I told him it should be in line with the terms of the original contract. The reason he offered for getting the additional 200,000 shares was he said he had not completed his

final examination, and that Caldwell did not want to have a final examination and that in consideration of that he was surrendering the additional 200,000 shares.

I haven't the slightest idea at what Banco was quoted in the market. There was no effort made to protect the stock of the company, on a declining market, that I know of.

I never saw any letter from Mr. Bean to Mr. Brown discussing the fact that one of the advantages of forming the BancoKentucky Company was that there would be no assessment on the bank stock. I never saw any such letter.

The Court: Objection sustained; that is in the charter anyway; regardless of what discussion about that time may have been, it is in the charter or articles of incorporation of BancoKentucky.

Mr. Crawford, counsel for defendants, stated to the Court that in September, 1930, September 3, the Chicago Stock Exchange quoted Banco stock at 17 high and 16⅞ low. It closed at 16⅞.

At the time Mr. Caldwell surrendered another 200,000 shares the stock was then being quoted on the market at a price which would have aggregated $3,200,000.00.

The means by which the objectives of the BancoKentucky was to be obtained was by the acquisition of a large group of banks. That was to furnish the reservoir of capital, the reservoir of money that was needed to carry out this project.

I accept the correction to my statement in direct examination that the tax question about which I was employed came up after Banco's charter was filed. The tax matter was July 5 or 6 and the charter was filed July 16. My confusion on that was due to one thing, and that was that Mr. Carroll left here the first of July. I know he was at that meeting when Mr. Brown spoke to me about the tax gain, and I assumed he had filed the charter.

I subscribed for some Banco stock myself. I borrowed the money to pay for these subscriptions from the National Bank of Kentucky. I think my note on the original subscription was something like $18,000.00 as I remember it, and I posted some collateral on it. I put up the Banco stock as collateral and other securities worth about $2500.00. There wasn't any market in the other stock but they stood me $10,000.00. The other collateral sold for $2500.00 after it got in some trouble. Up to the time of the closing of the bank I think I had paid $500.00 on this $18,000.00 note.

On re-direct examination Mr. Vaughan, examined by Mr. Crawford, testified as follows:

The building at Fifth and Market Streets of the Louisville Trust Company, is an office building, very well tenanted with lawyers because it is so close to the Court House. I don't remember the details of the remodeling of the banking room and vault. There were other tenants in the building at all times. The building is seven or eight stories in height and is practically half a block away from the Court House.

With regard to tax gain, the ruling under which the reorganization was allowed avoided the tax on the transaction of the exchange of BancoKentucky at two for one, for Trustees' Participation shares, but of course, if any man sold Banco, whatever realization was made, he paid the tax. In other words, it simply postponed until the sale of Banco stock any payment of taxes. Until there is a sale there is no taxable gain. The split in the stock in no way affected the tax situation, or the amount realized by the sale when he sold Banco.

There was no agreement made between the Trustees' certificate holders and the BancoKentucky Company to keep their Banco indefinitely or for any length of time.

I got my dividends on my qualifying shares.

If I stated that the stockholders of Banco still got the same dividends or still obtained dividends from the bank I was incorrect and I misunderstood the question. They got their dividends from the BancoKentucky Company.

There was no agreement entered into that the Banco-Kentucky Company would turn over to its stockholders all of the dividends it receives from either the Bank or the Trust Company, that I ever heard of. If they did obtain the same dividends it was then merely coincidental. I can say this, that we expected dividends on the Banco stock at whatever it earned. It might be more or less than the Bank stock. Whatever it was, we expected to get. We got it from the BancoKentucky Company after a declaration by the Board of that Company. The National Bank of Kentucky, as a bank, had no say as to what the declaration of dividends by Banco should be.

I was not familiar at all with the set up of the Wagon Company in the Bank. I didn't know a thing about it. I knew nothing about how much the Bank had charged off on the account until after the Bank closed, when those facts became somewhat public.

On re-cross examination Mr. Vaughan, examined by Mr. Marx, testified:

There is no taxable gain until there is a sale or outright transfer on an ordinary exchange of property for other property, but if you follow the technique set up in that section of the statute then there is no taxable gain realized until you sell the property you receive. So long as the stock we continued to hold was BancoKentucky stock there was no taxable gain.

With reference to the question Mr. Crawford asked me, whether the National Bank of Kentucky had any control

over the amount of dividends that were paid by Banco, the stockholders of the two banks, the Trustee Participation shareholders, acquired by the exchange a majority of the stock of the BancoKentucky Company. As I understand that Trust Agreement, it was an indivisible trust estate. A man didn't own any of the Bank of Kentucky or the Louisville Trust Company, he had stock in an indivisible trust estate in the two banks, and as might be augmented from time to time by accretions to it. But at the time of the exchange there were no banks in it except the National Bank of Kentucky and the Louisville Trust Company. At the time of the exchange of Trust Shares for Banco shares the Trustees had all the stock of the Louisville Trust Company.

For all practical purposes the owners of the Trustees' Participation certificates were the owners of the bank stock. And the owners of the bank stock, these two banks, had legal control of the BancoKentucky Company through the ownership of more than a majority of the stock of BancoKentucky Company. That is the way it started out. Of course, the picture might change with sales. I don't know that the majority of control ever did change up to the time they closed.

I suppose that every dividend that was declared by the National Bank of Kentucky was declared by resolution of its board; I don't know, I wasn't a director of that bank.

Defendant's objection to the following question: "And these men that declared those resolutions sat on the board of the BancoKentucky Company?" was sustained and plaintiff made the following avowal:

> "If the witness were permitted to answer he would say that the same individuals who, prior to the organization of the BancoKentucky Company, controlled the National Bank of Kentucky and its Board of Directors,

or elected its Board of Directors by virtue of their ownership of Trustees' Certificates, after the organization of the BancoKentucky Company controlled the voting of the same Trustees' Certificates by virtue of their owning more than a majority of the stock of the company which now had their Trustees' Certificates and which they created to hold them; and in addition, that the same individuals who composed the board of directors and officers of the Bank prior to the formation of the BancoKentucky Company composed the Board of Directors of the Bank after the organization of BancoKentucky Company with a few exceptions that have been noted here, and also composed the Board of Directors of the BancoKentucky Company, which, through its ownership or holding of all the stock of the Bank voted for the Boards of Directors of the Bank."

Charles A. Schuck,

called for defendants, examined by Mr. Dietzman, testified as follows:

My name is Charles A. Schuck. I have been employed by the Louisville Trust Company since 1927 in charge of the stock transfer department.

The Louisville Trust Company was transfer agent for BancoKentucky Company at all times. The transfer books of Banco came under my control and all entries were made under my supervision. At the request of Mr. Allen Dodd I went over the transfer books of the BancoKentucky Company and made up a statement or list of the stockholders as of and including November 15, 1930. In making an analysis of the stock owned by the various stockholders I made four categories. One—exchanged Trustees' Participation Certificates for Banco stock. Two—original subscribers for Banco stock. Three—other bank stock—and when I say that I mean other than Trustees' Participation Certificates exchanged for Banco. Four—otherwise acquired Banco.

The otherwise acquired Banco group would include purchases on the market.

This list which I prepared from the books of the Banco-Kentucky Company, from the original stock ledger stub books, is correct. During the preparation of this case I made another list of these stockholders which Mr. Dodd had here this morning. After I prepared that list my attention was called to a list prepared by Mr. White, known as Plaintiff's Exhibit No. 148. In comparing this first list I made, with Mr. White's, I discovered there were some discrepancies in my first list. There were not very many. They involved no larger an amount than 2,500 shares of Banco.

This last list is correct. The total number of shares shown by my list compares with the total number shown in Mr. White's list, the only difference being in the classification. The classification is different. The classification I made according to this exhibit is correct.

Said exhibit was received in evidence and marked for identification "Defendant's Exhibit No. 8."

My classification of the various classes of stockholders differs from that of Mr. White. I will give them to you by groups. The Receiver's list, prepared by Mr. White, shows as the first classification, Trustees' Certificates exchanged for Banco, 1,063,517 shares, and in percentage, 51.32 per cent. The Transfer Agent's list shows, as to same classification, 827,645 shares, or in percentage, 39.94 per cent exchanged for Banco. Now, in the next classification, original subscriptions for Banco, the Receiver's list shows 191,556 shares, or in percentage, 9.24 per cent; the Transfer Agent's list shows 329,848, or in percentage, 15.92 per cent. The third classification, exchanged for other bank stock, the Receiver's list shows 159,833 shares, or in percentage 7.71 per cent; the Transfer Agent's list shows 169,356

shares, or in percentage, 8.17 per cent. The fourth classification, shares of Banco otherwise acquired, the Receiver's list shows 168,476 shares, or in percentage, 8.13 per cent; and the Transfer Agent's list shows 326,504 shares, or in percentage, 15.75 per cent; shares held by Caldwell & Company, the Receiver's list shows 489,086 shares, or in percentage, 23.6 per cent; the Transfer Agent's list shows 419,115 shares, or in percentage, 20.22 per cent.

I have taken from Plf's Ex. 8 the total number of shares subscribed for by Directors of the Bank and Trust Company. I have here, as taken from the record, the total number of shares subscribed for by the Directors. However, that does not compare with Ex. 8. It does not because certain of the shares subscribed for by the Directors were later disposed of, between the organization and the close. As of October 15, 1929, my record shows the Directors subscribed for 47,188 shares which, multiplied by $25.00, is $1,179,750.00.

I have made an analysis as to all the Trustees' Participation Certificate holders who exchanged their certificates for Banco and the amount of original Banco stock they subscribed for. This record is taken as of October 21, 1929—That was the dividend pay date. On this date 646 individual holders, or 29 per cent of the holders, owned 143,762 Trustees' shares, or approximately 26 per cent of all outstanding Trustees' shares. These 646 individuals subscribed for 178,878 shares of BancoKentucky Company capital stock at a price of $25.00 per share, or a total of $4,471,950.00. That subscription amounted to approximately 45⅓ per cent of all shares of the BancoKentucky Company subscribed for.

Said papers were received in evidence and marked for identification "Defendant's Exhibit No. 9 and Defendant's Exhibit No. 10."

I prepared a list of depositors in the Louisville Trust Company who, as of November 15, 1930, were stockholders of BancoKentucky Company. This list was prepared from the individual deposit record of the Louisville Trust Company showing the amount of cash on deposit by each of these individuals who were also stockholders of the BancoKentucky Company. On November 15, 1930, they had on deposit a total of $858,093.71.

Said paper was received in evidence and marked for identification "Defendant's Exhibit No. 11."

On cross-examination by Mr. Marx, Mr. Schuck testified as follows:

The total number of Banco shares in my exhibit agrees with that in Mr. White's exhibit. The difference between Plf's Ex. 148 and Dft's Ex. 8 is in classification. I have looked over Mr. White's classification. It is by individual stockholders.

It states in the explanatory sheet accompanying it that the schedule shows the name of all stockholders of the BancoKentucky Company, as of November 17, 1930, the amount of the assessment, the total shares held by each stockholder and a classification of the stockholders, showing the number of shares held by each group. Now my classification is a classification of stock.

Mine is a classification of stockholders and the stock they held. You will find the same names in my list as you will find in Mr. White's and the total number of shares shown in my list will compare with the total number of shares shown in Mr. White's list.

Obviously if the total number of shares is the same there is a difference in the classification. Otherwise the result would be the same. We were working with the same identical figures.

For example, take Miss Bettie F. Alford in my list, Ex. No. 8. She got according to the record of the Transfer Agent, 50 shares of BancoKentucky stock in exchange for Trustees' Participation Certificate. That means that she, as an individual, was at the outset of BancoKentucky Company an owner of Trustees' Participation Certificate or bank stock, as to the 50 shares. She was a holder of Trustees' shares and deposited them for exchange into Banco. Then she subscribed for 25 additional shares. Then she exchanged some other bank stock for Banco. I put her in all three different classifications. At the end she wound up by having 125 shares of Banco.

Now Mr. White classified her, since his classification is by stockholders, as being in the group of original parties, and as holding at the close 125 shares of Banco. But I split her into three classifications. I put her stock she received through the exchange of Trustees' shares in one classification. I put the stock she got by her original subscription to the plan in the second classification. And I put the stock she got by exchanging other bank stock for Banco stock in still a third classification. I put the same individual into three different classifications according to how she acquired the various shares of Banco which she held.

What I have classified is the different shares of stock held by each individual. Whereas Mr. White classified the stockholders, as individuals, as to the amount of stock they held.

Under Mr. White's classification of stockholders, a man, for example, who knew all about the plan for the formation of Banco, was an incorporator, and owned at the close 1,000 shares of Banco. Whether he acquired his 1,000 shares, 500 of them at the beginning by exchange of Trust Certificate and 250 originally by subscription to the original plan, and subsequently 250 more by purchase in the open market, that man does not change as an individual.

Mr. White has classified that man as one person and put his holdings, his total holdings of Banco stock on the day Banco closed, in one category. As of the close, Mr. White has classified his total number of shares owned by original participant in the plan under one classification. I have not done that in the manner in which Mr. White has.

The Court: The witness says he has classified such a shareholder in three classifications by showing what he exchanged for Participation Certificates; he has identified him as of that kind of holder, and also he made a purchase, and also as an owner who subscribed for stock.

When I aggregate the Banco shares by classification I put in my first classification all shares of Banco stock originally received by the several holders in exchange for their Trust Certificates and still held at the close, regardless of how many shares those same people owned in other classifications at the close.

In my second classification I have shown the number of shares of stock that were held by these stockholders at the close which were obtained by original subscription by the particular stockholder. That is regardless of how many other shares that same stockholder may have held which he acquired in other ways. In my third classification I have only taken the stock acquired by exchange of other bank stock and held by the stockholders at the close of Banco to determine the percentage of stock in that classification, regardless of how much stock the stockholders may have acquired in other ways.

It is perfectly true that there is just one fundamental difference between my classification and the classification of Mr. White's. Mr. White classified the stockholders and I classified the stock.

An Interim Receipt is the Trustees' Interim Receipt which was issued to the original Trustees holder upon their

deposit of their Trustees' shares of Bank and Trust Company stock and which provided that it was exchangeable for Banco stock on the basis of two shares for each of the Interim Receipts upon the organization of Banco being declared effective.

If a man brought in one of these Interim Receipts during the summer or fall of 1929 I classified him as otherwise acquiring Banco. If he had exchanged Participation Certificates for Interim Receipts and later exchanged Interim Receipts for Banco, I classified him as having exchanged Trustees' Certificates for Banco, that is, an original depositor of Trustees' Certificates.

Interim Receipts were traded in on the open market. If a man brought in an Interim Receipt for Trustees' Participation Certificate deposited by some other person, I treated him as being "Banco otherwise acquired" because his Interim Receipt was exchangeable if, as and when Banco was declared effective, only for Banco.

If $1,000 in Interim Receipts were issued for Participation Certificates and those Interim Receipts were assigned to a purchaser who exchanged them for Banco stock, and such purchaser was classified in the otherwise acquired group then that classification would be $1,000 more than Banco stock acquired by original holders of Participation Certificates.

If $1,000 in Interim Receipts were issued for deposited Trustees' Participation Certificates and such Interim Receipts were transferred to a purchaser who exchanged them for Banco stock, and such purchaser were classified in the otherwise acquired group, then that group would be $1,000 more than the classification of Banco stock acquired by original holders of Participation Certificates. But these Interim Receipts were traded in on the open market as Banco.

The Interim Receipts were treated generally speaking, as Banco stock. They were outstanding against the Trustees' Participation Certificate pending the issuance of the BancoKentucky stock certificates.

Under my classification, if a person got 500 shares of Banco by exchange of Trustees' Participation Certificates and subscribed for 200 shares, and bought at various times 300 shares, and then have these 1,000 shares all put into a permanent certificate for 1,000 shares, then sold 100 shares and later sold 125 shares and still later 25 shares and wound up with 750 shares, my classification only pertains to what he held at the close.

The Transfer Agent's record plainly shows where a stockholder wound up with one certificate after having made several sales, whether he sold the stock he received by exchange of Trustees' Participation Certificates or whether he sold the stock he got by subscription or which he had otherwise acquired. That could be shown by checking the record straight back through the stub book as to the certificate numbers themselves. Each certificate came into being by reason of other certificates.

The example put to me,—a person holding one 1,000 share certificate then making several sales and finally winding up with a certificate for 750 shares—never occurred. But in such a case it would be impossible to tell whether the stockholder sold the shares he acquired through exchanging Trustees' Participation Certificates or by subscription or by purchase on the open market. It will be impossible to allocate the shares.

In every instance I could tell whether the stockholder were selling subscription stock, purchased stock or exchange stock. In no instance did any certificate come in as a whole certificate of various classes and then have to be broken down. In no instance did I have to make any assumption that certain stock was sold from a certain classification.

If Jones was a Participation holder and exchanged his certificate for Banco and gave that to his wife I would classify her as otherwise acquired. If the wife died and the husband got it back or she transferred it back to him I would classify him as otherwise acquired even though he was an original participant and got that stock by exchange. If Jones pledged his stock as collateral and it went into the name of a nominee and so remained at the close I would classify it as otherwise acquired.

If Banco stock was issued in the name of a nominee and subsequently retransferred to the original stockholder and new certificates were issued the latter would be classified as otherwise acquired unless I could positively identify the stock by going back and determining from the record that he was putting it in the name of a nominee. If I could positively identify the chain of certificates and numbers and dates and what not that necessarily goes to make up the record, then I would classify him as being a Trustees' Participation Certificate holder.

Under Mr. White's method, when that stock was transferred back to the original subscriber, he would be classified as an original participant in the plan.

In my analysis I referred to the shares of stock of Banco-Kentucky held by Caldwell & Company, whereas Mr. White referred to Caldwell & Company and its nominees. I haven't a record of the Caldwell & Company nominees.

T. K. Helm,

called by defendants, examined by Mr. Van Winkle, testified as follows:

My name is T. Kennedy Helm. I am an attorney at law and have been engaged in the practice since May, 1897. I have drawn very many corporate charters, certainly in excess of one hundred, and I have served as a director in about twenty or more corporations.

With regard to the Trust Agreement of April 22, 1927, executed between the Bank of Kentucky and the Louisville Trust Company and Allen and Dodd and others as Trustees, I was employed by the Louisville Trust and Judge Alex P. Humphrey was employed by the National Bank of Kentucky to draft that document. We did so after considering various similar documents that had been drawn in New York with the Irving Trust Company and in Cincinnati with the Fifth-Third Bank, and in Louisville with the First National Bank and Kentucky Title Trust Company, and the Citizens Union and Fidelity and Columbia Trust Company. We made a draft and submitted it to committees of the two Boards and, with maybe a few changes, it was adopted and printed and is now the document in the record.

With reference to interlocking directors in banking and financial institutions, under the Federal Reserve Act, the directors of banks and trust companies could only serve more than one bank with the permission of the Federal Reserve Board upon the recommendation of the Governor of the Federal Reserve District. The necessary forms were obtained and the information furnished as to each of the Directors of the Louisville Trust Company and the National Bank of Kentucky, and forwarded first to Mr. Martin, and then to the Comptroller's office and the Directors of each institution were authorized to serve in the other institution. At that time the chairman of the Federal Reserve Bank in this district was Mr. William McChesney Martin.

As attorney for one of these banking institutions I made application to the Federal Reserve on forms which required information about the competition, nature and location of the banks and other alliances of the persons who were to be directors. Those forms were prepared and sworn to by the individual directors and were sent to Mr. Martin and,

I think, by him taken to our conference before the Federal Reserve Board in Washington where they were approved.

This letter dated May 26, addressed to Mr. William McChesney Martin, Federal Reserve Agent, Federal Reserve Bank at St. Louis, is a copy of the letter I sent Mr. Martin. Said copy received in evidence and marked for identification "Defendant's Exhibit No. 12."

I received blank forms to be executed by the Directors, had them filled out and returned them to Mr. Martin. A copy of the form received from the chairman of the Federal Reserve Board was received in evidence and marked for identification "Defendant's Exhibit No. 13." These forms were filled out by all the officers and directors of the two banks and were all approved except two or three or four, and Mr. Martin wrote back and asked for further information as to them, which was later supplied.

This letter dated June 11th is one I received from Mr. Martin in reference to the application which had been made by me on behalf of these two banks. This letter is dated June 11, 1927, and Mr. Martin asked for further information with regard to the application of Joseph A. Durham, Richards A. Reynolds, and Allen P. Dodd. It says, "Referring to your letter of May 26th, I have today been advised by the Federal Reserve Board that all of the applications contained therein have been approved except those of" the three I just named. Said letter was received in evidence and marked for identification "Defendant's Exhibit No. 14."

About the 5th of February in that year they passed an amendment to the National Banking Act under which national banks were permitted to declare stock dividends, and that was taken into consideration in connection with this plan of unifying the interests of the National Bank of Kentucky and the Louisville Trust Company, and it was

an integral part of the plan, and the basis upon which the trade was made, that the National Bank of Kentucky would apply for permission to increase its capital stock from $2,500,000 to $4,000,000.00, declaring a 60 per cent stock dividend. That application had to go to the Federal Reserve Governor of this district, together with a draft of the proposed Trust Agreement of April 22, 1927. His attention was expressly called to the fact that a stock dividend was in contemplation, because the law had only been recently amended, and they seemed to take considerable interest in the subject of how and under what terms a stock dividend would be paid by a National Bank. After considerable correspondence Mr. Martin agreed to accompany a committee to Washington, as the question of the stock dividend had to be passed on by the Comptroller. I think Mr. Stearns was Comptroller, and Mr. Pole was Deputy Comptroller at that time and they had a Mr. Quin, who must not be confused with Judge Houston Quin, was in charge of the organization and reorganization of national banks, and he was called in, and also a lawyer for the Comptroller's Office, and our Trust Agreement was gone over in detail. The statements of the National Bank of Kentucky were considered in detail and the approval was given to the declaration of a 60% stock dividend by the National Bank of Kentucky, effective at some particular date in the future, which I think was agreed on as May 30th or 31st—I can't recollect which. I know I went on a second time and brought back and telegraphed the report that we were set in that respect and the plans could proceed.

I made an appointment on behalf of the Bank and Trust Company, to meet the Comptroller for the purpose of discussing and securing the approval of this plan of increasing the stock and declaring the dividend. Mr. Martin, the Governor of the Federal Reserve Bank of this District,

volunteered to go with us and met our committee in Washington and stayed with us and conducted us to the proper officers and introduced us to the proper authorities. I can't recall exactly who was present at that conference on behalf of the bank. This telegram, dated May 7th, is a telegram received from J. W. McIntosh in re the National Bank of Kentucky-Louisville Trust Company merger, "Glad to see you Tuesday." That was the time we went to Washington. It was the Tuesday after the 7th of May. Said telegram was received in evidence and marked for identification "Defendant's Exhibit No. 15."

Present at that appointment were Mr. John Stites, who was President of the Louisville Trust Company, and Mr. Nicholas H. Dosker, who at that time was a Vice-President of the National Bank of Kentucky, and I, as attorney representing both the parties, because Judge Humphrey was in bad health, or at least, he had a broken leg, went from here and met Mr. Martin, William McChesney Martin, and he took us first to the Comptroller's where we met the representative of that office. Mr. Dosker, Mr. Martin and someone in the Comptroller's office took up the statement of the National Bank of Kentucky. I discussed with a lawyer of the Department the terms of the Trust Agreement that we had. Mr. Stites had someone he was talking to. Some of them were in one large room and I went into a smaller room with this lawyer for a few minutes, maybe fifteen or twenty, and he had certain questions he wanted to ask about the Trust Agreement, which I answered, and the answers seemed to satisfy him. I then returned to the room and joined with the others. They said that they were going to approve, and they did approve, the payment of the stock dividend. Then, we were taken by the Comptroller and Mr. Martin, and appeared before a full meeting of the Federal Reserve Board, and I had quite an informal talk.

They asked about our Trust Agreement and they asked about our directors, and the result of that was that they said they would approve, or thought they would approve the interlocking directors.

The increase in the capital stock of the National Bank of Kentucky and the payment of the stock dividend were approved by the Comptroller. I think it was mostly incidental to our plan that it was discussed before the Federal Reserve Board. I may be in error in saying that the Federal Reserve Board did not have to approve it also but I think the first approval had to come from the Governor of the Federal Reserve District, and then from the Comptroller.

I received this letter, dated May 10th, addressed to President, the National Bank of Kentucky, and signed by Mr. Stearns, Deputy Comptroller. Said letter was received in evidence and marked for identification "Defendant's Exhibit 16." While the letter is addressed to the President, I was at that time handling the details. At that time Mr. McIntosh was Comptroller, and Mr. Pole was Deputy.

I sent the original of a telegram addressed to the office of the Comptroller to Mr. Quin, who was in charge of the organization and reorganization of national banks, in which I asked for an appointment to submit the resolution of the Board and stockholders and the formal certificate in regard to increasing the capital stock of the Bank. This telegram was received in evidence and marked for identification "Defendant's Exhibit No. 16-a." The authorization to increase the Bank's capital had been given by Mr. Quin as head of the department on organization and reorganization.

At the first meeting when Mr. Stites and Mr. Dosker were present, and after they had considered our plan of unification and had approved the stock dividend, the Comptroller, in Mr. Martin's presence, and smiling very pleasantly, congratulated us all upon the unification of the

Louisville Trust Company with such an old and fine institution as the National Bank of Kentucky. The plan of unification and increasing the capital stock of the bank were approved by the Comptroller's office and notification of its approval was sent to us.

My connection with the negotiation and completion of the consolidation of the Louisville National Bank and Trust Company with the Louisville Trust Company was as follows: The idea of merging the Louisville National Bank & Trust Company with the Louisville Trust Company was talked from early in 1929, and there were conferences held between representatives of the Louisville National and of the National Bank of Kentucky before the Louisville Trust Company, the old Directors of the Louisville Trust Company, ever heard of it, and when they did, it developed that the plan was to denationalize the Louisville National Bank & Trust Company and take out for it a state charter for the same amount of its capital, $750,000.00 and amend the charter of the Louisville Trust Company from $1,000,000.00 to $1,750,000.00 and then to take the Louisville National Bank & Trust Company, as a state institution under Kentucky statutes, into a merger with the old Louisville Trust Company. That was worked out with Mr. Robert Vaughan representing the Louisville National Bank & Trust Company, and I was representing the Louisville Trust Company, and that plan was carried out after the Trustees' Participation Certificates were outstanding, and it took the concurrence of the Trustees, and the stock was issued to the stockholders of the Louisville National Bank & Trust Company on a par for par, equal basis.

I can't recall whether stock of the Louisville Trust Company was issued to the stockholders of the Louisville National Bank and Trust Company or if Trustees' Participation Certificates were issued. I don't recall the actual mechanics.

The Louisville Trust Company's charter was amended. It was started as a trust company with no banking powers. It wasn't even a combined bank and trust company. Incident to this merger it amended its charter so as to take on commercial banking and other broader powers than a straight cut trust company would have. Its capital was increased from $1,000,000 to $1,750,000 to accomplish the merger. My recollection is that the consolidation between the Louisville Trust Company and the Louisville National was actually completed about May 15, 1929. The negotiations for the consolidation began in the early part of 1929. When the consolidation was accomplished, the market value for Trustees' Participation Certificates, before they were split 10 for 1, was about $440 odd a share. I think the most I ever paid was $426 and some cents per share for the Louisville Trust Company—for the Trustees' Participation Certificates. The $100 par Trustees' Certificates fluctuated during April and May, 1929, somewhere between $426 and $444 per share.

I don't know the market value of the Louisville National stock in January, 1929. I know they were taken in on a share for share equal basis, it being represented that they were on a parity in assets and earnings with the Louisville Trust Company.

The discussion began by those interested in the formation of BancoKentucky Company early in 1929. It was under discussion at the same time the absorption of the Louisville National Bank & Trust Company into the Louisville Trust Company was being discussed. I would say certainly as early as February, 1929.

In February, 1929, I haven't the market reports on the prices for T. P. C.'s. The stock rose in the market especially the Trustees' Participation Certificates, after it became known and generally talked of that Banco would be

formed. I think quite a number of people, from those I talked with, were buying certificates with the idea of getting in on Banco probably at a reduced price from what they would have to pay if they subscribed directly. The market in T. P. C.'s was along about from $425 up to $445, but I can't fix any particular amount on a particular date.

My calendar shows that I was in seventeen conferences in connection with Banco, and those conferences took place with various groups. Sometimes the groups would be large, maybe fifteen or more, and other times it would be a group of only five or six. The ones who discussed Banco were the officers of the National Bank of Kentucky and its Directors, and some outside—there may have been stockholders that were not directors, and the same was true as to the Louisville Trust Company, and Mr. Bean and his group of officers from the Louisville National were quite active. Mr. Stites was active, and then, of the directors, there would be a group, say, like Colonel Mengel, Mr. Carroll there, there would be Mr. Coons—I assume they were just picking out some of the leaders in the different boards . . . the Louisville National had Mr. Boomer, Mr. Girdler, Mr. Nick Docker, Mr. Sam Stone, but to try to remember now who attended any one of those seventeen different conferences, without having called a roll or kept a roll would be just plain guesswork.

All I can say is that these meetings were held sometimes after the directors meetings and sometimes it would be a called meeting at 421, which was the building erected by the Louisville National Bank & Trust Company. Sometimes it would be in the directors' room, I think, of the Louisville Trust Company. I remember one dinner meeting at the Pendennis Club or supper, with Mr. Brown—I remember they started supper at 8:30 and that especially impressed me. There would be groups of five or six or seven or eight,

up to twelve or fourteen or fifteen. Banco was generally discussed. It didn't have a name at that time but the general idea was most fully discussed.

The business and purpose to be undertaken and carried on by the corporation was a gradual development in those discussions. It was intended originally to be something like the other allied companies, subsidiaries of banks that could do things that the banks themselves did not have the charter power to do, and then they turned over the subject in their minds in those discussions, and it grew. It was to be a trading corporation, a finance corporation. . . . The corporation was to have a department for underwriting; it was to have a department of statistics, under Mr. Akers, where statistics would be gathered and sold; it was to have a real estate bond department to meet the demands of country banks who wanted bonds for their customers under Mr. Hugh Fleece, who had been General Counsel and Vice-President of the Louisville Title Company and was at that time President of the Bankers Trust Company. It was to have the power to own stock in other corporations and to guarantee the obligations of others. In fact, even in the letter of July 19, 1929, there are 7 or 8 distinct powers mentioned different from those permitted to banks and trust companies under their limited authority.

The purpose, or one of the purposes, was to acquire banks in the Ohio Valley as a reservoir of finance. They expected to extend from West Virginia to Arkansas. It was discussed many times. They did acquire banks in Ashland, Covington, Cincinnati, Louisville, Paducah, and maybe other places, and those banks, in turn, were to be let as separate units under their own management, but as occasion arose, they would be, through the BancoKentucky Company, supplied with desirable investments, and the investments were to be endorsed by the BancoKentucky

Company, which was designed, really, to act as a little federal reserve for them and to have ample capital for that purpose. I don't know that I have, this time or on previous occasions, from memory, recited all the powers they had, but the charter speaks for itself, and that charter was promptly printed, a copy being left in the offices for those who were interested in looking into its charter powers.

I was interested in all the different departments and heard names discussed, but it just happened that I was the one that was requested to talk to Mr. Fleece, by those promoting BancoKentucky Company and by Mr. Brown, who was one of them. I was the one that was selected because he had started his practice in my office, before he was Vice-President and General Counsel of the Louisville Title Company, to bring him into my office to discuss with Mr. Brown and others the feasibility of forming a department for Banco to start in the bond or mortgage business. Fleece resigned as President of the Bankers' Trust Company to look into the future of Banco, about the 1st of August, 1929. I can't remember the date but it was just in the formative state and they thought he would be helpful to us in carrying out these different functions of the Banco-Kentucky Company.

At the request of Banco officers, I conferred with Mr. Fleece and he resigned his job and gave his time to considering that question for BancoKentucky Company, as to how it could organize a real estate mortgage bond department, to cooperate in connection with the bank or chain of banks that might also be allied to the same institution. Banco hired Mr. Fleece. He was not put on the payroll of Banco, because they had no payroll of employees, so far as I know. It fell to my lot thereafter, to go on his note, both at the National Bank of Kentucky and at the Liberty Bank and to pay those notes. In this interim, be-

tween the time he resigned his job and that time it was found that Banco could not continue in as broad a field as had been contemplated.

Mr. Carroll, Mr. Vaughan and I worked on the Banco organization and Mr. Carroll had the draft of the charter, which I might say we others considered, and I will say it is similar to the forms then in existence, and was checked sentence by sentence with the usual provisions and special provisions. While there are quite a few amendments made in the usual form, by reason of these previous discussions as to what Banco was to do, the drafting of the charter itself was left to Mr. Carroll, and when he left Louisville he took it with him. He was going to Atlantic City, and on information being sent to him that certain other steps had been taken, he went to Dover, Delaware, and filed it on the 16th day of July, 1929, and telegraphed back that the charter had been filed.

I got the money for the fees for the preliminary legal work, including the preparation of the charter, and I think there was a split three ways between Mr. Vaughan, Mr. Carroll and myself. That came in several months after Banco was organized, I think I received about four grand. My proportion was $4,000. I can't recollect by whom the money was paid or who was my client. The other two attorneys associated with me joined in the bill that was sent.

I don't recall whether or not, in any of the 17 conferences I held with the persons who were interested in the organization of BancoKentucky, if it was discussed regarding the clause in reference to double liability or the clause in reference to liability of stockholders for the debts of that company or was ever considered in any way. I don't recall that that question was discussed before it was put in.

The Witness: Judge, in connection with my answer, I don't recall whether it was discussed but I want to say that this particular section is copied verbatim from the forms which this charter is taken as a whole, without the change of a word or a letter.

I never heard the question of re-organization discussed from any source at all until Mr. Robert Vaughan, one of my colleagues in the drafting, brought up a question under the Internal Revenue Laws—in regard to the income tax, and I think he has testified and filed a letter in which he said that under certain conditions under the income tax laws, it could be called a re-organization in the sense of the income tax laws. I never heard it discussed until that time.

There was no change in the corporate structure or charter in either the National Bank of Kentucky or the Louisville Trust Company. There never was any considered or discussed in connection with or at the time of or prior to the formation of Banco. There never was discussed any amendment or re-organization of either the Louisville Trust Company under Kentucky law or the National Bank of Kentucky under Federal law at any time. They were to be left exactly as they were then existing, and they were so left without any authority to change or re-organize them in any manner or form.

The matter of Banco being used for the purpose of evading double liability on the part of individual Certificate holders on account of their ownership of bank stock was never discussed, and so far as I know, was never thought of by anyone.

As one of the attorneys I reviewed the letter of July 19, 1929, Plaintiff's Exhibit 24-3, time and again before it was finally in the shape where it was sent out.

The reason and purpose for the use of the term in that letter "Plan of Re-organization" was to come within the

terms of the Federal Income Tax regulations as they had been drawn by Congress. It was only in that respect that that was used and the requirement that at least 50% of the stock of the Trustees' Participation Certificates holders should pass to the BancoKentucky Company, because that was a part of the technical regulations in regard to income tax for the Federal Government.

There was a reason other than that stated by me, for the use of the term "Plan of Re-organization." Banco was named as a third corporation to join this group and was to help re-organize the business done by the Bank in connection with the carrying of an insurance department, bond department, travel department and such details that had become burdensome to banks, and to that extent, it was taking over these departments from the Bank and Trust Company into Banco.

I was acting as counsel for the Louisville Trust Company and for the BancoKentucky Company with other counsel during the summer and fall of 1929. I was requested as attorney for those institutions, to give to the officers an opinion with reference to the identity of BancoKentucky Company with either of the two Banks with which it was associated.

I wrote the letter dated September 6, 1929, addressed to Mr. Nicholas H. Dosker, Senior Vice-President of the Louisville Trust Company. This is the original carbon copy of an opinion I gave Mr. Dosker. That was the opinion I was asked about. Said letter was received in evidence and marked for identification "Defendants' Exhibit 17."

The letter dated September 6, 1929, says that Mr. John Doolan, he is one of my partners who was present when you called me up, thinks I should confirm our telephone conversation by a memorandum. I quote Kentucky Statute 4706 and call attention to the fact that Banco is not that

dividend paying security as is regarded by prudent business men as a safe investment that have been in business for more than ten years—that is a paraphrase from a long quotation from the statute. Then it concludes "as a lawyer you see that Banco stock cannot qualify as a trust estate investment. Wherever the Louisville Trust Company is agent of a principal or the beneficiaries are authorized to consent in writing, their stock or certificates can be transferred or converted into BancoKentucky, otherwise stand on or sell their investment."

I think the Louisville Trust Company was organized in 1884. I had been a director since 1911. From 1911 to 1929 it had never failed to pay its annual dividend on its stock. The National Bank of Kentucky had paid dividends consecutively for more than ten years.

I acquired Banco stock. I owned 50 shares of Louisville Trust Company stock. I turned that in to the Trustees and received back 10 shares of National Bank of Kentucky stock, 10 shares of Louisville Trust Company stock and Trustees' Participation Certificates for the balance. When Banco was formed, I transferred my Trustees' Certificates for Banco stock as soon as the books were open.

I was on the Banco Board at the time of the negotiations and contract with reference to the purchase of Caldwell & Company stock. The reason for those negotiations and that contract, so far as I was advised or informed, was that Caldwell & Company was an investment banking house in Nashville doing a wide business in the South and had a great reputation at that time, May, 1930. It was carrying on an investment house business, underwriting bond issues and was largely interested in Government Bonds, so-called Municipal Bonds——

What I mean is that that was Caldwell & Company's general reputation—that it was a house engaged in many

activities in the South,—underwriters, dealer in stocks, bonds and securities and it also had an interest in some banks and insurance companies. It was believed by me, and I think, by the other directors, of BancoKentucky Company, that an alliance with Caldwell & Company would round out what the depression had prevented Banco from doing for itself, and it was for that reason that the contract was got up between Banco and Caldwell & Company, with the idea of rounding out the insurance business and some banks, and more particularly contacts with business organizations throughout the South. It was to round out Banco's general plans and authority.

I exchanged my Trustees' Participation Certificates into the BancoKentucky stock, solely because, knowing the purpose of Banco as outlined in its charter, I thought it would be a profitable investment, and I so advised clients and relatives.

My making of this exchange was absolutely not done with a view to avoid double liability on the T. P. C.'s owned by me. I never heard it discussed and never thought of it. The question of the avoidance of double liability was absolutely not considered by me in any manner whatsoever at the time this exchange was made. I never heard it discussed by anyone.

At the time I made the exchange my recollection is that the T. P. C.'s were worth about $46 or $48 a share, bid and asked. At the time of this exchange the condition of the National Bank of Kentucky and the Louisville Trust Company, from my knowledge of their statements and from what I heard at Directors' meetings, I thought that they were both absolutely sound and both beyond any financial difficulty. After BancoKentucky was organized and up to January 1, 1930, I thought the National Bank of Kentucky was absolutely sound. During the same period I believed

and understood the Louisville Trust Company was absolutely sound, as it had been, and both banks earned dividends as in the past. The first time I had any information, knowledge or belief, that the National Bank of Kentucky was or might be involved in financial difficulties was November 15, 1930. I had been off the Board of the National Bank of Kentucky since, I think it was January 13, 1930, and the first I knew was when a town meeting was called to consider the run that had started after the failure of Caldwell & Company.

In December, 1929, I, with others, executed a surety bond for the National Bank of Kentucky. I executed this bond as surety for the National Bank of Kentucky to the City of Louisville in the sum of $500,000 to pay certain deposits of the City made with the Bank. It was executed pursuant to a statute requiring such bonds of all city depositories, on the 27th day of December, 1929. The penal sum was $500,000.

At that time, I was a director of the National Bank of Kentucky, but we had already taken action to drop the Louisville Trust Company directors from the National Bank of Kentucky Board because the Board was too large, and the meeting was to be held whenever the statute called for—I think it was the 13th of January, 1930. The new Louisville Trust Company directors, who had come from the Louisville National Bank & Trust Company, were never elected directors of the National Bank of Kentucky, because the Board was too large and unwieldy. A month before I executed this bond, it had been agreed that we were to retire from that Board at the next meeting of the stockholders.

Mr. John Stites, Mr. Walter I. Kohn and myself, who signed that bond were to retire from the Bank Board on January 13, 1930. The other who signed were the directors and the President of the National Bank of Kentucky.

Said bond was received in evidence and marked for identification "Defendants' Exhibit No. 18."

In the minute book of the National Bank of Kentucky which is shown me, for December 16, 1927, appears this statement, "The letter from the office of the Comptroller of the Currency under date of December 12, 1927, was read to the Board of Directors, discussed, and referred to the officers of the Bank for attention." I was present at that meeting. At that meeting a letter from the Comptroller's Office was not read or considered.

According to the minutes I was not present at the meeting of December 23, 1927. Turning to the minutes of June 1, 1928, according to them I was not present. The following statement is contained in the minutes of June 1st: "The letter from the Comptroller of the Currency under date of May 12, 1928, and report of the examination conducted March ..... completed March 31, 1928, was considered and referred to the management for report." Returning to the minutes of the last meeting June 8, 1928, I was present. The minutes of the June 8th meeting recite that they read the minutes of the previous meeting. In the reading of those minutes there was no reference read stating that a letter from the Comptroller had been received at the previous meeting, read and considered.

Turning to the minutes of June 22, 1928, I was there. The minutes state "Letter dated June 14, 1928, from the Comptroller of the Currency was read to the Board, received, and filed." No such letter from the Comptroller was read to the Board at that meeting.

Turning to the minutes of August 31st, 1928, I was absent at that meeting. It is recited in those minutes "Letter dated August 23, 1928, from the Comptroller of the Currency relative to the further progress of items mentioned in the last examination was referred to the management

for report." Examining the minutes of the next meeting, September 7th, I am listed as absent. Turning to the minutes of the meeting of December 7, 1928, I was present. In the middle of the last paragraph on the page "letter from the Comptroller of the Currency under date of November 27, 1928, was considered and referred to the management for reply." No letter from the Comptroller was presented to the Board, read or discussed at that meeting.

There never was a letter from the Comptroller presented to the Board when I was present nor did I ever see such referred to in the minutes of the subsequent meetings nor did I hear them.

At the time of the organization of the BancoKentucky Company, the Commonwealth of Kentucky was the holder of T. P. C.'s. The Bank of Kentucky was organized as an arm of the Commonwealth of Kentucky about 1834 and in the Constitution of about 1850 it was set over to the Public School Fund as a trust for aiding the Public Schools. It is again referred to in the Constitution of 1891. They owned stock originally in the Bank of Kentucky and then in the National Bank of Kentucky. I never heard of any other stock owned by the Commonwealth. They transferred their stock in the National Bank of Kentucky into Trustees' Participation Receipts in January or February, 1928. I was called many times before the Board of Education, and by these Sinking Fund Commissioners and I did appear and explain, as best I could, the relation of Banco to the Trustees' Participation Certificates. I made this explanation to the Board consisting of Mr. Bell, Superintendent of Instruction, Miss Ella Lewis, Secretary of State, and Attorney General Cammack and on some occasions his son, who is now on the Court of Appeals, was present in some capacity. The Board adopted resolutions asking an extension of time for converting their stock.

I explained very fully to the Board that Banco was a new corporation with wider powers, and they asked me as to whether or not it was under the supervision of either the Bank Examiner or the State Banking Commissioner. I told them it was not and they took time and had an extension and voted an approval to exchange provided they could get an enabling act from the legislature. They understood very distinctly. General Cammack, who is chairman of that Board, is here and will be here. He drew those resolutions that gave the history of the transaction very fully. They pressed the question whether Banco was an entirely independent separate corporation, both with Mr. Bean and myself and we both answered that it was an independent organization. We told them most distinctly that it was an independent separate corporation with broad charter powers.

This Board, representing the Commonwealth of Kentucky, recommended to the Sinking Fund Commissioners the transfer but doubted their power, under the act, unless they had an enabling act, which they drew, or General Cammack drew, and which was offered to the legislature during its closing days. Minutes of the Board of Education, dated Sept. 18, 1929, and resolutions received in evidence and marked for identification "Defendants' Exhibit No. 19." Board of Education minutes of Sept. 18, 1929, received in evidence and marked for identification "Plaintiff's Exhibit 160."

Plaintiff's objection having been sustained, the following was offered by defendant as an avowal:

> "After our conferences with the State Board of Education and the Sinking Fund Commissioners with reference to the exchange of their T. P. C.'s for Banco-Kentucky, they took the position that they needed an enabling act to sell Trustees' Participation Certificates

and reinvest in BancoKentucky because it was a new, distinct corporation. As late as March, 1930, they gave their hearty endorsement to the wisdom of investing in Banco and so made recommendations to the legislature in the form of a resolution. Said resolution was marked for identification 'Defendant's Exhibit No. 20.' "

When we discussed this matter of the plan of the acquisition by Banco of more than a majority of the stock of the Louisville Trust Company and National Bank of Kentucky with the State officials they were acquainted with the fact that the plan for the organization of the BancoKentucky Company contemplated and was contingent upon the acquisition by Banco of more than 50% of the issued and outstanding stock of the Louisville Trust Company and National Bank of Kentucky. I don't know about the members of the Sinking Fund but the members of the School Board and the Attorney General and the Attorney General's Assistants were fully advised of that fact.

With reference to the acquisition of a majority of the stock of those institutions by Banco, the Attorney General made the statement to me in the Board of Education that so long as the Trustees under the Trust Agreement of April 22, 1927, held the stock there was no infringement upon a clause of the Kentucky Statutes that said no person directly or indirectly should own more than a majority of the stock of a Kentucky bank. When Banco acquired the Trustees' Participation Certificates, it was contemplated, at one time, that the National Bank of Kentucky would denationalize and would merge with the Louisville Trust Company, which would result in superseding the Trust Agreement of April 22, 1927, but I raised the question as to whether or not it would not be wise to repeal that section of the Statute that said no person directly or indirectly

could own more than a majority of the stock in the State bank or trust company. I discussed it with O. S. Denny, Banking Commissioner, and he and I discussed it with the Attorney General. The conclusion was reached that that old statute had been designed for a different purpose——

May I say what was actually done? The Attorney General's advice was that he could only proceed to rectify that condition by a quo warranto proceeding, and that he would only act upon the complaint of the Banking Commissioner and that the only penalty would be to stop paying dividends on the excess.

Immediately after the plan of organization of Banco became effective, control of Banco was lodged in the Trustees' Participation Certificate holders up until the time outsiders bought the stock, which was later. . . . The Trustees' Participation Certificate holders had the majority when they first organized and I expect continued to have throughout.

With respect to any agreement, or anything being done by the group that organized Banco, restricting its stock to the owners of T.P.C.'s after it was issued, there was no limitation on the ordinary right of stockholders that bought Banco stock, by exchange or by purchase. There was no voting trust and no effort whatever to control the free, untrammeled action of the stockholders in BancoKentucky Company. After the election of the first Board of Directors, there was absolutely no plan, arrangement, or agreement that secured to the former owners of T.P.C.'s a continuing control over the policies and business of Banco-Kentucky Company.

The reason Banco's charter was amended and its authorized capital stock increased from 2,000,000 to 5,000,000 shares was because we had received an unexpectedly large portion of Trustees' Participation Certificates and the Company did not have the free working capital that had

been contemplated. The plans of Banco called for a free capital of somewhere between twenty million dollars and thirty million dollars and that being discovered before the break in the market, steps were taken to increase the capitalization and that job was delegated to Mr. A. J. Carroll and myself. We had the stockholders waive their preemptive right to subscribe for more stock, and we did, lawfully and legally, increase its capital at a meeting held in January, 1930, as appears in the minute book of the Banco-Kentucky Company.

I don't recall about the stock being put on the market and attempted to be sold, until they made the trade with Rogers Caldwell, but they may have put some on—they must have, because they had more stock sold than their original capital, as I recall it.

The reason for the fluctuation in deposits in the National Bank of Kentucky, during the period between 1927 and November, 1930, was told by the Cashier and by the President and it was explained, when the question came up, that there would be a fluctuation of some, say, about $45,000,000 down to $35,000,000 in a period of time, and the explanation was about three-fold or four-fold. One was that some of our large depositors were sending money to New York to meet interest on bonds; another was that the country banks were seasonally withdrawing; another was that some of the large depositors were making broker's loans; another was that the National Bank of Kentucky was one of the few banks in Louisville that was not paying interest on general deposits, as high, sometimes, as 3½ to 4½ per cent. Those were the reasons as reported to us, and they did fluctuate. If the L. & N. had to meet interest on its bonds, they took out a real substantial sum of money and if someone else was reorganizing and needed money, then large amounts went out from those large deposits. Seasonally

the country banks fluctuated like the mischief—country banks would fluctuate from $10,000,000 down to $7,000,000 in a week or two. The National Bank of Kentucky had the largest number of country banks in Louisville and it had a substantial part of their general business.

I never heard discussed at any time any arrangement, agreement or understanding on the part of the officers or directors of the BancoKentucky Company which required the Board of Directors to declare or pay in dividends the amount of money received by Banco on account of the money paid on the Trustees' Participation Certificates held by it.

The reason that during the existence of Banco, the dividends declared to its stockholders were equivalent to the dividends on the T.P.C.'s held by it was that BancoKentucky had some dividends from the acquired banks in Cincinnati and other places and also had interest on its deposits. How they arrived at the dividends to be paid, I simply cannot recall. It was probably a matter of policy, because we had a paid-in surplus of 150% to carry on at the same rate that people had been receiving on the Trustees' Participation Certificates, but I can't tell you the details from memory now; it has been too long ago.

I know the dividends declared by the National Bank of Kentucky, from 1927 through October, 1930, were reported to the Comptroller in pursuance to a federal statute relating to National banks. I know they were reported, and I never heard, while I was on that Board, any criticism, but, as a matter of fact, there were reports to the Bank. I have seen copies of the reports since the close of the Bank.

After I exchanged a portion of the T.P.C.'s I held for Banco stock—I acquired 600 shares of Banco by reason of the exchange. When I went off the Board of Directors of the National Bank of Kentucky, I turned in those ten

shares and received 200 shares more of Banco, making a total of 800 shares. In addition to that, during the time I was a director, I owned stock in the Louisville Trust Company, till the day it closed. I never sold any Banco stock or Louisville Trust Company stock. I had all of the stock that I had ever acquired at the time the bank closed.

(Cross-examination by Mr. Marx)

My full name is Thomas Kennedy Helm, but as a rule I sign either T. K. Helm or T. Kennedy Helm.

I was a director of the Louisville Trust Company from January, 1911, until it closed. Until its unification with the National Bank of Kentucky in April, 1927, I never owned any stock in the National Bank of Kentucky.

I have been general counsel for the Kentucky Bankers' Association since 1906. I was thoroughly familiar with the fact that both National Bank stock and stock in Kentucky banking institutions is subject to double liability.

My recollection is that we authorized our name to be listed in alphabetical order in the letter of July 19, 1929, which was addressed to the holders of participating shares of the Bank and Trust Company. I ratified this letter and had seen it before it was printed in this form. I authorized my signature to be printed on it.

I personally signed Plf's Ex. No. 8, the document dated July 12, 1929, which requests the Trustees, under the Trust Agreement of April 22, 1927, to cause to be organized the BancoKentucky Company, under the charter approved by us and thereto attached. This is a request that was required under the Trust Agreement from the Advisory Committee to the Trustees.

On July 12, 1929, I was a director of the Louisville Trust Company and of the National Bank of Kentucky. I worked

with Judge Humphrey in drawing the Trust Agreement. I was also a member of the Advisory Committee to the Trustees. At that time I also owned thirty Trustees' Participation Certificates and ten shares of stock in the National Bank of Kentucky, and ten shares in the Louisville Trust Company. As a director in each institution I had qualifying shares and in addition Trustees' certificates. After the organization of BancoKentucky Company I became a director in that company. I transferred my Trustees' Participation certificates for Banco stock and did not subscribe for any additional stock.

I signed Plf's Ex. No. 162, dated August 7, 1928. Said paper was received in evidence and marked for identification "Plaintiff's Exhibit No. 162."

At the time I signed Exhibit No. 162 I thought I knew all about BancoKentucky's organization and the details by which it was to be carried out, and that this was one of the forms to be signed, and I signed it when they poked it at me. I did not help to draft this particular deposit of the stock, nor the subscription. I don't recall having had anything to do with either one of them except they asked me to sign this deposit and I signed it. I haven't the remotest idea who drafted it. I couldn't tell whether Mr. Carroll drafted it.

I notice that attached to the letter of July 19th or enclosed with it, was this form which I signed, plaintiff's exhibit No. 162. On a perforated slip at the bottom was an additional form to be signed if a person subscribed for more stock. I probably saw them at the time but I do not now recall anything about who drew them. I did see this letter in the making, and I do know this letter was tinkered with or changed around like a mosaic for a while and it was approved in this final form, and I imagine that printed copy is exactly like this one appearing in the minute book, but I haven't compared them.

The "Participation Shares of the National Bank of Kentucky and the Louisville Trust Company" are what we have called Trustees' Participation Certificates.

I was one of the co-authors with Judge Humphrey of the Trust Agreement of April 22, 1927.

192—At the time you drew that agreement there was a discussion of the question of double liability, wasn't there?

A.—That will be found in all the forms, and was put in this particular draft—which, by the way, was adopted by Thompson in his book on corporations, as a standard form—the question of double liability on the trustees—of course, they are limited to the extent of the estate in their hand, but it is conceivable, when you acquire two banks and had the right to acquire other interests in banks, that there might be a double liability and that there might be liability on the Trustees or their estates to pay it, and it was thought best, as had been done in all similar drafts of similar documents, to provide that the Trustees should not be liable but the liability would attach to those persons who deposited their stock with the Trustees, and that is expressly what is provided for in this agreement.

193—So that was discussed between you and Judge Humphrey?

A.—I can't remember any discussion of it. I drew the first draft, based on those documents I mentioned before, and submitted it to Judge Humphrey. He went over it and called me to his office and made some corrections, and then took it up with the committee of the Louisville Trust Company, and the committee of the National Bank of Kentucky, and they made some suggestions, and in the final analysis I had it copied and submitted it to Judge Humphrey. He O.K.'d it; the committees O.K.'d it and the Boards O.K.'d it.

194—So that everybody concerned knew that the persons who deposited their bank stock with the six trustees were agreeing, by the act of deposit and their acceptance of the Trust Agreement, to respond to any double liability which might be imposed upon the bank stock deposited with the trustees?

A.—The agreement speaks for itself. Everybody signed the agreement or a counterpart thereof.

195—So a holder of stock in the Louisville Trust Company, which was bank stock—it had double liability on it before the trust?

A.—Within a certain time limit.

196—So did the National Bank of Kentucky.

A.—Within a certain time limit, yes.

197—So when a holder of one or both deposited with the Trustees that bank stock certificate and got back Trustees' Participation Certificates, he did not get back a piece of paper which was not subject to double liability, but a piece of paper which bore the same liability as his bank stock?

A.—Judge Marx, I submit I have answered that question.

198—That is the fact?

A.—That is the fact.

199—But when you signed Exhibit No. 162, you say: "I hereby deposit . . . 300 Participation Shares of the National Bank of Kentucky and the Louisville Trust Company" which—I am interjecting in this question, was subject to double liability—and you then said, "In exchange for which you are to cause to be issued to me two shares of stock of the BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable," didn't you?

A.—Yes. Non-assessable in that sense means it was fully paid stock, not only on the basis of par, but on the basis of the exchange, with 150 per cent surplus. Non-assessable

means there was nothing more to pay, and does not have a thing in the world to do with double liability.

200—You also knew that the personal property of the stockholders was to be, under Article 8, I think it is——

A.—(Interrupting.) That is right, in the Banco charter.

201—What page is that?

A.—I am perfectly familiar with Article 8.

202—That provides that the private property of the stockholders was not to be subject to any personal liability?

A.—I told you yesterday and I will repeat that that is in the standard forms of corporations and trust companies, in every one of them, verbatim, without the change of the crossing of a T or the dotting of an i; it is a form that is in every corporation charter I have seen in Kentucky. In ordinary commercial corporations, as distinguished from banks, there is no double liability, but there is a provision for you to say whether the private property of the stockholder shall be liable to assessment, and I have never seen one where they put in that the private property should be subject to any extent for the corporate debts.

203—You did know you were exchanging stock in which you were personally interested, and which was subject to double liability in the event an assessment was levied, for stock which you considered was not subjecting you to any personal liability, didn't you?

A.—Certainly, but I never thought about double liability in that connection.

204—Regardless of what you thought about it, you knew that to be so?

A.—I knew it as a question of law.

I never heard of the charter of the Guardian Detroit Union Group, Inc., unless you are talking about some decision that a bank holding company—where there was some provision injected by the Attorney General—I never heard

of it. I may have heard of the Guardian National Bank of Commerce of Detroit, Michigan. I didn't know anything about it. If I ever heard anything about the fact that that bank was a member of a group of banks, the stock of which was held by this Union Guardian Detroit Group, Inc., I have totally forgotten it. I don't remember a thing about it. I do not know that that corporation was organized under the mercantile laws of the State of Michigan, instead of having the provisions in Article 8 which we had, had Article 9, that stockholders should be subject to the same liability on the bank stock held by their corporation as they were liable prior to their exchange for the stock of the company.

I may have heard of the First National Bank of Detroit but I know absolutely nothing about its charter provisions or the laws of Michigan in regard to them.

213—Don't you know of the organization, under the general mercantile laws of Michigan, of the Detroit Bankers Company, a company which held the stock of various investment banking concerns, and the stock of banks, similar to the holdings of the BancoKentucky Company?

A.—When was that company organized?

214—Shortly after the formation of BancoKentucky.

A.—What effect could that have on what I was doing in Banco?

(After argument.)

The Court: The witness has stated he never heard of any corporation without this provision.

(After argument.)

The Court: I am sustaining the objection to the question and also to his statement, which, as I recall, was voluntary. Even if it is in there, it has no pertinence. Objection sustained to questioning on all matters pertaining to his statement, including his statement that he never heard of a cor-

poration that had a different provision; that is stricken from the record.

When we unified the two banks in 1927 I had absolutely no doubt whatever about their solvency. At that time the Comptroller of the Currency congratulated the Louisville Trust Company representatives about the unification. I was there in a dual capacity as attorney for both. Mr. Stites was there as the direct representative of the Louisville Trust Company and Mr. Dosker for the National Bank of Kentucky, and, because of Judge Humphrey's ill health, I was there for both parties.

With respect to the Trust Agreement, I was not under any compulsion to deposit my stock with the Trustees. There were people who did not deposit. I did deposit and assume whatever liability the statutes of the state and the United States imposed on stockholders of banks and trust companies.

I knew that the Louisville Trust Company was examined by the State Bank Examiner. It was a member of the Federal Reserve Bank. It was examined on behalf of the Federal Reserve Bank. In addition Humphrey Robinson and Company made an examination of the Louisville Trust Company. Under the law State Bank examinations could be made twice a year or oftener if they saw fit, but as a matter of practice they made them certainly once a year and sometimes twice a year. Humphrey Robinson examination of the Trust Company was made once a year.

I think I became a director of the National Bank of Kentucky June 3, 1927. I had known for many years that National banks are examined by National Bank Examiners at least twice a year or oftener. In addition that Bank was examined by Humphrey Robinson & Company once a year. I knew that. I knew that reports of the examinations of the respective institutions were filed in the respective insti-

tutions. I knew they were available to me for my examination and inspection, theoretically. I can't recall that a copy of the report of examination, made by the National Bank Examiner, was directed to me as a director.

In the National Bank of Kentucky those reports were presented to the whole board by Mr. Brown, as President, and he interpreted them as he went along, turning back and forth to different comments and explaining the figures and items. That was the way it was done at the National Bank of Kentucky for five years or more before we went on that Board, and it was explained to us that you could get more out of the report if someone familiar with the facts would read it. When those reports came in, whoever was present was asked to keep quiet and Mr. Brown said he would read the report and he did read the report and summary, turning the pages back and forth. He would be told to forget the fractions, that there was no use going down to the last penny on some of the items. He would comment on them very fully and I think the Directors, if any of them testify, will tell you it was very tedious and took about an hour and a half or two hours and a half to read them. He called us to order just like in court.

There was a report by sections and there was one section relating to slow and doubtful loans. Mr. Brown would read that line over and would say how much money had already been collected on some of the items, and give an explanation on some of the other items, where he thought the Examiner was in error in listing it in that category.

Plaintiff's Exhibit 15 is a printed form of the Treasury Department addressed to the Board of Directors and signed by John S. Wood, Chief National Bank Examiner, saying that, at the direction of the Comptroller he is enclosing a copy of an examination made on a certain date. These letters did not come to the individual Directors. They went

to the officers with the report. I never saw one of those letters.

I knew Mr. Brown had the reports of the Examiner, but, I am making the point that there was no individual letter sent to a Director similar to the letter you have just shown me.

As a member of the Bar and counsel for the Bankers' Association for many years, I knew these reports were made for the information of the Directors. I never looked at these reports myself. I heard them read when I was present, either at the Louisville Trust Company or the National Bank of Kentucky. At the Louisville Trust Company when I was on the examining committee, I did look at these reports. I was on two, probably, in twenty odd years. In the National Bank of Kentucky I was present and heard examiner's reports read but I never looked at them.

With regard to the Kentucky Wagon Works, I knew that the Bank had invested in some claims and I knew that they did have an investment, and I was told at the time of the merger that they had charged off a certain amount. My recollection is, after the lapse of time, that we were told—I mean officially told—that the investment was about $435,000, that it had been up to $800,000 and that the balance had been charged off. The way I understood it approximately was that they had invested $800,000, had charged off $350,000 and were still carrying $450,000.00. I did not know the Kentucky Wagon Works was not a profitable enterprise.

I knew that before the unification of the Bank and Trust Company that the Kentucky Wagon Company had been through some kind of reorganization. It had sold out to a National Motors, and they had issued bonds. I knew that the National Bank of Kentucky had bought, at 25¢ on the dollar, about one million dollars of claims against the prop-

erty so as to be in a position to control the property. I learned afterwards, when on the Board, that it had been operated by a receiver, the Wagon Company, and that they were waiting to perfect a title which was then delayed in litigation in the Federal Court, and that was not settled, I may say, until the latter part of December, 1927. I knew the National Bank of Kentucky was awfully anxious to sell it and get back what they had invested in it, with interest. I knew it was a problem.

258—I didn't ask you that—the biggest problem—to refresh your recollection, I will ask you if you were not asked this question in your testimony in the Akers case: "You think that fact was generally known to the business class of people in Louisville? A. I would say in a way that that was the biggest problem that National Bank of Kentucky had."

A.—Well, I will repeat that that was the biggest problem in a way, as far as I know. I knew they kept trying to sell the property to different people at different prices in order to recoup what they had in it.

I didn't know the Kentucky Wagon Works was carrying large overdrafts. I never heard of them.

260—Let me see if this refreshes your recollection, referring to the Kentucky Wagon Works: "Yes, that was the time Jim Hayes"—Who was Jim Hayes, Secretary?

A.—He was one of the Vice-Presidents.

261—Of the National Bank of Kentucky?

A.—Yes, and he acted as Secretary of the meetings of the Board of Directors.

262—"Was called on for the overdrafts and they showed $48,000 to the Kentucky Wagon Manufacturing Company, and I would say the old directors, the directors who had been with the National Bank of Kentucky, chiefly took up the burden and jumped on him about that overdraft and he said he couldn't explain it."

A.—Yes, that is the fact; that is approximately what happened, and that was explained, as you will find in that testimony immediately after that, that they had an order at the Kentucky Wagon Company for a bill of goods they could not fill from their inventory and it was necessary to buy some additional material, and that this overdraft would be taken up as soon as the material on hand, plus the new material, could be manufactured and sold to the buyers. I did hear about that $48,000 or $35,000, whatever it was, but that was the only one.

I knew there was a brokerage concern in Louisville named Wakefield & Company. I never patronized it. I did know Mrs. Latta ran it. I did not know that the Greer, Meagher, Schweitzer, Wakefield and Harris loan was combined. I never identified them with Wakefield and Company in my life or with Mrs. Latta.

I knew when I was on the Board that the National Bank of Kentucky had acquired the Kentucky Wagon Manufacturing Company and was actually operating it. The Bank organized the Kentucky Manufacturing Company of Delaware for the very purpose of acquiring this outstanding interest in the inventory and real estate, in order to salvage the debt previously contracted, plus the investment in buying up claims of other people at 25¢ on the dollar.

With reference to my direct testimony, that Banco was to help reorganize the business done by the Bank in carrying on of an insurance department, bond department, travel department and such detail that had become burdensome to the bank, I think both the Trust Company and the Bank had a bond department. Banco was going to assist in supplying bonds, underwriting bonds, and what I had reference to there is these banks running an insurance department, such as you will find in the case of Botts v. Ranny in the Court of Appeals of Kentucky—he was President of the

Fidelity and Columbia Trust Company—they had a travel department. There were a great many of these so-called services that banks were rendering that Mr. Bean was referring to in that testimony I heard read this morning, that banks would have been glad to have taken out of their routine, and Banco was going to take over such departments as that, to relieve the banks of the insurance departments, travel departments and things like that. I can't recollect whether the Trust Company and the Bank had a travel department. Most of them do, I will say that. These so-called services, you would say, were unloaded on Banco.

Actually Banco did not take over these functions. Banco never got started to amount to anything because the break in the market came before it could get organized. Banco did not have an insurance department, a bond department, or a travel department, or a statistics department, or a trust department. It never got started on any of these departments. I never heard of any investment department —and no underwriting of bond issues. They never did any underwriting of bond issues. It never got started.

It did get started acquiring banks, and acquired about eleven of them. Before it had a dollar in its treasury, it started negotiations with banks, at least, they were reported. I didn't sit in on those negotiations, but negotiations were reported to the organizers of Banco as having taken place with banks in Cincinnati, Dayton, Ohio, Paducah, Louisville, and I don't know how many places—I think one in West Virginia. They did discuss Banco and its general outline informally, and there was no commitment that I know of until it is shown in the minutes where there would be a proposition received and accepted, but it was talked, I would say yes, they had that much negotiations.

I do not know whether they made any trade for these banks before the plan outlined in the July 19, 1929, letter

was declared effective or before they had received any money. But I do know there was lots of talk as to what Banco would do or buy, but I never heard of any contract being made with anyone until after Banco was declared operative. September 11, 1929, was before the plan was declared effective and before any money was called for. Banco had been organized on July 16th and there had been a great many Trustees' Participation Certificates exchanged prior to this date, is my recollection. I think the first money was called to be paid the 1st of October.

My attention is called to the fact that the September 11th, 1929, minutes say "The President then discussed negotiations with Cincinnati Banks . . . whereupon, it was moved, seconded and carried, that the President be authorized to proceed in his discretion, with the matter of the Cincinnati Banks and the sale of stock—reporting to the Board the proposition tendered." I still say that was in the negotiations stage. The President was authorized, on the basis of that report, to proceed with negotiations. I think you will later find a resolution where he was authorized to close at a certain amount. My recollection is that the amount was $7,500,000, something like that. I imagine that cost us, in money and stock, about $7,000,000. That is my best recollection, but I am not going to tie myself to figures. You will find in those minutes, which are filed, when the President reported what it did take in stock or money to buy those banks, and where that sale was then approved or the purchase of them authorized. Speaking about the things actually done—I think that was one of the first important things they did, except collecting the money from the subscribers.

Banco was to have its own mortgage department under Mr. Fleece; he was picked out and consulted about that. The banks had mortgage departments. You would not

call them—they had mortgage departments, but they hadn't a title plant and lawyers specializing in titles. They employed different examiners to pass on mortgages that had been approved by their executive committee, and a certain amount of definite property, and they had forms on which those mortgages were prepared both in the coupon form and note form, there was a great demand for them in trust estates and from customers of banks all over this territory.

I remember in the Akers case, when I was asked what the original plan in reference to the organization of Banco was, saying: "It was to have a business department to take over from the bank certain departments, such as foreign travel, and the bond department and mortgage department and other special features that had been introduced into the banking business." That is what I have just said. We selected Mr. Fleece to head that department, and as I told you, I was the one that called him into negotiations and he resigned as President of the Bankers Trust Company, about the first of August or the 1st of September, 1929, but he was in consultation long before he resigned. Nothing came of it except that I had to go on his notes and pay them. I presume I did not have to, but I did it as an accommodation. He signed and I signed as surety.

BancoKentucky Company never paid him any money. I never heard of them paying him any money. Neither the Directors of BancoKentucky Company, nor the officers of that company in an official capacity employed him for BancoKentucky Company. They merely negotiated with him and took his advice, that is all. That advice was given in contemplation of being head of a large Department. Mr. Fleece died about a year ago. When talking about this Department that was a preliminary negotiation. It materialized to the fact where he resigned the presidency of the Bankers Trust Company and consulted with the officers.

and directors of the BancoKentucky Company. His resignation was prompted by his hope or expectation that he would get a job.

Immediately following my answer to the question in the Directors' Case, which was just read me, I said that the purpose was to acquire a chain of banks in the Ohio Valley and banks in West Virginia, Ashland, Cincinnati, Dayton, Covington, Indianapolis, Louisville, Paducah and some place in Arkansas, or Missouri. I don't know whether the word "chain" of banks is a technical term, or whether you would rather say, a group of banks; but there was individual banks, in which each was to be owned by Banco and to act as a reservoir of credit.

The purpose was to own a substantial interest in banks, and in the Louisville Banks, the National Bank of Kentucky and Louisville Trust Company, a controlling interest. I expect they were going to own a controlling interest in the Security Bank of Louisville. I think they wanted a controlling interest—possibly two-thirds, in most banks because you know under most laws it takes 2/3rds to amend the charter and to do certain other things in regard to the bank. A majority interest, is enough to elect the officers and direct the policy. It was our purpose to always get at least 66 2/3% interest in every bank that went into it. My recollection is I did say that, and I think that is the wise thing to do when you are trying to own a bank.

With reference to the use of this word "chain" as my own expression of what they were organized to do, as I described it in the Akers case, I may have used the word "chain" banking in that testimony, but the purpose was to acquire an interest in a group of banks in the Ohio Valley and to let them withdraw from the Federal Reserve System and depend on Banco and do their own financing. It was figured that would save a tremendous amount of

money to the banks that had to own stock in the Federal Reserve and keep large deposits in the Federal Reserve.

In the Akers case I said "It was to acquire a chain of banks in the Ohio Valley and banks in West Virginia, and Ashland, and Cincinnati, Dayton, and Covington, Indianapolis, Louisville, Paducah, and some place in Arkansas or Missouri, I have forgotten which place it was. They had a beautiful picture drawn of unification of banks where there were seasonal demands for an excess of cash, and this institution, the BancoKentucky Company, would supply and lend to the customers of the banks. The Banco-Kenfucky Company——" That is right.

I said "it was to start with a 50 per cent ownership in the National Bank of Kentucky and the Louisville Trust Company, and eventually it would have between $20,000,000 and $25,000,000 assets to carry on its other functions including that of acquiring other banks or an interest in them. The plan you have seen frequently discussed as a development of chain banking throughout the country and by the greater banks in New York City."

I understood quite definitely in the beginning that its purpose was to have what I called a chain of banks, but I am not giving a definition of what you mean by group banks or chain banks, but I do know that you will find, probably, in my testimony and that of others, that in some respects Banco was to be a trading company, in some respects a finance company, and in some respects a holding company. I didn't mean to stress that it was any one to the exclusion of the other; it was doing a great many different things.

It was contemplated that BancoKentucky Company would engage in a more hazardous business than banks, state and national, were permitted to do under the banking laws. Banco could buy stock in corporations and a bank

cannot. They could underwrite, and they could guarantee—now, there is a very limited extent to which a bank can guarantee, except when it is selling its own paper or the paper of others to other banks, but this was to be a broad guarantee. The National Bank of Kentucky could not buy the stock of the Security Bank of Louisville. A National Bank cannot buy bank stock; it can absorb it as a branch.

334—But you were undertaking, by having the National Bank of Kentucky organize this BancoKentucky Company, to do in that way what the bank could not do directly, were you not?

A.—I was not having the National Bank of Kentucky organize Banco. It was the outgrowth of consultation with the Louisville Trust Company Directors and the Directors of the Louisville National Bank & Trust Company which had unified with the—merged with the Louisville Trust Company, and in discussion with various large borrowers and brokers and others in Louisville as to the necessity in this locality of a bigger unit.

335—We understand that now, but I am directing your attention—you say the National Bank of Kentucky didn't—wasn't the one that initiated by formal resolution its Board of Directors and directed its President to cause this company to be organized——

Mr. VanWinkle (Interrupting): He is now asking for a resolution of the Board of Directors; if he is going to ask him about that, I will ask that he show it to the witness.

The Witness: I don't have to see it; I know that the first resolution adopted after all these discussions—I told you I attended seventeen meetings of people interested in organizing Banco—probably the first resolution appearing in a minute book was the one in which the plan was elaborated and the Board of Directors of the National Bank of Kentucky authorized its President to proceed along the

lines that had been developed and discussed in all these group meetings.

336—Nobody attended these group meetings you spoke of except officers and directors of either the Louisville Trust Company or the National Bank of Kentucky, or large stockholders in those two banks, did they?

A.—That is my recollection; I can't say definitely.

337—There is no doubt that this plan was originated by the officers and directors and stockholders of the Louisville Trust Company and National Bank of Kentucky?

A.—That is my opinion.

338—And they undertook by this means to get control of bank stocks that they could not purchase directly—in the Louisville Trust Company, by reason of state laws; and in the National Bank of Kentucky, by reason of the national bank laws?

A.—You are repeating your question, and I am going to repeat my answer: Banco was an absolutely distinct and third corporation, organized with broad powers to do things beyond the powers of state banks and trust companies or national banks. It was supposed to be and intended to be a corporation with large cash resources, larger than the capital and surplus of any one of the banks. It was to seasonably help move borrowers from one bank to the other, and like a note broker, to scatter loans. "By scatter loans" I mean an apportionment of the loans among the banks.

If a customer in Louisville that had heretofore had to go to Chicago, New York or Philadelphia for his financial requirements, came to Banco, it would have alliances by which, like a note broker, it could endorse that paper and send it to banks that needed endorsement security.

341—You intended through the medium of Banco to make loans in larger amounts than were permitted to any individual bank?

A.—Absolutely, yes.

342. Didn't you also contemplate, right at the beginning, that BancoKentucky Company was to serve as a little Federal Reserve Bank for the banks that it controlled?

A.—I have stated that it was the intention of saving a great deal of money for these banks that was tied up in stock of the Federal Reserve and in the legal requirements of the Federal Reserve, so that BancoKentucky would have cash sufficient to accommodate its associate banks when they needed money, and they could keep their deposits with Banco instead of keeping it with the Federal Reserve. In other words, they would keep the money at home.

343—You know that a National Bank, by Federal Law, was required to keep a certain percentage of its deposits in the Federal Reserve Bank and to own stock in it, too, and that was true of the Louisville Trust Company?

A.—As long as they were a member of the Federal Reserve they had to own stock and keep deposits there.

344—Did you ever make application for the Louisville Trust Company to go out of the Federal Reserve System?

A.—No; I did not.

345—Did you ever make application for any one of the eleven banks that formed the BancoKentucky Company chain to go out of the Federal Reserve System?

A.—Banco never got a good start. The market broke——

346 (Interrupting)—Just answer that question.

A.—No, they didn't.

Mr. Marx: I think it would shorten it if he would just say yes or no.

Mr. Van Winkle: Answer it and then explain.

The Court: He has answered it; he said they didn't.

The Witness: There might be an exception; they did start to denationalize the National Bank of Kentucky.

347—They started to denationalize the National Bank of Kentucky before the stock market break in October, 1929?

A.—Yes.

348—And they applied for and they took out a state charter for a state bank, didn't they?

A.—Mr. Vaughan obtained that for the National Bank of Kentucky.

349—Now, the new state bank which was going to take over the National Bank after denationalization, did it apply for entry into the Federal Reserve System?

A.—I knew it had to if it wanted——

350 (Interrupting)—I didn't ask you that; I asked you if it did.

A.—I understand it did.

351—You say "It had to": Isn't it a fact that a state bank does not have to belong to the Federal Reserve System?

A.—That is true.

352—A state bank is required, however, to have the same reserves as a national bank?

A.—If it is a member of the Federal Reserve.

353—Regardless of whether it is a member of the Federal Reserve?

A.—Under the laws of Kentucky, the reserves are kept the same in a state bank, the same as in a national bank.

354—That is the amount of the reserve?

A.—The amount of the reserve is kept on a parity.

355—But the state bank has an option, has it not, of keeping its reserve with some other state bank, or keeping it at the Federal Reserve, or keeping it in cash in its vault?

A.—That is true as to state banks.

356—This new state bank that you organized to take over the National Bank of Kentucky did not avail itself of the option to keep its reserves in a state institution, but immediately applied for admission into the Federal Reserve System?

A.—That is my understanding. I didn't do it, I may have signed something that was necessary for stockholders to sign.

Since I was serving on three boards of directors it was very difficult for me to distinguish what I did at one and what I did at the other. I so testified in the record you are reading from. It was difficult for me to distinguish between what I did at the Louisville Trust Company, what I did at the meeting of BancoKentucky Company and what I did at a meeting of the National Bank of Kentucky. What I meant by that was that it was difficult for me to recollect which particular event happened in which Board, what I heard in one Board, and what I heard in a different Board.

I wrote that letter on April 30th regarding services with respect to the Kentucky Board of Education's Trustees' Certificates and sent this bill to Mr. Jones as Vice-President of the National Bank of Kentucky and asked him to see whether it was due from the Bank of Kentucky or the Trustees or from Banco. I said I do not know whether this should be charged to the BancoKentucky Company or the Bank of Kentucky or the Trustees.

Said letter and bill were received in evidence and marked for identification "Plaintiff's Exhibit 163."

If I ever charged for trying to get Kentucky Statute 581 changed, I have forgot it. When we organized Banco and contemplated that it was going to have more than 66 2/3 per cent of the stock of the Louisville Trust Company and National Bank of Kentucky, of course, we knew of Section 581 of the Kentucky Statutes, which prohibits any person directly or indirectly from holding or owning more than half of the capital stock of a bank. I knew of that provision and I discussed it with General Cammack and O. S. Denny, Banking Commissioner. I wrote that letter addressed to Mr. James B. Brown or Mr. Charles F. Jones.

In it I said, "It would certainly be much safer if the above law could be repealed in the interest of chain banking." I may have used "chain banking" in the current use at that time. I still am not able to define it, except where one bank or company owns an interest in several banks it is, in my opinion, chain banking. This is a letter that I wrote. I doubt very much if I ever made any charge for it. I was calling attention to the fact that I thought they ought to have a two-thirds interest, instead of just a majority interest, when they acquired an interest in banks. I was also referring in that letter to the fact, that had been discussed then, that they might denationalize the National Bank of Kentucky and merge the National Bank of Kentucky and the Louisville Trust Company into one institution, which would dispense with the Trustees under the Trust Agreement of April 22, 1927. That was referred to in that letter, as I recall it.

In that letter I said, "The only plausible excuse we have at the present time for the BancoKentucky Company owning such a large per cent of the Trustees' Certificates is that BancoKentucky Company is not 'directly or indirectly' owning more than one-half of the capital stock of other institutions, and, furthermore, counting upon the non-action by the State Banking Commissioner or Attorney General to enforce this provision." That is only a part of that letter. This letter, without reading it in full into the record, refers to the fact that the six Trustees appear of record as the holders of the stock, and that had been ruled upon as not being in violation of this section. This is the same thing that applies in the Citizens Union and the Fidelity & Columbia, and the same thing in the First National Bank and Kentucky Title Company.

It is the same thing that was done on the recommendation of the Banking Commissioners in regard to the Louis-

ville Title Company ownership of the Title Guaranty Trust Company—by trustees. Now, then, it was contemplated as this letter shows, and as I recall it—here it is: "The question suggested becomes doubly important when, as and if, the National Bank of Kentucky denationalizes into the Bank of Kentucky, a state corporation," and then it merged with the Louisville Trust Company, which would dispense with the necessity for the six Trustees. I told Mr. Brown and Mr. Jones it was a very serious thing if they denationalized the National Bank of Kentucky and merged with the Louisville Trust Company and dispensed with the Trustees.

Now, what I have said in the presence of General Cammack—was that the Banking Commissioner had this matter up in connection with the Louisville Title Company. That brought it sharply to my attention and occasioned me to volunteer this letter. The Banking Commissioner is the only one who would regulate the Louisville Trust Company in this regard, and the Attorney General, by quo warranto, is the only one who can enforce the disposition of the excess of stock by suspending dividends on the stock held in excess of that provided in this section of the Statute. Therefore, I thought it was wise to have that section—that special provision repealed. In certain contingencies I was fearful competitors would raise the question, too.

I wrote the letter marked "Plaintiff's Exhibit 164" on February 14, 1930, marked "Important" and sent by messenger to Mr. Charles F. Jones, Vice-President of the National Bank of Kentucky—it says "Bank of Kentucky" but I meant National Bank of Kentucky. It refers to about three different topics, more or less connected with legislation or with the action of the State Board of Education in regard to their transferring of Trustees' Participation Certificates for BancoKentucky stock. The latter part of

the letter refers to my strong recommendation that the section of the statutes we have been discussing should be repealed, referring to the fact that there was a legislative jam and a good deal of feeling in the Legislature, and while the Banking Commissioner was favorably disposed, the Attorney General was disposed to keep a hands off policy.

I say here the Jurisprudence Committee of the Kentucky Bankers' Association had adopted a hands off policy because some of the members of the committee had other irons in the fire and did not want to complicate the legislative situation. In this letter I said, "The suggested way for enforcing this law is to deny voting power to the person owning more than a majority of the stock, and to suspend dividends thereon until the excess stock is disposed of, and there may be other remedies, and it does not take much argument to see how seriously such a threat, if instigated by competitors, would be to the BancoKentucky Company." That was quoting or paraphrasing what the Banking Commissioner and the Attorney General said would be the remedy when, as and if, they got ready to enforce it.

I said the only remedy was to bring a quo warranto proceeding by the Attorney General against the recalcitrant bank. The Banking Commissioner was not disposed to make a complaint and the Attorney General was not disposed to bring a quo warranto proceeding. All of them knew Banco was holding more than 50 per cent of the Louisville Trust Company. It had no application to the National Bank of Kentucky. Banco was holding more than 50 per cent of the Security Bank. It acquired that later. I don't know whether it was before or after this letter. The Ashland Bank was a national bank. This law does not apply to national banks and does not apply, so far as I could find out, in any other state. The Mechanics Trust Company of Paducah was a state bank. We owned more than 50 per

cent of that. We got that just before the close after this letter was written. The Newport and Covington, Kentucky, banks were both state banks. We owned more than 50 per cent of the stock of those banks. We were counting on non-action by the State Banking Commissioner and the Attorney General to enforce this provision. I had already said the Banking Commissioner was favorably disposed to this company, this holding.

I thought Banco should acquire two-thirds of the bank and I knew of this provision of the Statute and I discussed it with the Attorney General and Banking Commissioner. I thought if we could get the cooperation of the Jurisprudence Committee of the Kentucky Bankers' Association, it would be the wise thing to repeal this provision; I was disturbed about it.

The BancoKentucky Company was not violating the law itself, and under its charter it could hold any amount of stock. It was not violating the law as to the National Bank of Kentucky or any national bank, but the Banking Commissioner could insist that a state bank—under that section compel the stockholder to reduce his holdings to fifty per cent or less.

I advised the officers and directors of BancoKentucky Company that in my opinion as a lawyer, insofar as their ownership of more than 50 per cent of the state banks was concerned, the Statute says "nor shall any person, directly or indirectly, hold or own more than one-half of the capital stock of a state banking corporation." I didn't pay any attention, when it says "person" that it didn't apply to a corporation—it says "any person." I did not advise them that in my opinion Banco was not a person. I paid no attention to it.

I advised the officers and directors of the BancoKentucky Company that this was a violation of the law and that,

therefore, they ought to make every effort to get the law repealed. But there was no penalty except to compel them to reduce their holdings. I said in the letter that an additional penalty was to stop them from voting the stock until they disgorged any in excess of fifty per cent. Another penalty was to stop dividends until they disposed of the excess above 50 per cent. There is no penalty on the stock holder except that. There is no jail or fine. It is an indirect action.

Preemptive rights of Banco stockholders were abolished by the amendment of January 14, 1930. As set out in the minutes of the BancoKentucky stockholders meeting, a reason for abolishing the preemptive rights was that the stock was selling at a considerable premium above $25 per share on the Chicago Stock Exchange and the Company wanted to sell its stock to diversified people and did not want its own stockholders taking preemptive right to buy and turning right around and selling it in the market. There would have been rights if this had not been repealed. I presume that in offering rights to subscribe to stockholders we could have fixed the price at which they would have been permitted to subscribe, but that is still debatable in Kentucky. We did fix the price when we organized Banco at $25 per share; the par was $10 and the trading price was fixed at $25.

At the time this amendment to the charter was designed I am very confident Banco was selling above $25 a share, but at the time the statutory meeting was held, I don't know what the price was. This was done on January 14, 1930. The stock was selling at 21⅞ths. The day before it had been $22. At the time these notices were put out it was much higher. You have the high, low and closing prices here, and it varied from day to day. I don't recall what day the notices were put out, but this stock had been up as high as

30-33½. It was decided by the Board to do this thing before December. There had been action taken long before January 14, 1930. The first action was taken on the amendment December 27, 1929. Apparently at no time in the month of December was the stock above 22 or 23, but it had been as high as 33. At no time during the month of November was the stock over approximately 25. Whatever the exhibit shows is correct.

Statement by the Chicago Stock Exchange, showing transactions in BancoKentucky Company stock from October 1, 1929, to January 8, 1931, received in evidence and marked "Plaintiff's Exhibit No. 165."

I would have to see the books to see if we sold any of the additional shares exempted from the preemptive rights of stockholders. This is the Stock Register. I had an idea we had sold more than 2,000,000, but the books are the best evidence. We were authorized to sell 2,000,000 and I think we went above it in sales.

The reason we wanted to get the stockholders' preemptive rights exempted, or one of the reasons, was that we intended to exchange BancoKentucky stock for more bank stock, or maybe for Caldwell & Company. Caldwell & Company was in contemplation in December or January—not that particular trade, but something similar to that, in the development of the company. In their chronological order at that time, we did not have in contemplation that we wanted to exchange BancoKentucky Company stock for more bank stock. We wanted to sell more stock for cash, to develop its development.

419—You never did sell any more?

A.—You heard about the break in the stock market?

420—The break was before this?

A.—We had decided about this amendment to it even before the stock market break.

421—But the time you did it—the first record of it was December 27th, and action was taken January 14th, and the stock market break had occurred in the previous October?

A.—October 27th or 28th, and then again in November. You couldn't sell anything. The Supreme Court recognizes that as an established fact, known to all men.

422—With that condition staring you in the face, you authorized an issue of 3,000,000 additional shares?

A.—Yes, that was to sell that stock when we could. We thought——

I don't know whether we ever did offer it for sale. I think they did sell more than 2,000,000 shares. Regarding sales of Banco to the public in a public offering, Caldwell & Company was to sell the stock they got and put it back in their company. We had a half interest in Caldwell, or thought we had, or would have. I don't know whether Caldwell sold any or not. I heard this man from his office testify that they sold some, but not a great deal.

I was at all times a director of Banco. I don't recall any resolution of the Directors authorizing the offering of any of these 3,000,000 shares for sale to the public, but that was the purpose of the amendment, obviously.

It may have been that one of the purposes of issuing this 3,000,000 shares free from stockholders' preemptive rights was in order that we could exchange it for bank stock. It may be that they were going to buy more banks. We had discussed other banks. After that, I think they bought the banks in Paducah and maybe in Ashland and the Security Bank in Louisville and paid for it partly by stock. Sometimes it would be done by the exchange of Banco stock for bank stock, like in the Security Bank, partly stock and partly cash. In the Paducah banks, my recollection is that it was all swapping stock.

Whatever the minutes show, the contract with the Nation Bank of Paducah to have been, is what we did. I can't remember the thousands of shares traded on these different banks. It is my recollection that we purchased the Ashland Bank altogether by the exchange of Banco stock for stock of the Ashland Bank. There may have been some cash paid. There was $37.50 paid. My recollection is that the Mechanics' Bank at Paducah was purchased altogether by an exchange of Banco stock for the stock of that bank. If that is what the record shows, we traded 29,294 shares of Banco and $217,000 in cash for 2,713 out of 3,000 shares of that bank's stock.

That increased the capital of Banco for the purpose of carrying on its general functions, and they expected to use that stock at $25 a share for sale or exchange for stock of banks or Caldwell & Company or to sell it and create what they had always hoped to have, a reserve cash fund of $25,000,000 to $30,000,000. I think it would follow that we could have raised the money by selling it to our own stockholders just as well as to anybody who was not a stockholder. I don't know why they put that preemptive right in there, except it was to prevent people from taking advantage of a rise in the market, having rights that somebody else would have to pay for. They wanted to use that new stock where it would do the most good for Banco, and not to give the current stockholders a chance of buying rights or selling rights at a profit where the profit would not go to Banco.

I said in the Akers case "If the preemptive rights came in the general properties of the Bank would be jeopardized." Only to the extent I have just stated, that if there was any profit in selling that stock we wanted it to go to Banco, in its treasury, rather than to go as a bonus to the then stockholders who might sell it at a premium.

I think that the bank's borrowings were read to the directors every week and that they read a statement of the deposits.

Caldwell & Company's statement was read to us by Mr. Brown from a memorandum he had, and it did show that Caldwell & Company had some interest in four or five banks and four or five insurance companies, but it has been so long ago that I don't remember which now. The report also showed it had a large amount of state bonds.

I remember making the statement, "It was said that he owned banks that were in a chain of banks convenient for the BancoKentucky Company and that he was the outstanding investment banker in the South and had contacts with innumerable customers who would be valuable customers to the BancoKentucky Company."

When I say that a statement of Caldwell & Company was read to me, I do not mean that I ever saw a financial statement issued by Caldwell & Company. All I knew about it was from sheets of paper that Mr. Brown had received from Mr. Caldwell and read to us. It was a pad of paper, the statement which he had got from Rogers Caldwell, and he read it off to the board. If my recollection is correct, it showed $30,000,00 assets, $18,000,000 liabilities and a net worth of $12,000,000. Caldwell was guaranteeing up to $9,000,000 net. That was rather late in May 1930. I can't recall the exact date—it may have been the early part of May, it came up, but it was in May 1930. After one contract had been rejected another contract came back and the last one was revised, and I think it was executed about the 29th day of May, 1930. The meeting decided to take a chance without having any audit or seeing any statement of Caldwell. I think they acted directly on what Mr. Brown reported Caldwell furnished him with without having an audit. There had been discussion of an audit before that, but I think they abandoned the idea.

I remember testifying before the Jefferson County Grand Jury in the March Term, 1931. I have testified seven times in these cases; this is the eighth time, usually on different topics. I went before the Grand Jury at one time, I think, in regard to the $2,000,000 loan out of Banco's money wasn't it? I don't remember that this relates to the Caldwell deal. I said at this meeting, May 29, 1930, that some were still insisting that we were taking a chance in not having an audit.

I don't know anything about BancoKentucky Company's going into the market and buying up its own shares of stock. I have heard it. I heard at the trial that something of that sort had happened, but I didn't know anything about it at the time. I heard they spent two and a half million dollars in this period buying up their own stock either in connection with the indictment or trial, or in some other way. I did hear some testimony along that line, but I have no personal knowledge about it whatever. I know absolutely nothing about their buying a block of stock prior to the end of June, 1930.

When we sat down in a directors' meeting of the National Bank of Kentucky, we got a clip sheet. It was the daily report of the loans committee and those six days were clipped together with some kind of fastening, and they did call them "clip sheets." They were fastened together loosely like some of your books. They have been mistakenly reported as "slip sheets." There was one sheet for each day, showing the action of the loan committee on the loans that it had passed on or had been passed on by individual officers up to five thousand dollars. I think anything over five thousand dollars had been passed on by five out of the eight members of the loan committee. They met twice a day and their daily report was mimeographed separately and then put together. They covered one week's time,

from one meeting to the next meeting of the board. These loan committee reports were handed to each and every Director as they entered the room. At each weekly meeting we had before us a complete list of all loans of any amount or the renewals with the collateral, the surety, and the name of the company.

Those clip sheets were taken up and destroyed at the end of each meeting so as to keep the affairs of the Bank confidential. They were so afraid they would get in the hands of the public that they were destroyed, but on two occasions they let me take them with me. I filed the only ones I had in the directors' suit. If I can find one of the clip sheets I will do it.

I was one of the lawyers on the Board, and all the lawyers on the board of BancoKentucky Company were requested to read the Caldwell contract. I did go out to Mr. Brown's house about ten o'clock at night, upon a telephone request. Mr. Carroll and Mr. Vaughan were already there. I was out there the night Mr. Caldwell and a man by the name of Mr. Goodloe and some other gentleman from Caldwell & Company were there. I think Mr. Carroll or Mr. Vaughan or some of them actually wrote down some amendments in long hand. I know that the Board meeting that afternoon, May 29th, 1930, instructed us definitely what to do, and I think we tried to do what we were told to do, but whether it came back before another meeting of the Board, I simply can't recollect, without looking at the minutes. That deal with Caldwell was completed without our Board or myself having any other knowledge of what Caldwell's assets were than what Mr. Brown told us Caldwell had told him. I would like to say not only told him, but gave him a memorandum which he was reading from. I saw the memorandum on Mr. Brown's desk. I did not look at the figures. Mr. Brown said they were figures Caldwell had furnished

to him. It was Brown's memorandum of what Caldwell had furnished to him. The figures show Caldwell had twelve million dollars over liabilities.—Over nine million dollars. He had a balance in excess of nine million dollars and claimed to have twelve million dollars net.

According to Mr. Brown, Caldwell had refused to have an audit made until the trade was agreed upon, because he did not wish to submit his private papers to outsiders until the trade was consummated. And the trade would not be consummated in full until there was an audit. The stock was held in escrow pending adjustment from the audit. The basis of the issuance of Banco stock was $25.00 a share.

I have read my testimony before the Grand Jury and if you will point out what you want me to refer to or refresh my recollection from, I will do it.

I testified that at this meeting of May 29th at Mr. Brown's house, one of the corrections that was made was that they were not going to deliver any stock until they got a final audit, and they were going to hold back 250,000 shares out of 800,000 shares and 100,000 shares was a wash sale whereby the BancoKentucky Company was buying the Kentucky Wagon Works, which had been a sore spot in the National Bank of Kentucky for years. I see it in this Grand Jury report. I think, as a matter of fact they held out 200,000 shares instead of 250,000. I was testifying at the Grand Jury without previous notice and without any record, but I do know they expected an audit to be made.

With the exception in the correction that 200,000 shares instead of 250,000 shares were held out, my testimony before the Grand Jury was correct. It was my then, off-hand interpretation of the contract, but the contract speaks for itself.

The transaction with respect to the 100,000 shares of Banco stock and the Kentucky Wagon Manufacturing Com-

pany item was not, according to my interpretation, a wash sale. Someone had previously referred to it—I think one of the examiners had used the word—and I was adopting the word of somebody else.

The contract shows that as a supplement to the main contract Caldwell & Company was taking the Wagon Company to be liquidated by it, or refinanced by it, and he gave—Banco gave to him 100,000 shares of Banco stock, which he delivered to the Bank on consideration of the—of all its right in the Wagon Company. He was to liquidate it without cost and the proceeds were to come back to redeem that stock. I don't know what a wash sale is. It was in a circle.

Caldwell was to hold the Kentucky Wagon Company for Banco's benefit but the Banco stock was to be sold and redeemed when the Wagon Company was sold, as I recall it—I can't remember how that worked out.

With reference to whether the contract was not to be consummated or dividends paid on the Banco stock until the committee had passed on the guaranteed values, the Directors, on motion of Sam Stone, appointed a committee to assist the President in appraising the assets of Caldwell. That committee was composed of George Boomer, Bob Vaughan and C. F. Jones. That audit was to be reported back to the Board in connection with the consummation of the sale and delivery of the stock, all of it. I heard Mr. Vaughan say the committee never met. I don't know whether they met or not. They never reported back any appraisal of assets. I did hear later that they had taken back 200,000 shares because Caldwell was not ready for any audit until the end of the year—they took back an additional 200,000 shares because of his desire to postpone the audit. My recollection is that 400,000 shares of the 800,000 shares were taken back. As to the 400,000 shares Caldwell held, dividends were not to be paid on that until it was sold and there was an audit.

The conditions under which the stock was delivered were never fulfilled by Caldwell. You remind me of the way Jim Brown said there wasn't a consummated contract. I thought it was a contract—he brought a lot of this trouble on by saying we didn't have a trade with Caldwell & Company and I thought we did.

I saw a statement of the BancoKentucky Company which showed five million or six million cash which I thought was being spotted around with the banks in the BancoKentucky alliance. That is what I thought at that time. With reference to my statement: "There was a good deal of noise in the board meeting so when they read these minutes I don't suppose that anybody ever listened to the minutes and when we got through reading it in the board there would be a regular buzz like a ladies' reception going on," appearing in my testimony before the Grand Jury, may I explain to you exactly how that meeting was conducted and what I meant by that statement.

The Court: Go ahead and explain.

There were about thirty or more men on the directors. They were all friendly and all in different lines of businesses. When they gathered they would give them these clip sheets and some of them would look at it and others would talk over current events and other business. There was a good deal of talking. The minutes were more or less stereotyped, as you can see by looking at the minute books. If there was anything important came up the noise would quiet down, but in the first five or ten minutes before the hour of meeting, and until five or ten minutes after the hour of meeting there would be discussions on the Loan Committee reports. The reading of the minutes was conducted in the usual way, just like they read the minutes in court, or in any other organization. When I talked there about a hum or buzz in the meeting, I meant

when the directors came in and passed the time of day and looked at the clip sheets—I would ask Mr. Akers or Angereau Gray "What about this loan?" or "this borrower." In that group practically every name appearing on a clip sheet would be known to someone. If I had come to a particular name, I didn't know, I would say, "Judge Marx, do you know anything about this person?" and he would say, "No, but Alf Kreiger does."

516—That isn't an answer, that is a speech.

A.—You asked me if there was a noise.

517—Did you make this answer: "I don't suppose anybody ever listened to the minutes. Most of the things were very small. Nobody paid much attention to them. Every single one of those loans was given to us on a mimeographed list. When you got through reading it in the Board there would be a buzz like a ladies' reception going on. Many things may have happened there that I didn't hear. That meeting was pretty large. I think there were thirty-four of us there. They would be scattered all around the room."

A.—I testified that way before the Grand Jury when they jumped me up without any notice of what they wanted.

Before the Grand Jury I testified that the reason for the Caldwell deal was: "Of course, in the shake-down it turns out that we swapped them 400,000 shares of what turned out to be worthless stock for 10,000 shares of worthless stock." That is what I thought was the fact.

I was one of the committee of three that went to Cincinnati to dispose of the Cincinnati banks. The same day the National Bank of Kentucky closed we were advised of a run on the Cincinnati banks, the Pearl-Market and the Brighton Bank. Bob Vaughan had not gone to Paducah or Ashland at that time. I say that because I know I telephoned to him and read the contract we were making up there over the telephone to Bob Vaughan and his stenographer.

The closing of the Louisville Trust Company and the National Bank of Kentucky was coincidental. About five o'clock on Monday, the 17th, I think it was, we were advised that there were runs on both the Cincinnati banks. We heard about Covington when we arrived in Cincinnati. I don't think we had any in Newport. I suppose after Louisville, we had most of Banco's money invested in Cincinnati, that is my recollection. We left Louisville about ten or eleven that night and arrived in Cincinnati about three thirty in the morning. I don't know what Banco's statements showed at that time. We were sent there with general instructions to make a report which you have seen in connection with the suit against the Cincinnati Clearing House Association. That was about as near res gestae or a spontaneous response as a man could give you, because we had been up three or four days and nights. I dictated that after we returned, and you have that report.

We sold the banks for money, and considerable money, and in my report I said if we had let them be closed, there might be a double liability on the BancoKentucky Company. At the time we went to Cincinnati I wouldn't call the only assets we had, that were free from pledge, a few shares of bank stock, in considering the amount of bank stock that we owned.

The report was made, approved and adopted. It was as accurate as I could make it at the time and I suggest that that be made a part of the record.

The Court: Make that report a part of the record here.

It is in the report that one of the reasons we made the sale was that we thought from the facts that, unless we did, we would not only have lost the whole seven million dollars, but would have lost the double liability which would have amounted to $500,000, or $1,500,000. I don't recall that we talked about double liability that night. They did say that

the Pearl Market Bank was in bad condition. Did I say we talked about it that night in my testimony?

(The witness was handed a record.)

I so testified in a suit of Banco v. Cincinnati Clearing House, where Judge Marx had me on cross-examination, that we did talk about what we might lose if we did not take the Clearing House proposition, and that is in the report. That was a liability which I did not want to fall on Banco when we sold the banks.

I owned 50 shares of Louisville Trust Company stock prior to the unification. My recollection is that I kept my original ten shares that I got in 1911 and turned in 40 and got back 10 shares of National Bank of Kentucky stock and 30 shares in Trustees' Participation Certificates.

It was probably handled this way. I turned in my 50 shares of Louisville Trust Company stock at $100 par and got back 10 qualifying shares in the Trust Company and 10 qualifying shares in the National Bank of Kentucky, which were issued to me by the Trustee, and 30 Trustees' Certificates. I signed a contract with the Trustees, reciting, in effect that in the event I ceased to be a member of the Board, by death, or resignation or for any other reason, or if my stock was attached or attempted to be attached by any creditor, that stock would immediately go back to the Trustees and they were to issue to me Trustees' Certificates in lieu thereof. But I did think I kept my original ten shares of Louisville Trust Company stock, but it was under the agreement, and I did under the agreement deliver that to the Trustees.

I did have physical possession of shares of the Trust Company and the Bank but I returned them to the Trustees. My recollection is that I did not have that stock but I had physical access to it. I could only take out Trustees' Certificates. If I wished to transfer that stock, they had

the first claim on it by option, as agents holding it, but I had the equivalent in Trustees' Participation Certificates. If I had wanted to transfer to you ten shares of stock in the National Bank of Kentucky while I was director of that bank I could not have done so by reason of the Trust Agreement I had signed. Under the Trust Agreement I had given the first option on it to the Trustees.

I remember no such agreement in writing,—that if the Trustees should vote me out of the directorship that I would exchange my qualifying shares of Bank stock for T. P. C.'s. But that was the way I construed that Trust Agreement and the receipts which they gave when they took possession of my stock. That is my construction of it, and my recollection of what I intended to do. I remember no such agreement in writing unless it is in the Trust Agreement. That was the spirit of the proposition. And the understanding all the way around.

When I ceased to be a director of the National Bank of Kentucky, they returned to me a certificate for ten shares of National Bank of Kentucky stock and I transferred it to Trustees' receipts, or BancoKentucky, I can't remember which. Probably it was to Trustees first and then Banco.

With reference to the Trustees' minutes of June 14th, Plf's Ex. 8 "Agreement in re: Return of Qualifying Shares," I imagine if there was any such agreement as that referred to in these minutes of the Trustees and I was asked to sign it, I did, because that was exactly what I was expected to do and thought I was doing under the Trust Agreement. I never expected to keep out my Louisville Trust Company and National Bank of Kentucky stock if I resigned as a director. I had a receipt that called for return to me of the stock if I had demanded it, but I would have been breaking my agreement.

The Court: Did you have any control over those certificates in the light of the agreement at the time you were a director?

A.—I did not; the Trustees held my certificates.

The Court: When you ceased to be a director, by reason of any fact ceased to be a director, you must necessarily have accepted T. P. C.'s for that bank stock?

A.—I understood that to be my agreement and I would live up to it.

I don't understand what you mean by asking if we have a long list of interlocking directors among the Banco chain. If you mean there were directors in these separate banks that were acquired, there were, but I don't recall that any of those were ever elected on the board of the Louisville Trust Company or the National Bank of Kentucky.

I see the minutes, Exhibit 23, minutes of the Banco-Kentucky Company meeting of January 20, 1930. I was present. They refer to the fact that Mr. ZurSchmiede, the Secretary-Treasurer of Banco, was authorized to endorse certificates for 340 shares of stock of the Pearl-Market Bank to furnish qualifying shares for men by the names of Lewis, Laffoon, Mitchell, Mosler, Heisacher and James B. Brown as directors in that Bank and also a certificate for one hundred shares in the Brighton Bank to qualify Mr. Helmers and Mr. Brown. I imagine that was done. That is two banks on which Mr. Brown was on the board besides the Louisville Trust Company and the National Bank of Kentucky. I don't recollect whether Mr. Brown was a director of the Peoples Liberty Bank and Trust Company in Covington. I don't know whether he was a director of the Central Savings Bank and Trust Company of Covington. He was given qualifying shares by that resolution but whether he ever qualified or not, I don't know. I don't know whether Mr. Brown bought any of these

shares of any of these banks. I don't know anything about how it was handled except what you have shown me in the minutes.

The Federal Reserve Board will qualify the same man to be a director in various banks. That was true as to the one they held up, Mr. Dodd was in other banks, and Mr. Boomer in the Security Bank, but they got additional information—as to how far the Board may exercise its authority in permitting the same person to be a director in different institutions I don't recall without studying the statutes. The Federal Reserve Act forbids interlocking directorates unless permission is obtained. That is what the law says, and that is the reason we had them qualified, in 1927 for the Louisville Trust Company and National Bank of Kentucky.

Regarding the other banks owned by BancoKentucky Company, I haven't the remotest idea about what these several banks did about qualifying their directors. Each bank would take it up themselves. I never saw the letter where the chief National Bank Examiner, on May 20, 1930, called the attention of the National Bank of Kentucky to the fact that its President was a director in three National banks and six State banks, members of the Federal Reserve System, four of which has assets exceeding five million dollars. I was a director at that time and I do not recall of ever having heard of it before.

I think I saw the pamphlet, Plf's Ex. No. 76, giving the banks owned by the BancoKentucky Company, the directors of the Bank, a financial statement of each bank, and a consolidated statement of all the banks. It was dated March 10, 1930, which was after I ceased to be a director of the National Bank of Kentucky. I think I saw that pamphlet in connection with the Caldwell trade in the next two months after that. My attention at no time was di-

rected to how many banks or trust companies Mr. Brown was a director in. It never occurred to me to check that.

I knew Mr. Maurice Galvin of Covington. I found out when we sold these banks that he was a director in both of them. I suppose he had been for many years, from the way he talked. I haven't any independent knowledge about Mr. Galvin being selected by the BancoKentucky Board to act as its nominee on the board of both the Cincinnati banks and both the Covington banks, or that we issued stock to qualify him. No one could check this list without making a table like Mr. White has done and check each man's name through each of these boards. I know nothing whatever about Mr. Galvin not acquiring any qualifying shares of those banks, unless it is in the minutes, saying he had transferred shares, and I was present—I would probably be presumed to know it, but I have absolutely no independent recollection on that subject whatsoever.

There was no change in the general plan covered by the prospectus of July 19th, 1929, after the prospectus was sent out, except the amendment to the charter that has been testified to. I think that it would be presumed that when we signed that Prospectus we intended to do the things that were described therein.

I said in my testimony that I have never heard of the matter of double liability. I never saw Plf's Ex. No. 27; I never heard of this letter from Mr. Bean to Mr. Brown or what purports to be a draft of the letter to the stockholders. If any such letters ever ever passed, I never heard of them, and none was ever sent to me or to anyone else I ever heard of. The answer is "No," but I want to explain it. I now read the letter, though, and I can see old Dick Bean was a salesman. I never saw or heard of a letter written by Mr. Hayes. I never saw Pltf.'s Ex. 37-1, or any similar letter, or similar to Pltf.'s Ex. 37-3.

594—You knew about Mr. Ormsby's trip to New York in an effort to raise some money for the National Bank of Kentucky in October of 1929, didn't you?

A.—I have a recollection that he made the trip.

595—And that at that time Banco had to borrow a million dollars for the use of the National Bank of Kentucky, didn't it?

A.—Whatever the minutes show on that subject, I agree to.

My recollection is that the T. P. C.'s, when split into one-tenth of their former value, went to about 45 or 46 on the market. The last purchase I made was on the basis of $426.00 a share, but that was a long time before Banco was under way. When Banco was organized and the plan of July 18th arranged, the price of Banco was fixed so as to yield a further profit on the exchange.

You show me Exhibit 30, a letter addressed by Mr. Bean, "To Our Directors" and marked "Confidential" on the stationery of the Louisville Trust Company. I was then a director of the Trust Company. I still say Richard Bean was a good salesman, and he was thinking about Banco sales at that time, August 13th, 1929. I don't know where Dick Bean got those figures or how he arrived at this per cent. I don't know whether the letter was circulated among the directors. It is marked "Confidential." He may have just read it. In this he says there was an increase in value of 176% in ten years besides paying dividends regularly. That is when they were talking about selling Banco stock. I have no doubt Dick Bean put that out, because, as I say, he was a fine salesman, but I don't know where he got his figures.

I looked over Mr. Bean's testimony before the Board of Education of the State of Kentucky. I was called up there and that testimony has been written out and was shown

to me and I read it to get the general drift. I don't even recollect that I read in his testimony that 1000 dollars invested in bank stock in 1929 equalled $2,766.00 at this time. I went up there and they asked me to look at it and elaborate upon it. I did. I didn't pay any attention to Dick Bean's computation of the profits on a percentage basis.

In February, 1930, there was an underwriting in Louisville of $600,000. first mortgage bonds of the Louisville Railway Company. I think my partner, Mr. John Doolan, was interested in that some way for the Fidelity. I was not a director in the National Bank of Kentucky, and don't know what they did. I was on the Advisory Committee which directed the voting of all the stock in the Bank, but that didn't mean I kept up with all the things that the National Bank of Kentucky did in the way of loans, underwriting and refinancing. I don't think Banco did participate in that underwriting. I don't know how those people were related; they probably had some prior commitments. I was a director of the Louisville Trust Company and have some recollection that the Trust Company participated in that underwriting in the same Syndicate, but no detailed information of it. I say Yes, the Louisville Trust Company did participate in that underwriting, but the details I do not recall.

Some times there were severe declines in the deposits reported in the National Bank of Kentucky, but in the meantime there would be substantial recoveries. That is what I meant by a fluctuation. I think that $56,000,000 was probably the peak of deposits in February, 1927, in round figures. That was before I went on the Bank board. In April they were $46,000,000. In the next year it was still $46,000,000.00, some of it. It was down to about $38,000,000 at the end of 1929. I still say it fluctuated up and down. That table speaks for itself, but I have given the reasons

that were given to us as to why it went down. There were about five reasons. Whatever the figures show is probably correct. I can't remember those figures. I didn't know that the bank started with $56,000,000 in 1927 and wound up in the month before the Bank closed, so as to eliminate the run, with $35,000,000.

The deposits are debts of the Bank. Banks do want deposits, and they do fluctuate up and down seasonally, by withdrawals of large deposits to pay bond issues or otherwise. They do fluctuate in the country banks. If you ask me did I take the complete chain of statements of deposits, week by week, to see whether the general trend was upward or downward, I say I never did do that, but the figures show the trend was downward, but with fluctuations up and down. I don't think there was a general trend downward in the Louisville Trust Company.

I was a director of the Trust Company from 1911 to its close. If the Trust Company Directors' Minutes say I attended the meeting of Sept. 12, 1930, I was present. Mr. Bean made the report to the Board that there had been a slump of about nine per cent and that it was not very encouraging to lose about a million and a half deposits, or about 9% with the other banks in Louisville increasing their deposits from 3% to 5%. I think Mr. Bean was probably giving the Directors a pep talk. He was a good salesman and he wanted the Directors to go out and get deposits. Those are the original minutes of the Louisville Trust Company.

The minutes say:

> "In commenting on the big slump in our time deposits of $2,000,000, Mr. Bean read a list of 31 large accounts, aggregating $1,700,000 that had left us in the past year. He expressed the belief that these were special or commercial deposits and that they should not

be construed as having any particular significance so far as our regular savings depositors were concerned. In a year's time our total deposits show a decrease of 9 per cent—$1,500,000—which is not very encouraging in view of the fact that the total deposits in Louisville increased 3 per cent, or $4,500,000; however, we feel that this was more or less special, and while we have to bear the burden of a real loss, still it does not indicate that we are losing our regular patrons."

I was present. That is the way Mr. Bean talked. I heard him say that. That was one of his pep talks. I think he was calling the attention of the Directors, as was proper, to the fact that they were losing some of their large accounts, and he wanted them to get out and see what they could do about it. He said it wasn't serious, but not very encouraging. That was about the effect of it.

With reference to the reading of the Examiner's Reports before the Board of Directors of the National Bank of Kentucky and Louisville Trust Company, Mr. Brown read those reports. He was not on the Loan Committee of either the Bank or Trust Company.

Four Vice Presidents of the National Bank of Kentucky who were on the Loan Committee, were Directors; four Vice Presidents who were on the Loan Committee were not directors but were invited to be present at all meetings. As to how many of those eight attended these meetings, you will have to ascertain from the minute book. Some of them always were present. None of the Loan Committee, nor the Cashier, Mr. Jones, who was not of the Loan Committee, ever made a single criticism of Mr. Brown's presentation of the Bank Examiner's Report. I mention Mr. Jones because we went to him as Cashier of the National Bank.

The Directors of BancoKentucky Company approved the tentative contract relative to the purchase of the stock of

the Pearl Street Bank and Market Street Bank located in Cincinnati (The Pearl Market Bank and the Brighton Bank) just a few days before the cash was payable on the subscriptions. It was about September 27. At that time I don't know how much had been paid, but they did it believing that they had subscriptions in sight that would pay off October 1st, when the Directors approved the trade that Mr. Brown had made, or was in the process of making with the Pearl-Market and Brighton Banks. It was just a day or two before the money was payable.

The trade was approved September 27, 1929, but Mr. Brown was authorized to proceed, on September 11, 1929, with negotiation and he reported the state of his negotiation and received authority to close the trade on Friday, September 27th. On September 25th Mr. Brown filed with the minutes the trade he made with the Cincinnati Bank.

The question of bank stock being held by trustees for the benefit of one individual had been discussed by me with the Banking Commissioner prior to the time I appeared before the Banking Commissioner and Board of Education in reference to securing the transfer or exchange of the State's Participating Certificates for Banco stock.

With regard to my submission to the Banking Commissioner of the plan under which the six Trustees were to hold legal title to more than 50% of the Louisville Trust Company stock for the benefit of BancoKentucky Company, I am going to have to explain that exactly the way it was brought up. I was asked about a letter of December 3rd, 1929, to Mr. Brown or to Mr. Jones, calling attention to this limitation in the Kentucky Statutes. I was special attorney for the Louisville Title Company, and my attention was first called to that subject when the Banking Commissioner objected to it holding the entire capital stock of the Title Guaranty & Trust Company as a subsidiary.

Having the matter brought to my attention that way, I felt it my duty to report to the officers of Banco that this provision of the law might be applied. The ruling was that where there were six Trustees for various beneficiaries, that there was no violation of the statute. The Board of Education and the Attorney General had the same matter, in connection with Banco's acquiring a majority or more than a majority of the stock of the Louisville Trust Company, and I took it up with the Banking Commissioner, and that is what is referred to in this letter, for I was recommending a change in the law to clarify it. I gave them that information myself.

After the stock market break in October, the charter of Banco was amended so as to increase the authorized capital stock from 2,000,000 to 5,000,000 shares. The reason we did exchange some of this newly authorized stock for bank stock instead of selling it on the market for cash is an economic proposition, that there was a parity of value of the corporation where you are trading stock, just a little different from raising cash. When the crash in the market came, it was easier to swap stock than it was to sell for cash, at that particular time. The plan of the organizers of BancoKentucky to create a fund for the purpose of engaging in the lines of business and the purchase of other types of shares other than Bank stock, had not been abandoned in any way.

The expectation or belief of the directors, as expressed in their meetings, in reference to the continuance of the slump that then existed in securities—they were optimistic; they said "Prosperity is just around the corner" and they thought the depression would be over very shortly, and and they were convinced of it, I think, when the market slightly recovered in April, 1930.

What I meant by the statement read to me from my testimony before the Grand Jury, with reference to exchange of worthless Banco stock for worthless Caldwell stock, I meant at the final shake-down or wash-out it meant that they had 400,000 shares of Banco that was worthless at that moment, and we had 10,000 shares of Caldwell that was worthless at the moment. I meant by that the final outcome of the original trade.

I never took up or discussed with any of the directors or with the Board of Directors the matter of this holding of 50% of the stock of the Louisville Trust Company except by these letters to Mr. Jones and Mr. Brown, and before the Jurisprudence Committee of the Kentucky Bankers Association.

I never did take it up in a board meeting, because we were doing all we could to get the Dern law changed. We didn't get it changed.

(Recross-examination by Mr. Marx)

On recross-examination by Mr. Marx, Mr. Helm testified as follows:

All eight of the Vice-Presidents of the National Bank of Kentucky, J. S. Akers, E. B. Robertson, J. J. Hayes, H. J. Angermeier, L. L. Fontaine, were on the Bank's Loan Committee. All eight of them were invited to Directors' meetings, four as directors and four as non-directors.

The four non-director officers' attendance at the meetings was not noted in the minutes. They were required to be present.

J. W. Cammack,

called for Defendants, examined by Mr. Van Winkle, testified as follows:

My name is James W. Cammack. I was elected Attorney General in the November Election, 1927, took office the first of January, 1928, and served four years in that capacity. At Attorney General of the Commonwealth of Kentucky, I was a member of the Sinking Fund Commissioners and the Board of Education. The Sinking Fund Commission was composed of Governor F. D. Sampson, Secretary of State, Miss Ella Lewis, Clell Coleman, Auditor, Mrs. Cromwell, the Treasurer, and I as Attorney General. The Board of Education consisted of the State Superintendent of Instruction, Mr. Bell and Miss Lewis and I as Attorney General.

The Board of Education requested representatives of BancoKentucky Company appear before us. We had Mr. T. K. Helm, Mr. A. J. Carroll and Mr. Bean. We had Mr. Helm before us quite a number of times. I don't know Mr. Bean's official position but he was connected with either one or the other of those institutions, the Louisville Trust Company or the National Bank of Kentucky.

In 1928, I think, we had acquired what were called Participation Certificates. That was when the two, the Trust Company and the National Bank, formed a combination and those certificates were issued and the Board of Education took those Participation Certificates.

The stock that the State owned for School purposes in the National Bank of Kentucky was exchanged, and then, I believe, we took a one-fifth—anyhow, a proportional interest in the two institutions. They could not be consolidated because one was a national institution and the other was organized under the State. That was the first thing that brought us together.

I might state that when this question of taking Participation Receipts came up before the State Board of Education, they were not consolidated, and as I understood, could not be.

At the time we had those conferences with the gentlemen representing the BancoKentucky Company the Commonwealth owned, not to be exact, but somewhere about 776 Participation Certificates, representing, I think, the total value of the Commonwealth stock in the National Bank was something like $300,000, maybe more than that. 776 of a par value of $100 each.

I was present when Mr. Helm, Mr. Carroll and Mr. Bean appeared before the Board of Education as representatives of the BancoKentucky Company at our solicitation. We were particularly anxious to find out just what the relative positions of the three institutions would be, and we inquired of the gentlemen present—I think that included Mr. Helm, because he was in the conference, and of course, gave us the information that it was a separate institution in itself.

The circular letter of July 19, 1929, was probably presented a few days before this conference, to the State Board of Education.

This conference occurred before a special called meeting of the Board of Education and Mr. Helm was notified of the time and place of the various meetings; he was there for several meetings. Minutes of those meetings were kept and they are available.

Mr. Van Winkle: I can simplify this: Mr. Bean's statement was taken down in shorthand and I have a certified copy of this statement, but not of Mr. Helm's and Mr. Carroll's.

I can recall what was said by these gentlemen, in an indefinite way, state that what Mr. Bean said and also Mr. Carroll and Mr. Helm when they were there together.

These gentlemen were asked questions regarding the relation of these corporations. There was one meeting at which Mr. Carroll and Mr. Helm and Mr. Bean attended. It was a rather elaborate meeting, and that was the only time, I think, that Mr. Carroll appeared before the Board. All three talked and gave the position—I remember Mr. Carroll was very insistent on the Board acting immediately and finally. I took the position that we were not in a position to act, and Mr. Carroll and I, while we were friendly about the matter—had a difference of opinion about what the Board should do, whether to postpone it or act at that time.

The purpose of the conference was this: We felt that in our Participation Receipts we had a stock that the Commonwealth was safe in owning, and then, when the Banco-Kentucky Company came in. I had ascertained from the charter I saw that it could do most anything—own steamship lines and railroads, and go into various kinds of business that a bank could not do, and if Your Honor will permit me, I will say that I so advised the other members of the Board, of the status of that charter, but not in the presence of these gentlemen.

I was the legal advisor of the Board and was the only attorney on either Board except Judge Sampson.

As I recall, and I am rather definite about that, neither of these gentlemen at any time made a statement that the BancoKentucky Company was intended to or was in any way a reorganization of either the National Bank of Kentucky or of the Louisville Trust Company. Now, remember my conversation with Mr. Carroll was just once, but with Mr. Helm it was numerous times.

The paper you show me seems to be a resolution only of State Board of Education and not of the Sinking Fund Commissioner. This was February 17, 1930. Now, I think

the resolution, probably, that you have reference to adopted by the board and the Sinking Fund, is the one dated March 12th or something like that.

(Cross-examination by Mr. Marx)

On cross-examination by Mr. Marx, Attorney General Cammack testified as follows:

The dealings with Banco happened in the year of 1929 and the beginning of 1930. And as far as the things that are not in writing are concerned I have nothing but my recollection. It is now approximately ten years ago—it was done in 1929 and 1930. I was a very busy man and had a great many matters before me one after the other.

The transfer of our $100 certificates into ten $10 certificates came up in '28 probably. Originally the Commonwealth of Kentucky owned stock in the National Bank of Kentucky concerning which there are various statutory and constitutional provisions. It begins far back, prior to 1850. About 1919 it merged with the National Bank of Commerce and the American Southern National Bank. I am not very definite about anything that occurred at that time, because I was not attorney general then.

Mr. Helm probably told me by communication—letters—that the National Bank of Kentucky, to a very large extent, changed its identity, location and officials when it was merged with the National Bank of Commerce and American Southern National Bank. I don't remember that the stock was exchanged to Trustees' Participation Certificates, which represented 80 per cent National Bank of Kentucky and 20 per cent Louisville Trust Company. I don't recall that Mr. Helm told me that the new, proposed change in the holding of Trustees' Participation Certificates was the unanimous recommendation of the same men who proposed and put through the other changes, which had certainly

proved very profitable to the stockholders, including the State of Kentucky. I have not read that letter. Probably I may have read it some five or six weeks ago, but I have not recently.

I think Mr. Helm stated in substance to me, probably in a letter, that the 73,500 of stock in the Bank of Kentucky referred to in the Constitution was supplemented, in 1927, by the purchase of an additional 63 shares, and in April, 1920, incident to one of the mergers the State received a refund of $45,000, and that this refund and the original investment had a market value of $364,000 in addition to which the State had received, during that time, quite handsome dividends.

I will say this, Judge Marx, this question about the Commonwealth's rights in this stock goes way back, many, many years prior to 1850, and probably as far back as 1834. Now, at the time we are dealing with these problems I was advised in regard to the different Acts, but since I have ceased to be an officer of the Commonwealth in that capacity, I am not able to call your attention to them as I knew them then.

This carbon copy is a copy of a letter sent me on August 29, 1929, by Mr. Helm. I am satisfied that I received it. It notes, "Copy to C.F.J." Mr. Charles F. Jones had some connection there with the National Bank of Kentucky.

Said letter received in evidence and marked for identification "Plaintiff's Exhibit No. 161."

In this letter Mr. Helm said to me:

> "It is true that the present BancoKentucky Company's form is somewhat different from that which I had in mind and discussed with you early last year, but nevertheless, it is an extension of the same idea referred to in my letter to you of March 27th, 1928, when I said, 'As I explained to you, the Bank is also

contemplating further cooperative moves.' In the opinion of all the officials and directors, the present move tends to offer the best prospects of profit to the stockholders, and is regarded as absolutely sound. In fact, the plan is conditioned upon the holders of at least the majority in amount of Trustees' Participation Certificates owning at least a majority in amount of the stock in the BancoKentucky Company, which is under the same management and officers as have heretofore successfully conducted the other institutions."

I do not recall the time or place of the conversation he referred to as "early last year," but I can tell you that Mr. Helm did, on various occasions, have conversations with me—sometimes with the Board and sometimes the conversation was with me alone. Now, there is no question but what Mr. Helm had a conversation with me similar to that he is directing my attention to in this letter because he had plenty of opportunities to do it. Judge, I want to state this to you: This was a serious proposition, involving many thousands of dollars of the State School Fund, and I, as a member of that Board of Education and a member of the Sinking Fund Commission, took it as a rather serious proposition and wanted to get at what was right and what was fair to the Commonwealth.

Having acquired the Trustees' Participation Certificates we had more than an ownership in the National Bank of Kentucky, we also had ownership in the Louisville Trust Company.

The first question we had come up was not the exchange into BancoKentucky, but whether the State should agree to split its $100 Trustees' Participation Certificates into the $10 Trustees' Participation Certificates. We had never heard of the idea of BancoKentucky at that time, when the proposition of the split came up. I even went very slow on that split. We did make the exchange into the $10 certificates.

Then they came along with the proposition that they wanted us to simply exchange our $10 Trustees' Certificates for two shares of BancoKentucky stock. That was somewhat later.

Now, as to the effect of what Mr. Helm advised and what effect it had on my mind, why, I am not able to say to you now. I know this, that Mr. Helm did, on various occasions, talk to me in regard to the BancoKentucky project, and I went slowly on that because I wanted to see that the Commonwealth was protected, and it culminated in the drafting of the resolution, I think, of March 12th, which I believe I drafted myself. That was introduced by Senator Brock in the Legislature, but it failed to pass. At that time the State Board of Education and the Sinking Fund Commission went on record as being in favor of the transfer, or if you want to call it that, the purchase of the BancoKentucky stock, and that, as we considered it, was in a way the matter of a reinvestment.

Mr. Helm took the position that the State Board of Education had authority to make this transfer. I took the position that that was not the law, that it required an act of the Legislature to do it. And I think probably Mr. Helm came to my conclusion about that—at least, I had my way about it. Both the Board of Education and the Sinking Fund Board followed my advice. The exchange was never made because the Legislature failed to pass the resolution.

I won't say as a matter of law that the State was liable for double assessment on the Trustees' Certificates which it held, because I took the position that the State was not liable—that the State is sovereign and was not subject to the same liability as a citizen. I took the position that the sovereign was exempt. I did that to protect the State. I don't know if they ever paid the assessment or not; I am not familiar with that.

In Section 185 of the Constitution, the Sinking Fund Commission had a right to reinvest. I had some doubts about the law clearly giving the Board of Education the right to sell. Mr. Helm took the position that that was the law, but I read that section of the statutes covering the State Board of Education together with Section 185 of the Constitution and took the position that they were not asking us to our Trustees' Participation Certificates for cash —they were asking us to exchange T.P.C.'s for Banco-Kentucky stock. I was satisfied that they did not have the power to do that without an enabling act of the Legislature.

The resolution was drafted to confer the legal authority in case they wanted to make the exchange. The Legislature did not pass it. In connection with this exchange we recognized formally by resolution, two distinct problems, namely, the legal question we discussed here and the additional economic question as to whether this exchange was, from an economic standpoint, a good one.

The Legislature convened about the first of January, the first Monday in January, 1930. This resolution was March 12th, 1930. The Officers and Directors of the Bank conferred with us three or four times, beginning in the latter part of 1929 and up to March 12th, 1930, and it was culminated in the proposition to submit an enabling act to the Legislature.

Mr. Carroll probably appeared before a joint meeting of the State Board of Education and Sinking Fund Commission—I am not certain about it. Mr. Carroll took the position that the matter had to be closed up within a certain time—I won't give the date. He was very positive that that would be the last minute that this matter could be disposed of, and that if the Commonwealth did not take advantage of it it was out. I took the position that that was not right and fair towards the Commonwealth, and I said to

him that we were not going to be driven into this matter, but if you want to give us an extension we will consider it, and that was done.

The letter of July 19, 1929, outlining the proposed plan was before the Board. Just when that got there I don't recall.

The members of this committee which went down there urged us to make the exchange on the ground that it was for the best interest of the stockholders of the National Bank of Kentucky to do it. They were advising it.

90—I mean on the ground that it would be a profitable thing for the stockholders of the National Bank of Kentucky.

Mr. Crawford: Is there any question that we organized Banco to make a profit?

Mr. Marx: We charge that they organized it to enrich themselves.

The Court: I think the testimony is abundant that they invested in this stock with the idea of making money.

I am quite sure Mr. Bean made the statement, when I asked if it would result in something like this—that the BancoKentucky Company will be the parent organization with a bank and trust company feature."

> "I think you might consider that the BancoKentucky Company will be partially a holding company but not an operating company; because if it holds stock in a dozen banks, it will function as individual units controlled by its own Board of Directors."

I am quite sure in the first place that I asked the question that Mr. Bean made the answer as you have it. Mr. Helm and Mr. Carroll were there at the time.

Mr. Helm then stated that he was not present and the witness stated that only Mr. Bean was present at the time this question was asked.

I asked Mr. Bean: "Will you state why you incorporated under the laws of Delaware rather than the laws of Kentucky?" and Mr. Bean said: "The main reasons are that the taxes are lighter and the powers are broader. Incidentally, there is no state tax—there is no Kentucky State tax on the stock of the BancoKentucky Company because more than three-fourths of its assets would be in Kentucky. I asked him: "One of the advantages would be to avoid the payment of taxes required of taxing districts of a Kentucky corporation; isn't that true?" Mr. Bean said: "Taxing District." Then my son, J. W. Cammack, Jr., said: "Yes, about market values."

Then Mr. Bean said:

> "We suspect that fully 80 per cent of our stockholders will transfer their stock, and the inevitable result of the other 20 per cent will be that they have lost the privilege of converting into the BancoKentucky Company stock, and that they have only a limited number of stockholders and outstanding shares of stock to trade in, so there will not be a wide market available to them. If they do convert, then they will be stockholders in a company that will have probably 3,000 stockholders and will have 2,000,000 shares of stock outstanding. These two conditions promote a ready sale at a good price."

My son at that time was not a member of the Board of Education, nor connected with it in any way, but he was connected with the State Department of Education and was evidently called in by Mr. Bell, the Superintendent of Public Instruction. Mr. Bell was chairman of the Board of Education.

Mr. Bell asked this question:

> "I am thinking, Mr. Bean, of this particular thing: it puts members of the State Board of Education insofar as they have any authority to act in this, in a rather

awkward position. If they do not convert, there appears to be the possibility that they will forfeit the market value of the stock. I have just been speculating here to myself what is going to happen if we let it stand at $100.00 a share. Will it retain its identification? What is going to happen to this stock? It is immaterial to the State Board of Education whether its stock is worth $460.00 a share or $1,000.00 a share or $1.00 a share. We get the same income from the stock regardless of its market value as it stands now. We, as custodians in a way, of this $77,000.00 of stock, have an earning of something like $12,000.00 a year—I don't recall—and would we continue to have that same income from it one way or the other?"

Mr. Bean answered:

"I think your question can be answered this way: Whether you convert your present $100.00 par certificates into $10.00 par certificates is not a matter of great importance to you because the value is the same and the income is the same. It is a matter of importance to us because of clerical convenience, and of having all of the securities that are outstanding in current form of securities. Now, the question of importance that you all must consider is whether or not you should convert these participating shares into the stock of the BancoKentucky Company. You have the right to fail to do that, and if you do fail to make the exchange, you will continue to get such dividends as the two banks pay. We figure that for many reasons it is to your advantage to make the exchange because we believe the BancoKentucky Company will pay bigger dividends than the two banks are now paying."

I am satisfied that statement was made. The first time that I read that statement, probably, since it was read and adopted as a minute to that meeting of the Board of Education, was last night. Since you have been reading it, I recall very definitely the conference at which Mr. Bean ap-

peared, and very definitely the line of talk and statements that is embodied in that statement. Then my son asked this question:

> "Could it be possible that the two banks as they are now would cease to pay any dividends at all?" and Mr. Bean said: "Our expectation is that the two banks will make certainly as much money as they have been making, and that the BancoKentucky will call these earnings from the Bank and will make even bigger earnings on the balance of its capital, thus enabling it to make bigger dividends than the two banks would pay." Then Miss Lewis asked: "This BancoKentucky Company is just as safe in every way?" and Mr. Bean said: "We think it is just as safe because it is going to be run by the same group of directors and officers."

I recall that at this meeting on August 13th, 1929, my concluding question to Mr. Bean was: "Another question I would like to call your attention to—Section 185 of the Constitution (General Cammack reads) I am calling your attention to this fact, that the question that confronts this Board and the Sinking Fund Commission is the transfer of stock of the Louisville Trust Company and the National Bank of Kentucky to the BancoKentucky Company will be prohibited, in my judgment, until the General Assembly authorizes such a transfer. I suggest that it would be probably a good idea to stay further consideration of this matter at this time, and have the Louisville Trust Company, the National Bank of Kentucky, and the BancoKentucky Company consider the legal inhibition provided in Section 185 of the Constitution, and if they so desire, report their action to this Board at some future time." In reply Mr. Bean made this statement:

> "I would like to make this comment: That we will ask one of the Banks' attorneys to write you on the matter, and I suggest that it is the opinion of the Fed-

eral Government that we are not changing our investment except in form, and that same opinion might cover this case. However, we will be glad to take up the matter and let you hear from us at an early date."

And then the meeting concluded.

At this same meeting I inquired whether this new organization was going to be subject to any banking supervision and Mr. Bean answered as follows:

"Mr. Bean, under the present law or laws, you have both national and state examination? Mr. Bean: Yes, sir. General Cammack: Under the reorganization will both the national laws pertaining to examinations of banks and the state laws of like matter, be in operation so far as the examination of the BancoKentucky Company? Mr. Bean: The plan of examination under the new arrangement will be for the National Bank Examiners to examine the National Bank of Kentucky, and the State Bank Examiners to examine the Louisville Trust Company, just as they are now being examined. I do not believe that either set of examiners would undertake an examination of the BancoKentucky Company because it is a financial institution and certainly will not qualify under the National Act, but it might be qualified to come under the State Banking Department—I do not know. As a practical proposition, the banks in Louisville are examined by a Clearing House Examiner, and that same form will certainly be the examiner for the BancoKentucky Company.".

After Mr. Bean had explained that we had made 176 per cent on our holding of this bank stock, Mr. Bell inquired:

"I wonder whether we are concerned about that any way at all or not? It doesn't make any difference about our participation in the earnings of the Company—whatever you may earn at present." Mr. Bean said: "I think you are interested because as your candidates"—I think that should be your "customers"—

"consider what they shall do with this investment they will want to know the history of that investment and what it has produced for them. In other words, if at any time you are tempted to sell this and invest in other funds, it is well to know what the past history of this investment has been as that is an indication of what its future will be." Mr. Bell said: "From that standpoint we are interested, but from the standpoint of what it produces for us—is it going to be a production income?" Mr. Bean said: "We believe the new company will make a good deal more profit per dollar invested than the banks have been, and if the earnings increase the dividends will probably be increased." Then Mr. Bell said: "Is the rate of earning of our stock fixed whatever your earnings may be? In other words, does our identity in the organization have a fixed rate of dividend?" Then Mr. Bean said: "Dividends paid on bank stocks are decided on every quarter, and they are influenced almost entirely by the profits that a bank is making. For several years, the National Bank of Kentucky and the Louisville Trust Company have been paying 4 per cent per quarter or 16 per cent per annum. I see no reason why dividend rates should be decreased, but if the earnings decrease the dividends will probably be decreased also. On the other hand, if earnings increase materially, the dividends will probably be increased too. There is nothing fixed about a dividend rate in banks or other financial institutions." Mr. Bell: I see that from every angle; the matter that I was trying to get clear is, if this holding of the State Board of Education in the National Bank of Kentucky stock and Louisville Trust Company, if there is a fixed dividend for it?" My son inquired: "Will the Bank of Kentucky pay 4 per cent per quarter?" Mr. Bean said: "Yes, the National Bank of Kentucky and the Louisville Trust Company have already declared a dividend payable October 1, to stockholders of record September 15th. The Banco-Kentucky Company will not begin to operate until

September 20, and it certainly will pay no dividend before December 31." Then my son said: "The question I am trying to ask is this: The par value of the stock, if transferred into the BancoKentucky Company, would be just twice as great?" and Mr. Bean said: "No, you would have twice as many assurances" then my son said: "Would the dividend rate be reduced?" Mr. Bean said: "We would pay 2 per cent per quarter so that the amount of the dividend would be the same."

Independent of the paper that you have read from there, I have a rather distinct recollection about it, and that is because of having read that paper last evening and you repeating it today.

Mr. Bell then made this further inquiry:

"We are concerned about this broadening of the BancoKentucky Company—you are simply broadening the field of activities to participate in various ways?" Mr. Bean said: "And we are modernizing finances. It is the modern method of performing financial service for your community, and under the Banking Laws we cannot perform these services."

Mr. Bean gave me a copy of the Charter and I read it. When I read the purposes of the Company they were world wide in scope. In other words, I said to my associates, "This is not a bank."

So far as the powers granted by the Charter were concerned, they could run a steamship line or engage in manufacturing cigarettes—most anything. I don't think they made it quite as broad as to authorize the ownership of all the shares of stock in all the corporations in America, but it authorized holding stock in corporations. So far as my being able to tell from the Charter what they were going to do, I could tell this: It wasn't a bank. I never considered it to be a bank. I don't know about the laws of

Delaware; I knew it couldn't under the laws of Kentucky, couldn't operate as a bank. Because to be a bank you have to be under banking supervision.

I am not familiar enough to give you an intelligent answer to the question of whether or not one of the greatest objections to affiliate or chain banking or group banking was the fact that those holding corporations escaped the supervision of state and federal banking laws.

By simply reading the charter I could tell what they could do. As to how much it was going to do, I got a good deal of information from Mr. Helm, and I got some from Mr. Bean. If I didn't have any information, such as that contained in the letter of July 19th, 1929, setting forth the plan and I didn't have any information from any of the people connected with the organization and all that I saw was simply the cold articles of incorporation, I couldn't tell what they were going to do. I could tell only what they could do. Exclusive of what Mr. Bean and Mr. Helm said in those conferences I could not tell what they were actually going to do.

It was stipulated that the Board of Education minutes for September 18th, 1929, show that Mr. Bean was requested to have someone appear to discuss the proposed plan of reorganization.

Mr. Helm said that he had a conversation with me, in January or February, 1930, about the amendment or repeal of Kentucky Statutes, Section 581, which provides:

> "Nor shall any person directly or indirectly hold or own more than one-half of the capital stock of a bank, exclusive of the stock held as collateral."

I don't recall. Mr. Helm, however, was Attorney for the State Banking Commission and he had frequent conferences with me about the banking situation. After this par-

ticular conversation, I don't recall, but I am satisfied he did. I know of a good many conversations he did have on various statutes, but I could not give you the number of those sections of the Banking Act.

In a letter to the Bank under date of February 14th he says that I was reluctant to offer any aid in having that statute repealed. I think that is correct because I would never move unless I had a pretty good idea which way I was going. I would not involve the Commonwealth in a lawsuit unless the proper authority was brought and the Commonwealth in every way prepared to go on with it. I would say that Mr. Helm did not talk to me about the repeal of the fifty per cent bank stock ownership statute. On behalf of the National Bank of Kentucky, the Louisville Trust Company or the BancoKentucky Company. First I have no recollection of anything connected with the repeal of this statute involving those institutions. It would probably be on that general proposition that he would discuss it with me.

I don't recall Mr. Helm taking up with me the matter of the Louisville Title Company owning more than 50 per cent of the stock of the Title Guaranty & Trust Company or that I objected to that or that the State Banking Commissioner objected, or that litigation was threatened or that those stocks were put in trustees, similar to the Louisville Trust Company and National Bank of Kentucky. There was just as much of that stuff that came along beginning with 1929. The State Banking department was represented by General Gilbert, Clifford Smith and myself in 1929, and when that trouble came there was an immense amount of work came in that department, and we three men were loaded with other work and divided that business up. It may have occurred before some of the other members of my staff.

(Redirect examination by Mr. Van Winkle)

On redirect examination by Mr. Van Winkle, General Cammack testified as follows:

Certified copy of excerpts of the meetings of the Board of Education of March 12, 1930, ordered made part of the record and marked for identification "Defendants' Exhibit No. 21."

In connection with the plan of reorganization the following statement was made to us by Mr. Bean before the Board acted upon the request to make this exchange of T.P.C.'s for BancoKentucky stock:

> "I take it that you want to know something about the proposed activities of this company, and to enable you to make up minds as to whether you think the trade is a good one, and if it is possible for you to make the trade if you want to do it. • • • • Today we are loaning money at six per cent interest which is the same rate we got thirty years ago, but if you mean while our expenses have more than doubled, so that the margin in operating commercial banks is very narrow, and you have probably noticed that the big banks all over the country have taken on new activities. I'll cite you to the National City Company, Guaranty Trust Company, First National Bank Company. It's a thing with a lot of precedent. Our purpose for doing this is to comply with the regulations of the department at Washington —To avoid income tax. They say, and we hold, that while a man may own Bank of Kentucky stock, which is worth $46.00 a share, it may have cost him only $16.00 a share, and if he makes this trade, he will be selling it at $50.00 a share; but he is really not taking any profit. So that the department says he should not be subject to any income tax. In order to comply with the suggestion of the Department, we call it a reorganization."

I will say that if that statement is taken from a typewritten statement that Mr. Bean made, why then he made it. Independent of the fact that—whether or not it was taken by stenographer, I have a recollection, not distinctly, though, that something like that occurred.

I am satisfied that Mr. Bean made the following statement in the same appearances before the Board:

> In further compliance we offer all of the stock in this new company to the present stockholders of the two banks. We rather think and expect that we will have left out of the total paid in capital of fifty million we will have left some fifteen million. It is our intention to use that in purchasing interest in other banks, and in pursuing the other activities that we contemplate having. Those activities are largely these: Today, the outside brokerage houses are coming to Louisville and to the State of Kentucky and are underwriting for Kentucky corporations. That service is worth a good deal of money, and the people receive quite a fee. It is a very profitable business.
>
> "The next thing is that the BancoKentucky Company will make long time loans to industrial or commercial houses. Today, the Industrial Foundation is doing that business. But hereafter we will loan money for five years or ten years on a long-time basis because they are willing to pay a good fee for that type of loan. They are now getting it elsewhere.
>
> "The third activity is that we will take those people who are now not very welcome at banks; men who borrow as a speculation. Banks must keep themselves liquidated because they have a lot of depositors that may leave at any time. All Louisville banks have said in the last three or four months, we want you to sell enough of your securities to pay us off. All our money is being asked for by commercial borrowers and industrial borrowers. Under the new regime you can take these men over to the BancoKentucky Company and

they will be glad to have it. Money is worth 9 per cent and they will charge you 6 per cent and fee. He is perfectly willing to pay the BancoKentucky Company that fee.

"The next thing is money allowances. We seek holders of banks in other cities in other states. Banks that can throw out a good deal of patronage, and we believe they will prove a profitable investment.

"Another minor activity is the so-called investment trust idea. Just in recent years this has developed tho it is one of the oldest forms of investment in Europe. We expect to undertake that just in a limited way. Of course, it will entitle us to and secure for us the very best investment affiliations available in Chicago and New York. So that we feel that the Banco-Kentucky Company can make a good deal more per dollar invested than the banks can, because of restrictions."

In the course of that discussion by Mr. Bean before the Board the following questions were asked and the following answers given by Mr. Bean:

"Mr. Bell: The National Bank of Kentucky and Louisville Trust Company, as they have heretofore operated, or that particular phase of the activities of the new organization, would be subsidiaries to the major organization?

"Mr. Bean: No, Mr. Bell, that is not true, but you voice an idea there that a lot of people have. The formation of the BancoKentucky Company is not going to make any difference at all. The BancoKentucky Company is going to do a lot of financing for the customers of the two banks. We believe this type of financing will secure for us a lot of additional customers in the two banks.

"Miss Lewis: There is no connection at all except that you have the same persons interested in it? Is that true?

"Mr. Bean: There is no real connection excepting that they are owned by the same crowd and they are largely operated by the same directors, but not by the same officers, and they are supplementary to each other, although are operating as three individual corporations.

"General Cammack: Where will the housing of the corporation be? Separate or under one business?

"Mr. Bean: It will be on the third floor at 421 West Market, the new bank building of the Louisville Trust Company.

"General Cammack: They will not then all three be operating as one institution in one building?

"Mr. Bean: No, they will be operated as three institutions by three different boards of directors, although directors in the National Bank of Kentucky and directors of the Louisville Trust Company will be on the Board of the BancoKentucky Company."

Direct Examination by Mr. Crawford

A. J. Carroll,

called for Defendant, examined by Mr. Crawford, testified as follows:

My name is A. J. Carroll. I have lived in Louisville for fifty odd years. I have been a lawyer since 1894. I was a director of the National Bank of Kentucky prior to the time of the Trusteeing of the stock in 1927. I was a member of the Board when a sixty per cent dividend was declared in 1927. I knew of that dividend being declared.

I took no active part in the Trusteeing of the stock of the Louisville Trust Company and the National Bank of Kentucky. That was done by Judge Humphrey, I think, and Mr. Helm. As a director and a stockholder I did participate in that. I voted on the matters that came before the meeting when I was present. I continued to be a director of the National Bank of Kentucky until its close.

I had shares of the National Bank of Kentucky to qualify me as a director. Those shares were physically in my possession. The shares of stock, the original shares of stock of the National Bank of Kentucky that I owned and held were in my possession.

I mean prior to the trusteeing. Those in the excess of the ten qualifying shares I exchanged outright for the Trustees' Participation Certificates. The other shares, I think, were still retained in my name but were delivered, I think, to Judge Quin, or somebody. A photostat of the receipt I obtained at that time, when delivering those shares, has been filed in the record. I got the dividend on those ten shares after that time.

I recall when Banco was first talked about. I don't remember the date but the matter was discussed early in 1929 at the meetings of the Board of Directors of the National Bank of Kentucky and the Louisville Trust Company. The matter was first broached by Mr. Brown and then discussed very fully at several meetings prior to the organization of the corporation.

The general purpose as expressed in those meetings was that it would be a very large, operating, financial institution. That it was to acquire stock of the National Bank of Kentucky, the Louisville Trust Company, and other banks, and that it was to do a large variety of things which were considered profitable that a bank could not do. Now, that, in general, was the idea.

I remember some of the things that it was talked about that BancoKentucky would do. A good many of the things that are set out in section 3 of the first clause of the charter of BancoKentucky.

It could underwrite securities, it could guarantee indebtedness, it could own and control stock in corporations of any character, it could acquire by purchase or otherwise

any business and operate the same—its powers were very broad.

It was the intention, as expressed in those preliminary meetings and at the time of the last discussion we had prior to its actual organization, that Banco was to be a real operating company. That was the principal thing. It was, incidentally, also to have the power to hold stock, but it was to be an operating company with very wide powers.

I prepared the Articles of Incorporation. I do not think every one of the articles was discussed prior to the time I prepared it. I think the only articles we discussed were about—in a general w , what I have stated as to what the powers of the Company would be. There are a good many formal clauses that are customary in Delaware charters. It was to be a Delaware Corporation.

The Articles were not presented to the organizers at any meeting. I prepared the Articles and I submitted them, I think, to Mr. Helm and Mr. Vaughan, who went over them and approved them. But I don't recall whether they were ever presented to any meeting of the Board or not, I don't remember about that.

They were approved by Mr. Vaughan and Mr. Helm, we being the lawyers who had charge of that. After the Articles had been drawn, I left on the 10th of July, 1925, on my vacation to Atlantic City and I took the Articles of Incorporation. There had been some small preliminary matters that still remained to be adjusted, the nature of which I don't recall, but the understanding was that they were to telegraph me at Atlantic City when to file the Charter, and my recollection is that on the late afternoon or night of July 15th I received a telegram signed by Charles F. Jones requesting me to file the Articles. The next morning, July 16th, I went to Dover, Delaware and went to the office of the United States Corporation Company, taking the Articles

with me, and went over them in detail with the secretary of that corporation, who had a very wide experience in the matter of Delaware corporations. They were approved by him as being the usual and customary form of Articles, and they were filed, and I paid, personally, the corporation tax and other taxes in connection with the filing, amounting to $1,335, as I recall. It was afterwards repaid to me by BancoKentucky.

At no time, or prior to the time, I wrote those Articles, was there any discussion of Clause 8 contained therein, to the effect that the private property of the stockholders should not be liable for the corporate debt.

I put that in because it was the usual and customary clause. I have practiced law, as I have stated, for forty-five years, and have drawn a great many charters. I never drew one in my life that didn't have that clause in it, and never heard of any that didn't have that clause in it, except banks and insurance companies, upon whom liability is imposed by statute. I certainly did not consider that the Banco-Kentucky Company was to be either a bank or an insurance company.

When I prepared the charter I thought the Louisville Trust Company and the National Bank of Kentucky were as sound institutions as there were anywhere. I did not have any discussion prior to the time I filed BancoKentucky's charter that the Bank was in a bad condition, or possibly in a bad condition. Certainly no such thing ever entered my mind.

I never heard any discussion of any kind that it would be a good idea or a good suggestion to get them to transfer Trustees' Certificates to a new company to get rid of any possible double liability that attended the Trustees' Certificates. No such thing was ever mentioned, and I certainly never thought of any such thing.

I returned to Louisville on either the 1st or 2nd of September, 1929. I found what had been done in the meantime regarding Banco. That organization was in the process of being perfected, in the sense that it was getting ready to operate. I have seen the circular of July 19, 1929, since this litigation. I did not see that circular letter or prospectus of July 19, 1929, at any time prior to the formation of Banco. I don't recall that I ever saw that circular until after the Bank of Kentucky closed.

I did not find out why there was put in it the words "Plan of Reorganization." I didn't know anything about that. I was informed at the time I asked about that that it was to meet some tax suggestion that had been suggested, possibly by Miller and Chevalier, the tax lawyers in Washington, but personally, I don't know anything about that letter.

I transferred my Trustees' Certificates to Banco, except my qualifying shares. I did not make that transfer for the purpose of avoiding any double liability that might attach to them. I never dreamed of any double liability. At the time I made the transfer, I had no idea of any impending insolvency of either the Bank or the Trust Company. After the formation of Banco I continued as a director in the National Bank of Kentucky until its close. I thought the Bank of Kentucky was perfectly sound and solvent until either the day before its close, which was Saturday, or Sunday, when it did close. I had a small deposit in the Bank. I don't recall now what it was.

The bank regularly declared dividends quarterly from the time Banco was formed until its close. I never heard from any Examiner any criticism of those dividends. My recollection is that Mr. Neill attended one meeting of the Board of Directors shortly before it closed: I do not recall the date.

Mr. Robert Neill, the Chief National Banking Examiner, never at any time criticized any dividend in any talk with me or in my presence that the Bank had declared and paid.

When I transferred my Trustees' Certificates to Banco-Kentucky Company there was no agreement that I would have any further control of any kind over the Trustees' Certificates which I had transferred. I never heard of any general agreement of that kind between Banco and persons transferring Trustees' Participating Certificates to it. I bought a thousand shares of Banco subsequently, very much to my regret.

Prior to the formation of Banco I had either twenty or thirty shares of National Bank of Kentucky stock. I don't recall the exact number. They were $100 par, and I transferred all those shares, except ten which I retained as qualifying shares. I was also a director in the Louisville Trust Company. I had only ten shares in that. I had no more than qualifying shares. I subscribed for 1,000 shares of Banco I think after I returned from Atlantic City. It might possibly have been before. I paid $25,000 for it by note.

While I was on the Board of the Bank, reports of examinations of the Bank were read by Mr. James B. Brown, the President of the National Bank of Kentucky to the Directors present at the meeting. There were eight officers as I recall it who were on the Loan Committee. The officers who were directors were present, and the officers who were not directors had always been invited to be present, or were told to be present, in order that any question concerning any loan that might arise could be answered. The cashier was on the Loan Committee. He was always present at those meetings.

Prior to the time the Bank closed I did not see any Bank Examiners' reports. I never saw them afterwards. I never

examined one. I was a defendant in the Bank Directors' suit, Atherton v. Anderson. In that case I testified, along with others, as to what was and what was not read from those reports. I was present on May 16th, 1930, when Mr. John S. Wood came before the Board. He was the only Bank Examiner I have ever seen at a meeting. Mr. Wood did not on that occasion criticize a great many assets of the Bank, running up into a million or so dollars.

My recollection is that Mr. Wood brought to the attention of the Board three items. One was this Van Camp Packing Company, which had been a refining company, and a note of Governor Fields and his wife, and one other note—Mr. Lewis Humphrey, as I recall. Mr. Wood did not indicate that there were a very large amount of assets in the bank that were bad. After he finished his talk I think Mr. Will Speed asked him a question as to whether or not what he had called the Board's attention to were the only matters in the Bank that he criticized. My recollection is that he said they were. The question of what Mr. Wood said at that meeting was testified about in the suit of Atherton v. Anderson, I think, by every witness who was a director.

I do not recall when the subscriptions to Banco were payable. It was sometime in the fall. A great many subscriptions were obtained.

Mr. Brown was an officer of Banco, the President, and was President of the National Bank of Kentucky. I think that there were some of the Directors of the National Bank of Kentucky who were also directors of Banco. I think that Mr. Jones, an officer of the Bank, was an officer of Banco. I am not sure. I took no part in the trial of the case against the Directors. I simply testified. I have taken no active part in this case; and that has been nearly ten years ago, and I just simply cannot recall a multitude of those things unless I am shown my testimony.

Mr. ZurSchmiede was the Cashier of the National Bank of Kentucky at the time he was elected Secretary of Banco. I knew he had been Cashier of the Bank. Probably he resigned before he was elected Cashier of Banco, but I don't know—don't recall.

Referring to the minutes of the Bank of December 16th, 1927, June 1st, 1928, June 8th, 1928, June 22nd, 1928, and December 7th, 1928, at which meeting the minutes show I was present, no letter from the Comptroller was ever read to or presented to the Board during the entire time that I was a member of it.

I think that was fully gone into in the case of Keyes v. Akers, the Directors' suit.

A.—Yes, I think that was fully gone into.

99—Now, I will ask you to state whether the Board of BancoKentucky Company ever authorized Mr. ZurSchmiede or any other person to hold Banco out as simply a holding company?

A.—None that I ever heard of; it certainly wasn't a holding company, entirely; it was only partially a holding company.

100—Did you ever see or hear of Mr. Bean or anyone else, or know of Mr. Bean writing a letter or letters to anyone calling attention to the fact that it was advantageous to buy Banco, or to take Banco, because it was free of double liability?

A.—I never heard of such a thing.

101—Or did you hear any other person——

A.—I never heard the question of double liability mentioned or referred to by any person.

102—After Banco was formed, did it function?

A.—Yes, it functioned.

103—What did it do?

A.—Well, it acquired stock in the various banks that have been mentioned; it acquired later a half interest in

Caldwell & Company, but when the crash came Banco was, in a sense, in a formative condition; it never did get really started.

104—Prior to May, 1930, had it worked up any organization for the purpose of carrying out its plan of underwriting issues or selling the issues after being underwritten?

A.—It purchased a half interest in Caldwell & Company.

105—I mean prior to that time.

A.—Prior to that time I think Mr. Helm had some negotiations with Mr. Fleece to take charge of one of the departments in it, but I don't recall the entire steps that were taken.

Caldwell & Company was supposed to be, and I think it was—I knew something about it in a general way—was the largest investment banking house in the South, covering almost the entire South, and that they had a large, trained force of salesmen who were selling securities for Caldwell & Company, and that it would be a valuable adjunct to BancoKentucky Company in disposing of any securities that it desired to sell.

Mr. Marx: I thought it would be shorter not to make specific objections, because some of them Your Honor has ruled on. I will just make a general motion now to strike out all the testimony on the ground that it is incompetent, irrelevant and immaterial, and contradictory of the written evidence, and in many cases, of the stipulated evidence; that it is the expression or conclusion or opinion or hindsight rationalization of events ten years ago that the witness now gives his opinion about.

The Court: Certain of the testimony was objectionable, but I will overrule your motion as a whole.

On Cross-Examination by Mr. Marx Mr. Carroll testified as follows:

I have no recollection of a letter written to me at 3411 Pacific Avenue, Atlantic City, known as Plaintiff's Exhibit 24-2, on July 20, 1929, which enclosed the circular letter of July 19, 1929.

I sent the telegram to Mr. Jones, known here as Exhibit 24-1, under date of July 17, 1929, which I said "Corporation fully organized. . . . Send copy of prospectus here." I had completely forgotten about it. That refreshes my recollection but I don't know what that prospectus was, or what was enclosed. I evidently knew there was a prospectus when I sent the telegram. The telegram so stated. The telegram says I asked him to send the prospectus to me.

On July 20th, three days later, Mr. Jones wrote to me "Enclosed herein find letter which was mailed to all stockholders today. Everything is in fine shape, and in my opinion will go over big. With best regards, Yours very truly." That is what that letter states. I don't know what was enclosed in it. I assume that I got such a letter. Now, what was in it, I have no idea.

You show me the original of Plf's Ex. 24-3 and ask if that, or a printed counterpart of that exhibit, was not enclosed. I can only repeat that I haven't the slightest recollection of this having been sent to me or my having read it. I would say that this exhibit was sent. The letter says it enclosed a copy of the circular sent to all stockholders yesterday. It might have been.

My name is printed on this circular, but as I stated, this circular was prepared during my absence from the City and I knew nothing about it at the time it was prepared. I didn't know a thing about authorizing them to sign my name to that prospectus.

I testified that I had never seen this word "Reorganization" and didn't know that it was being used in connection with this plan until after my attention was called to it when the Bank failed and this letter was brought to my attention. My signature appears on Plf's Ex. No. 166, dated September 3, 1929. I also wrote my address underneath it. That is in my handwriting. It is dated September 3, 1929. Now, referring back a moment, Mr. Marx, I don't think I stated positively that I had never seen that. As I recall, I think I said I didn't recall anything about it. Actually, I did see that letter. I signed that letter. I am referring to the letter of September 3rd, 1929.

The first paper appears to be a subscription blank, and the second is a subscription. I never remember, I repeat, ever seeing that letter of July 19th.

You call my attention to the language "Subscription to shares of the BancoKentucky Company under the Reorganization Plan as outlined in the letter to the Trustees, dated July 19, 1929," but that doesn't correct my testimony at all in connection with the reorganization plan.

I told you I didn't know anything about the reorganization plan; that I wasn't here and that I supposed that the word "Reorganization" had been put in there to meet some tax question raised by Miller and Chevalier.

When I signed this, if my attention was directed to it at that time and if I read it, I suppose my attention was directed to the fact that there was a plan of reorganization which was outlined in the letter of the Trustees dated July 19, 1929. I had entirely forgotten all about it. I suppose I read that document, undoubtedly so, but that word "reorganization" certainly made no impression on my mind. I knew perfectly well what Banco was organized for. My attention is called to the fact that the last two sentences, above my signature say, that "the stock is to be fully paid

and non-assessable under the terms of the reorganization plan as outlined in our letter of July 19th, if, when, and as such Plan becomes effective as therein provided."

I suppose I saw that when I signed the document.

Plf's Ex. No. 167, dated Sept. 3, 1929, bears my signature. I wrote the address, too. Certainly, the whole thing; I subscribed for 1000 shares of BancoKentucky stock. It has the words "Plan of Reorganization" in it, yes.

You show me Exhibit No. 168. I signed that document and wrote the address. It is dated Sept. 3, 1929. My recollection is that I was Trustee for my sister-in-law, Miss Holz, who had a few shares of that stock. That is my recollection. She had twice as many shares as I had. No, she did not. She had 64 Trustees' Participation Certificates. I think I had more than 30 Trustees' Participation Certificates. I don't recall the number; I had whatever the amount was of my excess stock over ten in the National Bank of Kentucky. I exchanged all I had except ten qualifying shares. I don't remember that thirty was all I had.

When I signed Plf's Ex. No. 166, I said that I exchanged thirty shares of Ten Dollar par Trustees' Participation Certificates. I assumed those were all I had. Mrs. A. J. Carroll was my wife. This letter written on her stationery dated July 21st is all in my handwriting. The attached clipping was enclosed with that letter.

Plaintiff's Exhibits Nos. 166, 167, 168 and 169 received in evidence over defendant's objection.

As a Trustee, I did not sign that document without reading it. I expect I read it. I am not in the habit of signing things I don't read.

I assume the Board of Directors of the National Bank of Kentucky employed me to incorporate BancoKentucky Company. I don't recall. I think Mr. Brown—I am not sure.

I remember I was called as a witness before the Jefferson County Grand Jury in the March term, 1931. In 1931 my memory of those matters would be very much fresher then than it is today. I was there asked "At whose solicitation did you prepare the charter of BancoKentucky Company" and I answered

> "At the solicitation of and under the instructions of the joint boards of the National Bank of Kentucky and the Louisville Trust Company, they having been unified. The directors in both were directors in the BancoKentucky Company. The organization was first discussed in May or June of 1929 and that was discussed at several meetings before the joint boards there and they then concluded or decided to organize this corporation."

That refreshes my recollection. I assume that statement was correct. My recollection then would be better than now.

The next question there asked me was "You were decided upon as the lawyer to prepare it?" and I answered, "They asked me to prepare the charter, which I did, and I took the charter with me on my vacation and on the 15th of July Mr. Jones telephoned me to go down to Dover and file it, the understanding being when I left that when they transacted a number of other preliminary matters, I was to take the charter with me and file it, which I did on the 16th day of July, 1929." That is exactly right.

172—Now, Mr. Carroll, of course, you knew then, when you went down to Delaware and took this charter with you, that this company was intended to hold bank stock, didn't you?

A.—I knew that it had the power to hold bank stock, and I also knew it had the power to transact a very large variety of other classes of business.

173—Limit yourself now to the question I am asking; I will come to the other in a minute: You knew when you prepared this charter and took it and submitted it to your clients, and then took it down to Delaware, that the Banco-Kentucky Company for which you were preparing a charter, was intended to hold bank stock, didn't you?

A.—Yes, among other things.

174—You knew that it was intended to hold a substantial majority of the stock of the National Bank of Kentucky, didn't you?

A.—Yes, I think it was.

175—And you knew that it was intended to hold a substantial majority of the stock of the Louisville Trust Company, didn't you?

A.—Yes.

176—And you knew it was intended to sell stock in the BancoKentucky Company and use the proceeds, in part at least, to purchase the stock of additional banks, didn't you?

A.—I knew that it had—it was the intention to acquire stock in other banks, and also its intention to acquire stock in any other corporation, when it got organized, and that it was its intention to engage in a very wide field of business enterprise.

177—I am limiting my question now, for the present moment, to bank stocks, and regardless of what other things it may have been intended to do, one of the things you do know definitely it was intended to do was, in addition to owning the stock of the two banks here, the National Bank of Kentucky and the Louisville Trust Company, it was intended to acquire, either by outright purchase or exchange of the holding company stock, the stock of other banks in the Ohio Valley?

A.—Of other banks and other corporations that were not banks.

178—I understand that that is your testimony, but I want to direct my question first to the banks; so, you knew definitely that it was the intention and purpose that this new company that you were organizing was going to hold the stock of a chain of banks, didn't you?

A.—I knew that it was contemplated that it would acquire stock in several banks in the Ohio Valley.

179—In addition to the stock of the two banks that were causing it to be organized?

A.—Yes.

180—Now, then, you said something to the effect that you did not know anything, this morning, about its being called a holding corporation: I want to refresh your memory on that point; in this same Grand Jury, wasn't the very next question that was asked you, and your very next answer after those I have read to you as follows: "What was the nature of the BancoKentucky Company?", and didn't you say:

> "It was a holding company with very broad powers. Its charter powers are very broad as is the case in practically all Delaware Corporations, and it was primarily organized for the purpose of acquiring the majority at least of various banks, the Louisville Trust Company and the National Bank of Kentucky being the first ones."

Didn't you make that answer?

A.—I did make that answer, and further in that same testimony, and in the testimony in the Criminal Court, I very much broadened the definition of a holding corporation, and of the business the corporation was to do.

181—That answer was correct?

A.—Yes. I made it.

182—You not only made it, but since it was you who made it, it was correct?

A.—Yes, I suppose it was correct; that was intended.

183—I want to call your attention to your testimony in a suit which bears the name, as the title of the case, Anthony J. Carroll and others plaintiff, vs. The Chemical Bank & Trust Company, No. 205223, in the Jefferson Circuit Court, Chancery Branch, First Division: You testified in that case, didn't you?

A.—I haven't the slightest recollection of there ever having been such case.

184—I will direct your attention first to what the case is; that case was a case you brought as one of the members of the Executive Committee of the BancoKentucky Company to have a receiver appointed for the BancoKentucky Company—do you remember that case?

A.—Yes, I remember. I did not prepare the case and did not appear in Court in connection with it.

185—Some questions arose as to the purchase by the BancoKentucky Company of the Murray Rubber Company debentures and the participation in the Lewis C. Humphrey note from the National Bank of Kentucky: Do you remember that question?

A.—I remember that there were such notes, and one of them Mr. Wood mentioned in his appearance before the Board.

186—You remember subsequently the BancoKentucky Company took those notes out of the bank?

A.—Yes.

187—And whether or not that was a proper thing to do was in question in this case to which I have called your attention?

A.—I have no recollection of that case in the world.

188—You remember you gave your testimony in Mr. Castleman's office, Mr. David Castleman?

A.—I don't remember it, but if it shows I did—I did.

189—You remember Mr. Kasfir here examined you on cross-examination?

A.—Oh, yes, I do remember now.

190—Do you remember he asked you these questions—he asked you whether you participated in the formation of BancoKentucky, and your answer was "I drew the charter for it, yes. Q. 27—What was the purpose of the organization of the BancoKentucky Company?" and didn't you answer: "Just as stated in that charter, to acquire stock in these other institutions as a holding company. Q. 28—As a holding company its primary purpose was to own and control a chain of banks?" and didn't you answer: "Yes, I think that was the reason."

Didn't you make those answers?

A.—I assume I did, if they are there.

191—Since that was your evidence, your testimony in that case, that was true, was it not?

A.—That was one of the purposes for which BancoKentucky was organized.

192—You said here and you said before the Grand Jury that that was its primary purpose, didn't you?

A.—I have no recollection of having stated that before the Grand Jury, and as I said, in my testimony before the Grand Jury, and in the Criminal Court on the trial of Mr. Brown, I stated what the broad purposes of BancoKentucky were in addition to the right to hold stock.

193—Of course, there was no question at issue of any stock assessment when you were examined before the Grand Jury, was there?

A.—On BancoKentucky Company stock?

194—Yes.

A.—Why, certainly not.

195—And there was no question of a stock assessment involved when you were testifying on this Murray Rubber Company note, was there?

A.—There was not.

196—And in those two cases, where you testified, didn't you say that the primary purpose——

The Court: He said he did.

197—(Continuing) ——of the organization of the BancoKentucky Company was, to quote your own words, to act as a holding company, and its primary purpose was to own and control a chain of banks?

The Court: He stated that he said that. Let's just ask the questions once.

198—Of course, when you used the term "holding company" in those two instances, you knew, probably as well as or better than any other lawyer in Louisville, what a holding company meant, didn't you?

A.—No, I don't suppose I did.

199—Were you not general counsel for the American Turf Association?

A.—Yes.

200—Didn't you organize it as a holding company?

A.—I did, and that was a holding company with absolutely no other powers and no other business in which it was ever to engage, it is strictly a holding company, very widely different from the BancoKentucky Company.

201—You had organized that prior to the organization of BancoKentucky Company?

A.—Yes.

202—So that when, in your previous testimony, you called the BancoKentucky Company a holding company, you knew the meaning of that word?

A.—I knew the meaning of holding company, yes.

203—Now, you organized other holding companies, didn't you?

A.—I think one or two.

I do not know that BancoKentucky was not qualified to do business in Kentucky. I recall that when I sent the

charter back to Louisville from Dover my recollection is that I wrote Mr. Jones a letter enclosing the qualification slip or at least told him to qualify in Kentucky, and I assumed, of course, that had been done. I don't know it never qualified. I wrote them from Dover and told them to qualify in Kentucky, and how to do it.

I know, as far as being an operating company was concerned, that it had not a single, solitary paid employee. It had not got under way—of course, not. I know it had no separate office at that time. I don't know about its not having separate correspondence files. It had people acting as officers, but whether they were paid or not, I don't recall. I don't think they were. It had no employees that I know.

I recall that I testified in the case of Anderson v. Akers. My attention is directed to m examination on May 31, 1932, and particularly my cross-examination by Mr. Heyburn.

215—Just to refresh your recollection of the fact that you have always maintained that this was a holding company for bank stock, I want to ask you if these questions were not asked you and these answers given——

Mr. Crawford: I object.

The Court: Objection sustained; that is a conclusion that you may argue—you may draw that inference.

The Witness: I will say I never so maintained.

The Court: Ask him a question but don't make a statement.

The Witness: I have never wholly maintained such a thing.

216—Let's see about that. I will direct your attention to these questions and answers by Mr. Heyburn: "How long was the proposal to organize the BancoKentucky Company discussed in the Board of the National Bank of

Kentucky before it was finally determined to go ahead with it? A.—My recollection is for months—I don't know the exact time, but it was discussed on a number of occasions. Q. 6—What was the purpose of organizing the BancoKentucky Company? A.—The purpose of the organization of the BancoKentucky Company was to be a holding company for the purpose of acquiring the control of the stock of the National Bank of Kentucky and of the Louisville Trust Company—of the participating certificates—and of banks in Cincinnati, Covington, and scattered around in various other sections of the Ohio Valley, Indianapolis, and the expectation was at one time to enter Chicago. The purpose of that bank was that the company could be organized and could acquire a control of the stock in these various institutions, that they could withdraw from the Federal Reserve System and that the BancoKentucky Company could act as reserve agent for them, and in addition to the bank matters the charter of the BancoKentucky Company gave various large powers that the banks didn't have"——

A.—Yes.

217 (Continuing)—"It could do many profitable things that banks could not do. It could underwrite securities, it could do any number of things that banks could not do, and it was thought that by the organization of that company, and it was confidently believed at the time, and but for the crash it would have been the strongest financial institution or organization in the entire South."

Now, that was your answer, wasn't it?

A.—Yes.

I assume my memory was clearer and fresher at that time than it is now. I paid no attention, as I said, to those details. The answer which I gave in that case was correct and true. I was asked in that case if I prepared the charter for BancoKentucky Company and I said I did. I was asked

if I had all these various powers in my mind when I prepared the charter and I said yes, they were set out in the charter.

Mr. Crawford asked me if Mr. ZurSchmiede had any right to hold out the BancoKentucky Company as a holding company when he filed the application of BancoKentucky Company to list its securities on the Chicago Stock Exchange and my answer was "No."

223—Let me refresh your recollection: It wasn't Mr. ZurSchmiede who prepared those papers describing it as a holding company, but you?

A.—I?

224—Let me call your attention to this, before the Grand Jury, March term, 1931. When you were testifying this question was asked you: "I believe BancoKentucky stock was subsequently listed on the Chicago Exchange? A.—I know it was listed on the Chicago Stock Exchange because I prepared the papers."

Doesn't that refresh your recollection?

A.—Yes, but my recollection is also that I did not prepare the papers except to take up with the legal representatives of the Chicago Stock Exchange in Chicago—I have forgot the name of the firm now—the mechanics of qualifying this company on the Chicago Stock Exchange.

225—Those are the mechanics——

A. (Continuing)—But I did not prepare the papers. That is my recollection.

226—You prepared the papers. It says here: "I know it was listed on the Chicago Stock Exchange because I prepared the papers."

You prepared the papers in order to have it listed on the Chicago Stock Exchange?

A.—I said I did not prepare the papers. The papers, I think, were prepared by Mr. ZurSchmiede or someone else;

all I did was to take up with the legal representatives of the Chicago Stock Exchange the question of qualifying this corporation.

227—Now, Mr. Carroll, you don't deny you made that statement before the Grand Jury?

A.—Certainly not.

228—And also your recollection in 1931 was clearer and fresher than it is now?

A.—No—well, I assume it might have been, but what I meant to state there was that I had with the lawyers, as I have stated——

I do not know that when BancoKentucky Company filed its income tax return with the Federal government it described itself as a holding for bank stock.

Before the Grand Jury I was asked about some bonus which was said to have been paid to Mr. Mosler to get him to exchange his Brighton Bank stock for BancoKentucky stock and I stated that I didn't know about that and then I answered:

> "I know this statement was not made only once, but repeatedly, in connection with every bank, that there was not a cent of commission, not a penny of expense outside of the audit, that those trades were made without costing BancoKentucky Company a single dollar in the way of commission, fees or charges to anybody. • • • In addition to that no salary was ever paid to anybody connected with the BancoKentucky Company, not even to Mr. ZurSchmiede who did all the work. He never got a cent. No officer got a cent and no director ever collected a fee—never a penny, it was always boasted that it was a corporation that was operated without a cent of expense."

I made that answer and it was true.

The people who were working for the National Bank of Kentucky might have done this work. I assume Mr. Zur-

Schmiede was paid only by the National Bank of Kentucky. I know that as a director. I don't know that the bookkeepers who kept the books that were kept by Banco were the bookkeepers of the National Bank of Kentucky. As I stated, BancoKentucky had not got under way. It had not been fully organized.

I knew when I was drawing the charter for BancoKentucky Company that bank stocks are subject to double liability. I knew in substance what the terms of the law were. I had never previously incorporated any holding company which was intended to hold bank stock.

I made no detailed investigation in Delaware as to the charters of holding companies incorporated under the laws of that state which were intended to hold bank stock. I never heard of the Union Commerce Investment Company and didn't know that that corporation's charter on file in Delaware contained in Article 8 a provision for its stockholders' liability for any assessment on bank stock held by the corporation. I didn't know that the corporation owned the stock of the National Bank of Commerce of Detroit and the Union Trust Company. I can only repeat I never heard of it and knew nothing in the world about it.

I did not read and was not familiar with the fact that bank stock holding companies or corporations were being formed in various parts of the United States, which were intended among other things, to hold bank stocks. I don't know that I ever learned it except in forming—in organizing BancoKentucky. I knew it was to acquire and hold bank stock and also knew it was to engage in various other enterprises, and was an entirely separate and distinct corporation and not distinctly a holding corporation. I have said I never knew of any such other corporations or examined any such charter. I have never examined the charters of any holding company that was going to hold stock,

among other, of banks. My recollection is, if you will look at Article 3 of the charter you won't see "bank" or "bank stock" in it. I never examined the charter of a corporation that was designed or intended to hold primarily bank stocks.

Plaintiff's motion to strike out the answer of the witness, that this was the usual customary form used in the charter of corporations of this character, since the witness now says he never examined the charter of a similar corporation, was overruled.

Before the Jefferson County Grand Jury in November, 1930, and February, 1931, I was asked whether BancoKentucky would have been formed if Louisville Trust Company and National Bank of Kentucky had not been purchased by it and I answered, "No. They were to be a unit." That was true.

I knew that holders of bank stock were subject to double liability, but it never entered in my mind that holders of BancoKentucky stock would be subject to liability, in as much as it was an entirely separate corporation and was the owner of the stock.

261—Then you did have it in your mind that the holders of stock of the BancoKentucky Company, because it was a separate corporation, were not going to be assessable?

A.—I did not have it in my mind.

262—Isn't that the explanation that you just gave the court, that your idea was that the holders of this holding company stock would not be subject to double liability?

A.—I think I made no such answer. What I said was that I knew the owners of bank stock, the holders of bank stock were subject to double liability, which answered your question. Then I went on to state that it never entered my mind that the holders of BancoKentucky stock would be subject to double liability. That is a legal question I don't want to argue.

263—You knew the holders of the Trustees' Participation Certificates were subject to double liability, didn't you?

A.—No.

264—You didn't know that?

A.—No.

265—Doesn't it provide so in the Trust Agreement?

A.—Yes, it does.

266—Doesn't the face of the Trustees' Participation Certificates provide that the holder of the Trustees' Certificate agreed to respond to that liability?

A.—They were the owners of the stock.

267—What did you mean by your answer that the holders of Trustees' Certificates were not subject to double liability?

Mr. Crawford: He didn't say that. He said he didn't know.

A.—I said I didn't know, and then, in answer to your second question, I said I did.

268—In other words, you mean your first answer was wrong?

A.—No, my first answer might not have been responsive.

I was a director on all these Boards, on the Board of the Louisville Trust Company up to January 13, 1930, I think it was, when the Boards were separated. I was at all times a member of the National Bank of Kentucky Board and a member of the BancoKentucky Board, from the time it was organized until we caused it to go into the hands of a receiver. I was chairman of the Executive Committee of the BancoKentucky Company, which was formed just as at the last phase.

I have never read the petition introduced in this case as Exhibit No. 66, even though it bears my name.

I thought you meant the petition in the suit at bar. Yes, I know about the petition to have the BancoKentucky Com-

pany placed in the hands of a receiver. I knew about it and approved of it. I think I was also a member of the Advisory Committee to the Trustees. I am not sure of that. If the record shows I was, I was. But I simply have no independent recollection of it. I don't know that I was a member of the Advisory Committee by reason of being a member of one of the Bank's Board. I know I was a member of the Bank Board and the BancoKentucky Board and I was Chairman of the Executive Committee that was formed towards the end. I have no recollection whether I was on any other committee or board.

I think the Trustees who held this stock voted it as the Advisory Committee directed. If the record shows that by the terms of the Trust Agreement the Board of Directors of the Trust Company and the Bank were the Advisory Committee, they were. I have no independent recollection of anything in that Trust Agreement. I don't know that I was a member of the Advisory Committee. I don't recollect whether I was one of the men responsible for voting all the stock of both the Trust Company and the National Bank. If the record shows I was, I was.

I remember you examined me on cross-examination in the case of Louisville Trust Company v. The National Bank of Kentucky, a case growing out of the dispute as to the ownership of 421 West Market Street.

295—Do you remember my asking you these questions, Mr. Carroll: "Q. And you were the owners of these two companies?" referring to the two banks, the Louisville Trust Company and National Bank of Kentucky—"at that time, and your answer: "Banco?" and I said "Yes," and your answer: "They owned the control system."

A.—I don't know what that means, if you mean whether or not——

296—I am not asking you—I am asking you if you made that answer?

A.—I don't know whether I made it or not. If it is there I did.

The Court: It is there. He said if it is there he did.

A.—I will accept your statement, yes, that they owned the control system. I don't know what that word "control" means. That is very probably a misprint.

297—See if you didn't mean this when you said control system: BancoKentucky Company had more than ninety-five per cent—about ninety-five per cent of the Trustees' Certificates.

A.—It had a majority, a large majority of the Trustees' Certificates. I don't recall that. If the record so shows it was, and I was a member, as I have said, but I don't remember——

299—(Interrupting.) Therefore, through that system whereby the BancoKentucky Board had stock control, and through the Advisory Committee the voting control, BancoKentucky Company was the control system by which these banks were operated by its stockholders?

A.—I still say that the word "Control"——

300—(Interrupting.) That is the fact. You had the control, didn't you?

A.—Oh, we had control; we had control of the banks.

301—That was the system by which you had control, wasn't it?

A.—If that is what it means, yes.

I had no part in the denationalization question at all. Years have dimmed my recollection as to small details. That is my signature to Exhibit 8 which is entitled "Consent of Advisory Committee." That is an order to the Trustees to denationalize the National Bank of Kentucky, signed by me. As I said, if the records showed I was a member of the Advisory committee, I was a member, and this shows that I was. I took no part in any steps taken in

connection with the denationalization of the banks. That, in my recollection, was attended to by Mr. Helm and probably Mr. Vaughan, who were the lawyers, and I had no part in it, as a lawyer. I might have had a part as a director and member of the Advisory Committee and I signed that paper. It was a part of the Banco plan that we would denationalize the National Bank of Kentucky. That was considered, I am quite sure, but I don't remember the details about it at all.

In my testimony in Akers v. Anderson I was asked this question. No. 9, "As part of that BancoKentucky Company plan was it contemplated that the National Bank of Kentucky would denationalize?" and my answer was, "That was considered and discussed that it would denationalize and obtain a charter as a state bank." That was correct.

You show me Plf's Ex. 34-2, a letter of September 16, 1927, addressed to the Comptroller of the Currency and ask if that is my signature. It is, and I remember all about this. I signed it. I never saw the report. I will state the facts about that matter were these: That Mr. Jones came to my office with this letter and stated that he had received a communication from the Comptroller about some of the accounts in the bank that had already been satisfactorily adjusted, and it was merely a routine matter and presented to me this letter that had been signed by a good many of the other directors, and I signed my name to that letter but I never saw the report to which it refers.

The witness: Your honor, I would like to extend my answer a little bit to that question. Mr. Jones further explained to me that it was merely a routine matter, that it was no criticism of anything about the bank's affairs but that it was a routine matter about some of the stock in the bank that might have been over-loaned. Loaned in excess of the legal limit.

Right above my signature to this thing—it reached a grand total of $966,797.00. Mr. Jones explained that that had already been remedied. I would not consider that loans of $966,000 in excess of the limit—more than 20% of the capital of the bank—was a routine matter. I happen to know about these particular loans. They were all as good as gold. I will not say the Consolidated Realty Company loan was as good as gold. I do not know what the losses of the bank on that item were. I don't know that is one of the principal items there. If you let me look at it, I will see what the loans were. No, I was referring to this Kentucky Jockey Club loan which I knew all about. That was a loan of $530,000 and some odd dollars. But I knew that that loan was perfectly good. I don't recall about these other loans. I don't think they were good, but the statement was made to me that they had been adjusted and brought within the legal limit. I have said no less than three or four times that this letter did call my attention to the fact that there was correspondence with the officers of the Bank relative to the Bank's condition and its examination just previous thereto.

There is no doubt in my mind that the officers of the bank were fully advised as to the condition of the bank at all times. They should have been. Whether they were or not, I don't know.

Mr. Brown, the President of the Bank, had the National Bank Examiner's report in his hands at the time he purported to read to us certain sections of it. He was the principal originator or proponent of the BancoKentucky Company. I think the idea originated with Mr. Brown. The Board of Directors delegated to Mr. Brown the arrangement of the details for setting this program for the organization of BancoKentucky under way. At that time the Board had the utmost confidence in Mr. Brown. The Board

delegated him the authority and duty to work out the details and cause the organization of BancoKentucky company and report to the Board. I was present at the meeting June 7, 1929, when the following resolution was passed:

"Mr. Brown's proposition to form a new company with a proposed capital of $20,000,000 organized to own stock of other corporations, all, or any part, buy and sell securities, original and refinancing, etc., was submitted to the Board of Directors, and the Board expressed themselves as favorable, and on motion duly seconded and unanimously carried, the President was authorized to proceed along the lines outlined."

It doesn't say anything here about his reporting back to us, but he was to report back. That resolution doesn't say that. It was adopted and he was to report. The resolution refers to BancoKentucky Company.

The purchase price of the Banco stock for which I subscribed was $25,000—1000 shares at $25.00 a share. I borrowed the entire amount from the National Bank of Kentucky and put up the 1000 shares of Banco as security, plus 100 shares of Standard Oil of Kentucky at the time I made the loan. At the time the bank closed I had repaid $2,200.00.

With reference to the Caldwell deal,—I was one of the lawyers, in a small way, that worked on that contract. I attended a meeting at Mr. Brown's house at which Mr. Caldwell was present. Mr. Helm was there, I knew, and Mr. Vaughan. I am not certain as to whether Mr. Dodd was or not. The matter was discussed there, but the modifications of that contract were drawn by Mr. Vaughan and Mr. Helm. I had no part in that. I knew that Caldwell had an interest in banks. I don't know that Rogers Caldwell wholly owned Caldwell & Company. I don't think it was so represented to us. I don't recall that. I think it was a corporation and that there were other stockholders. Who they were and what amount they held I don't know.

At that time BancoKentucky Company owned nothing but Bank stock and an infinitesimal amount of Union Central Life Insurance Company stock. As I have stated, BancoKentucky never got under way because the crash came right at that time. The crash which I am talking about is the stock market crash in October, 1929. I don't know about our acquiring "plenty" of banks after that and I don't remember the date they were acquired. We acquired the Central Savings Bank and Trust Company on December 9, 1929, after the stock market crash, if that is the date. We acquired the Peoples Liberty Bank of Covington on December 30, 1929, if that was the date. We acquired the First National Bank of Paducah on March 19, 1930, if that was the date, and the Ashland National Bank on April 15, 1930, if that was the date. I will say yes, we did. We acquired the Security Bank in Louisville on April 26, 1930. As late as Sept. 27, 1930, we acquired the Mechanics Bank and Trust Company of Paducah, if that is the date.

I don't suppose anybody thought that the financial crash would reach the tremendous and disastrous proportions it did. We thought things would right themselves, and that business would come back.

I don't remember that at the time we made this deal, with Rogers Caldwell, or Caldwell & Company, that our assets were wholly invested in bank stocks, and that we had no cash.

We had no audit made of Caldwell & Company. The facts were these, as I recall them, that Mr. Brown stated he had made an investigation of Caldwell & Company. When the matter of acquiring an interest in Caldwell & Company first came up, Mr. Brown suggested that, and it was considered, and he said he wanted to investigate it further. At a subsequent meeting of the Board he said

that he had investigated it further, and he read from a statement showing the assets, liabilities and net worth of Caldwell & Company, the net worth being $11,000,000 or $12,000,000, and Caldwell guaranteeing $9,000,000, and he made the further statement that those figures had been obtained from an audit made by Price, Waterhouse and Company, whose audit I would accept on any proposition. Those were the facts about that.

I don't know that those were the same people who made the audit of McKesson & Robbins. I never saw the audit of Price, Waterhouse & Company. Mr. Brown didn't have any audit of that company there at the meeting. Mr. Brown said Caldwell told him, and then he read those figures that he said were obtained from an audit made by Price, Waterhouse & Company, and I, at that time, had confidence in Mr. Brown and I believed his statement. I don't know whether he got the figures personally from Price, Waterhouse & Company or claimed to get them from Price, Waterhouse. He said they were figures taken from an audit made by Price, Waterhouse, of Caldwell & Company. Where he got them and how he got them, he did not state, and I don't know. I don't recall that anybody asked him.

Rogers Caldwell objected to an audit being made in advance of the deal being entered into, it was understood that before any dividends were to be paid an audit was to have been made of Caldwell & Company's business. My recollection is that they appointed a committee of the Board to do it. I was not on it. Mr. Helm and Mr. Vaughan were on the committee. I don't recall whether Mr. Brown was on it or not.

I really don't know whether Mr. Brown was a Director in every bank that Banco owned or held stock of. I know he was a Director of the Louisville Bank, but I don't know

as to the outside banks. I do not know that the committee never met. I do not know that a valuation was never made. I meant to say that so far as I know, no audit was ever made. I don't know whether the Committee met or made any valuation. I have no knowledge of that whatever.

I didn't know at the time we made the negotiations with Caldwell that the stock was worthless. I know now that it was worthless. 200,000 shares of Banco stock were held out at the time. I think that an additional 200,000 shares were held as a guarantee against the making of the audit, as to what was to be disclosed by the audit. That is my recollection. I don't remember when that occurred.

I knew that Caldwell was going to take the Kentucky Wagon Works out of the Bank. I consider that it was a good thing to get rid of the Kentucky Wagon Works. I did not know how much the bank had invested in it. I thought it was somewhere about $400,000, plus some few hundred dollars that is my recollection. I do not know that $2,500,000 in stock of BancoKentucky was the amount turned over to Caldwell & Company. What I know was this,—that at practically every meeting of the Board of Directors of the National Bank of Kentucky questions were asked about the Kentucky Wagon Manufacturing Company. It was stated that that debt had been charged down, is my recollection, to about $400,000, that there were no overdrafts, that the concern was operating, that there might have been an overdraft to tide over some raw materials, and the question was asked at every meeting as to how that corporation was going along, and it was said in every instance that it was holding its own. Three of the Vice-Presidents of the banks, as I recall, were directors of the Kentucky Wagon Manufacturing Company to look after the bank's interests.

There wasn't any doubt that they knew all about the Kentucky Wagon Works. They certainly knew all about it, but I didn't. The Board had delegated to them that job.

I signed statements of the condition of the bank, March 7, 1930, June 30, 1930 and September 24, 1930, if those are the dates. I know I signed two or three statements. I knew what I was signing, but it turned out I wasn't signing what was afterwards put into those reports, as I think I testified afterwards in the Keyes suit. In other words, that certain things were inserted in those reports after they had been signed. Mr. Brown inserted them, I assume, or at his direction. It must have been either he or Mr. Jones. Mr. Jones, I take it, would not have done it except at Mr. Brown's direction. Charles F. Jones was the Executive Vice-President of the Bank. He had been Cashier and was then elected Vice-President, and possibly at one of those meetings was elected Executive Vice-President, but I am not sure as to that. If any changes were made in the statement of condition they were by somebody, I don't know who fraudulently entered them.

Those officers of the Bank were chosen by the Directors. I suppose the Directors were chosen by themselves, as the Advisory Committee who had directed the voting of the stock of the bank.

I knew the Kentucky Wagon Works was owned by the bank. I knew that the BancoKentucky Company had acquired the Murray Rubber note or debentures and the participation in the Lewis C. Humphrey note at the insistence of the Chief National Bank Examiner. I don't remember the amount. I don't know that it was $600,000 in cash. I don't recall that BancoKentucky had no money. I don't know that. I knew these two items were taken out of the Bank but I don't remember what was paid for them. I didn't know those items were worthless. I have no knowl-

edge that I have testified on previous occasions that they were worthless. I may have but I certainly don't remember it.

I have no recollection of having testified on previous occasions that it did not make any difference whether the items were in the BancoKentucky or in the Bank, because the same people owned both. If you will show it to me, I will tell you whether I answered or not.

I testified in a hearing before the Grand Jury which met to consider BancoKentucky, February 23 to February 27, 1931:

> "The BancoKentucky Company owned all of the capital stock of the National Bank of Kentucky, and therefore, anything that was to the benefit of the National Bank of Kentucky would necessarily be beneficial to BancoKentucky."

The reason for that is because if the ownership was common, anything that benefited one benefited both. I said I had no recollection of it. Now, that you produced it, I say yes, that is what I testified.

In the same answer I said this:

> "Now, the arrangement made with the Kentucky Wagon Works was a very advantageous thing, not only to the National Bank of Kentucky, but ultimately to the BancoKentucky, because it took out of the National Bank of Kentucky all of that indebtedness, and BancoKentucky acquired from Caldwell & Company a hundred thousand shares of its own stock, which if that stock had been at the price it was then, would be largely more than the indebtedness of the Wagon Company, as it would be $2,500,000."

That refreshes my recollection. I made that answer. It was correct.

I don't know that it was the ownership by Banco of the stock of the Cincinnati banks that caused the run on the

Cincinnati banks. I don't recall whether I so testified or not. I testified about the Cincinnati situation, referring to the previous run in the summer time that had died down, and this came up and they, knowing that BancoKentucky Company owned the stock in the two banks—a run started on them. I answered that, yes. That is correct, too.

I wasn't the author of the plan to physically merge the Louisville Trust Company and the National Bank of Kentucky. I know there was such a proposition, but I have no recollection of my having been the author of it. Probably they asked me to draft such a plan, and I might have drawn the plan, but what it was now, I don't recall. It was certainly designed and intended to save the banks.

With reference to how soon before the final collapse I started working on that plan, my recollection is now that I drafted that plan—I don't recall its terms—that I drafted that plan, and I think I submitted it to the Executive Committee, is my recollection, of the BancoKentucky, and I think that was just before the banks failed, that that had not been conceived or considered until probably a day—I had not been working on it for about ten weeks before that. I think I drew that—the drawing of whatever the plan was I drew very speedily, in order to get it in in a last effort to save the banks. I was not the one who first proposed it at all. I don't recall how that came up. That was discussed and considered and I was asked to draw the plan, I think, by the Executive Committee of the Board of Directors of the BancoKentucky, and I did, as speedily as I could, draw that plan, but it was too late.

The minutes show that I presented a motion on December 27, 1929, to increase the Banco stock from twenty million to fifty million. My recollection is that there were two prime motives in denying to the then stockholders their preemptive rights to subscribe for the new stock. These

two motives were: First, that it was considered advisable to obtain as wide a distribution as possible of the Banco-Kentucky stock; and secondly, it was considered advisable to have in the treasury of BancoKentucky a considerable amount of that stock that might either be sold or be used in acquiring stock in other corporations of various character, not banks alone.

429—You say "not banks alone," but including banks?

A.—Any corporations that it was considered advisable for the BancoKentucky to acquire an interest in.

430—Any corporations included banks, didn't it?

A.—It might have been banks and it might not have been banks, it was to be used in acquiring an interest, as I said, in banks, manufacturing corporations, or any other corporations.

Since the stockholders had preemptive rights we could not use it in that way to exchange for other bank stock because the present stockholders would have subscribed, in all probability, for all that increased stock. I think I was Chairman at that meeting at which that amendment was proposed, and I drew that amendment. I remember you asked me in the Building Case, about what we called the Carroll plan, this physical merger of the Louisville Trust Company and National Bank of Kentucky. You asked me, "Well, wasn't it in October?" and I said, "I think it was in October." I made that answer evidently. I don't remember what date it was. I know it was just before the failure of the banks. That trial was about five or six years ago, so probably the dates were fresher in my mind then than they are now. I have no recollection as to the time, as to the date.

I have no recollection now of approving the idea of lending money to employees of the Bank, to enable them to purchase the stock of the BancoKentucky Company for the

reason that I regarded that as a cooperative profit sharing. If that is said there, it is the fact.

I answered the question

> "I thought all of those loans were good and well secured, and it was my idea that there could be no more desirable loans, if they were secured, as I thought they were, than loans to employees of the bank on a cooperative profit sharing."

That is what I thought, because I thought Banco would be a highly successful organization, and I wanted the employees of the Bank to get some benefit from it.

I was present at the meeting of the Board of Directors of Banco on Friday, September 27, 1929, Exhibit 23, when a motion was made, seconded and carried that

> "Application be made to the Chicago Stock Exchange for the listing of 2,000,000 shares of the Common Stock of the BancoKentucky Company and that W. T. ZurSchmiede" was designated "to appear before the Committee on Stock List of said Exchange with authority to furnish such information and to make such changes in said application, or in any agreements relative thereto, as may be necessary to conform with the requirements for listing."

I remember that, and that is what I said when I was asked that question today, that Mr. ZurSchmiede did it.

I assume that Plaintiff's Exhibit 74 entitled "The Chicago Stock Exchange, Application to list stocks," is the application that Mr. ZurSchmiede was authorized at all board meetings to sign and file.

Redirect Examination by Mr. Crawford

On redirect examination by Mr. Crawford, Mr. Carroll testified as follows:

I gave a deposition in Carroll v. Chemical Bank & Trust Company, December 21, 1937. The present suit was filed February 17, 1936, prior to my giving of that deposition.

Refreshing my recollection by reading paragraph 3 of Plaintiff's Exhibit 24, I wrote this letter to Mr. Jones, dictated it in the office of the United States Corporation Company after the charter had been filed. In that letter I stated:

> "I also enclose statement of corporation to be filled out, signed by the President or Secretary of the new corporation and sent to the Secretary of State of Kentucky, together with a filing fee of $1.00. When this is done, the corporation will be fully organized to do business in Kentucky."

Nothing else was needed in that respect to do business under the laws of Kentucky. That is all that is needed. I did not know that that had not been done. I assumed, of course, it had been done.

BancoKentucky paid me for drawing the organization papers for Banco. I will state that on January 9, 1930, I received a check from Banco for $12,500. That was stated to be in payment of attorneys' fees up to January 1, 1930. On the same day I sent a check for $4,000 to Mr. Helm, a check for $4,000 to Mr. Vaughan and a check for $500 to Miller & Chevalier, and I retained my portion of the fee, $4,000.

I was asked about signing some reports and referred to insertions in those reports. Those insertions were with reference to overdrafts in the Wagon Company. The issue, as to whether they were in there or not, was tried out in the Directors' Case. Testimony was offered on the subject, as I recall it.

The Murray Rubber Company transaction was when Mr. Neill was in the Bank, I think. It was long before the time that Mr. Neill was there. He was the last one to make an examination and the second Bank Examiner that had ever appeared before the Board.

I was asked about a letter of September 16th referring to Consolidated Realty Company, and Jockey Club excessive loans. After I signed that letter I never again at any time while I was in the Bank heard of those two loans. Or any criticism of the Consolidated Realty Company or the Jockey Club. I was on the Board of the Bank when it purchased claims against the Wagon Company. That was for the purpose of acquiring title to the Wagon Company property. During the course of those proceedings I think other expenses were had in connection with that company. I don't remember what the amount of them was. I was also aware of the fact that there had been loans to National Motors and other companies either allied with or having to do with the Wagon Company. I did not know that there had been overdrafts. In that trade with Caldwell I don't recall how much had been charged off by the Bank. I don't recall what the original amount of the loan was, but my recollection is that it had been charged down to about $400,000. I did know that there had been charge-offs but what the total amount had been, I don't know.

When Mr. ZurSchmiede was authorized to make the listing on the Chicago Stock Exchange I have no recollection of that particular listing having been before the Board, the particular statement to be filed.

Recross Examination by Mr. Marx

On Recross Examination by Mr. Marx Mr. Carroll testified as follows:

I don't remember the amount of the loss going to this item of Kentucky Wagon Manufacturing Company which I ascertained after the Bank closed or that the aggregate amount of notes and overdrafts in the Bank due to the Wagon Company item was $2,368,453. I do remember it was largely in excess of what we had been told the amount was.

I was a defendant in the case of Anderson v. Akers. The judgment against me for my dereliction of common law duties as director on the Kentucky Wagon Manufacturing Company item alone was $99,283.57. Whatever the amount was. I do not know that figure.

I was held in that case responsible for losses incurred by the Bank on the Kentucky Wagon Manufacturing Company, the Murray Rubber Company, and Wakefield & Company for my dereliction of common law duties as a director, and for my violation of the Statute laws of the United States in the case of E. B. Norman & Company, for a total amount of $2,311,644.72, individually. I have no idea that that was the biggest amount of any Director. I know it was more than I was readily able to pay.

William S. Speed,

called for Defendants, examined by Mr. Crawford, testified as follows:

My name is William S. Speed. I have lived in Louisville all my life. My principal business is the Louisville Cement Company. I am engaged in other businesses.

I was a director of the National Bank of Kentucky from 1919 on to the closing. I was on the Board when the stock of the Bank was trusteed with the stock of the Trust Company. And when the sixty per cent stock dividend was declared. I was familiar with those proceedings.

11—Will you tell the Court why Banco was formed?

Mr. Marx: I object. I want to interpose a general objection on the ground that that evidence is incompetent, irrelevant and immaterial. It is an attempt to vary, alter or explain the written evidence, and is secondary evidence of which the best evidence has been produced here in written form over the signature of the witness and his

fellow officers and directors, and further, that it constitutes an attempt, nine years after the event, to explain or rationalize the things that the witness did, which are set forth and recorded in records made, not by the Government, but by the defendants themselves in this case. I interpose these objections generally, to avoid the necessity of interrupting. If I may understand that they are continued to each and every question, it will avoid the necessity of interrupting; I sort of trust myself to Your Honor's hands, as Your Honor sometimes sustains objections sua sponte.

The Court: Let the objection be overruled. Let it be understood that that objection applies to all questions which the witness may be asked about the reasons ——

Mr. Marx (Interrupting): I thought, if Your Honor could let it be understood generally——

The Court: I am not going to let it be general, but with reference to the reasons which this witness may state were in the minds of the directors or those taking a leading part in the forming of BancoKentucky.

Mr. Crawford: I want to show what was discussed, not what was in their minds.

Mr. Marx: I further object on the ground that that was merged in the result of their deliberations, and that prior negotiations, antecedent to the adoption of the resolutions forming the charter, the contracts, the subscription and so forth—that all antecedents are merged in the final documents and speak for themselves, and are clear and unambiguous.

The Court: The objection is overruled.

The BancoKentucky Company was formed for the purpose of buying control of a number of banks, particularly in the Ohio Valley, and to do a general investment business, such as underwriting issues of stocks and bonds of various corporations. That part of it, particularly, was

considered to be quite a profitable thing. There was never any intention, so far as expressed in the board meetings, to abandon the last phases of the reason I gave.

At the time Banco was formed, there was no discussion of any kind in the Board, or anything brought to my notice, to indicate that the Bank was in any financial trouble whatsoever. If there had been, I certainly would not have been in favor of the formation of Banco Company. Our bank had been declaring dividends up to that time. There had not been any criticism from any source regarding those dividends, to my knowledge.

I had stock in the National Bank of Kentucky. After the formation of Banco I traded the Trustees' Certificates for Banco. I retained enough stock to qualify me in the National Bank of Kentucky Board of Directors. I got the dividends on that stock.

At the time I traded my Trustees' Certificates to Banco I certainly did not have any idea or suspicion that the Bank was in such a condition that it might fail. I bought a lot more stock about that time. I have got a record of all my stock.

I had 300 shares of the old $100 par Trustees' Certificates. These Trustees' Certificates were transferred out of Bank of Kentucky stock and then I bought, January 1, 1929, 300 more at a cost of $106,800. I exchanged those 600 for 6,000 of the new Trustees' Certificates and I bought 500 more of the new Trustees' Certificates September 16, 1929, for $22,750.00. So on September 19, 1929, I had 6,500 Trustees' Certificates. I exchanged those for BancoKentucky stock, which gave me 13,000 shares of Banco. On October 1, 1929, I bought 5,000 shares of Banco at a cost of $125,000.00. On April 4, 1930, I bought 200 shares. No, I beg your pardon, I exchanged my Louisville Trust Company 10 shares, the qualifying stock, and got 200 shares

of BancoKentucky stock on April 4, 1930. On April 17, 1930, I bought 400 shares and April 22nd, 1930, I bought 200 shares, and April 23rd, 1930, I bought 200 shares, making a total of 19,000 shares.

I had a deposit in the National Bank of Kentucky when it closed. My company, the Louisville Cement Company, had a very large deposit. I testified in the directors' case relative to Examiners' reports and letters from the Comptroller and other matters that came up in that case. I testified for a very long while.

Cross-Examination by Mr. Marx

On Cross-Examination by Mr. Marx Mr. Speed testified as follows:

From the list of stock I read from I acquired 86 shares of National Bank of Kentucky stock on January 1, 1920. That came into the Bank of Kentucky from the German Bank. I was a stockholder in the German Bank and when it merged with the Bank of Commerce, first, and then later with the Bank of Kentucky, that stock was exchanged.

That was simply an exchange of stock. I paid no money at that time. I don't remember when I became a stockholder of the German Bank, or whether I ever bought any or not. My father was a director of the German Bank at his death, and I inherited some of the stock and became a director at that time. I haven't any idea now at what I carried the cost of that 86 shares of National Bank of Kentucky, that is too far back. I would have to look it up. I don't remember buying any. I might have bought a small amount, of German Bank stock, but I think it was all inherited from my father who had been a director of that Bank for a period of years. I don't know at what value I took it when I inherited it from my father's estate. I suppose I could look it up.

In 1921 I bought fourteen additional shares. That list was copied by my secretary. I don't know at all what that cost me. The German Bank stock was a high priced stock. In July, 1926, I bought 59 additional shares, and on August 27, 1926, I bought 22 shares. Then, it says here 4 shares, and that apparently goes back to July 28, 1925. This is the Bank of Kentucky stock. I think the list is correct as it is, but I could check that. I will try to find out what those 200 shares of Bank stock cost me. Before I made my transfer into Trustees' Certificates I got a 60 per cent stock dividend. That increased my stock holdings from 200 shares to 320 shares of National Bank of Kentucky stock. I paid nothing for the stock dividend.

I realize that bank stocks are subject to what they call double liability. I knew that at the time.

When I exchanged the National Bank stock for Trustees' Participating Certificates, I got par for par, 320 $100 par certificates of the Trust. No, I retained 10 shares of National Bank of Kentucky stock, as a director of that bank, and I exchanged 10 for Louisville Trust Company stock, qualifying shares, and then exchanged the other 300 for Trustees' Participating Certificates. I did not have any stock in the Louisville Trust Company until I exchanged some of my Bank of Kentucky stock for Louisville Trust Company stock. Other than by this exchange, I never invested a dollar in the Louisville Trust Company, but this, of course, was a valuable stock that I transferred from one to the other.

I don't remember the terms of the Trust now at all.

But I know I had those 10 qualifying shares in each one and I got the dividends on each of them. When I resigned from the Louisville Trust Company I withdrew my Louisville Trust Company stock and transferred it to the Trustees' Certificates and then to Banco.

I did not have physical possession of the ten shares of stock in either the Louisville Trust Company or the National Bank of Kentucky. I had a receipt for each. The physical custody and control of those certificates was in the hands of the six Trustees under the Trust Agreement I presume. But in this receipt I had a right to withdraw it, if I remember correctly. I think the terms of the receipt gave me the right to withdraw it.

I don't recall that I signed another contract under the terms of which I agreed that, in consideration for their qualifying me as a director, in the event I ceased to be a director for any reason whatever, that stock should become the property of the Trustees and they would exchange for that stock Trustees' Certificates. I don't doubt that is a matter of record.

> The minutes of the Trustees recite "The Secretary reported that all but five of the Directors had signed Agreements to the effect that upon death, insolvency, attachment; or upon ceasing to be a director in either of the affiliating institutions, they or their heirs, assigns or personal representatives, would forthwith retransfer to the Trustees, certificates for their qualifying shares of stock in each institution upon receiving from the Trustees, participation certificates of interest for an equal number of shares thereof, upon the basis of a par of $100 each." Exhibit 8 recites that upon the inventory of the safe deposit box of the trustee my stock and my agreement were both in the box. I don't question that.

My recollection is that the dividends I received were the dividends declared by the National Bank of Kentucky, the same amount as declared by the National Bank of Kentucky. I presume that the amount I would get on T. P. C.'s and the amount I got on my bank stock was identical. That is my recollection. It would be the same. As far as the net

amount of money that I would receive as dividends from the Bank is concerned, it was exactly the same whether I held all my stock holdings in Trustees' Certificates, or whether I held all my stock holdings in the Bank and Trust Company.

When I made the exchange of my National Bank stock into Trustees' Certificates I knew a certain percentage was National Bank of Kentucky and a certain percentage was Louisville Trust Company.

I don't suppose I thought of the fact that the Louisville Trust Company stock was also subject to what it popularly termed double liability. But I would not have questioned it at all, that it was subject to the liability. If I had been asked at the time if I knew a state bank's stock was subject to the same liability under state law as National Bank was under national laws I would have said yes.

I don't recall that when I made this exchange I waived my dividend from the qualifying shares. You show me Exhibit No. 8 and call my attention to the record in the minutes of the trustees which says: "Written waiver was presented signed by Messrs. Stites, Bloch, Helm, Kohn . . . Speed, Lyons, Crawford . . . in regard to the payment of dividends on the qualifying shares." I don't recall it just now. I received dividends—it may have come from the other source, but I got the money. The money would be the identical amount, I think. I don't recall that I signed the waiver and got dividends not on the qualifying shares but on the Trustees' Certificates. But I don't question but what I did.

I presume I knew when I made the exchange of National Bank of Kentucky stock for Trustees' Certificates, which included the Louisville Trust, that the Trustees' Certificates were subject to the same double liability. As I said, I don't think I gave the matter consideration at the time, but I would expect it to be.

As a director of the National Bank of Kentucky I approved the Trust Agreement. I knew the terms of that agreement. I knew that under the Trust Agreement these Trustees' Certificates which I was taking bore a contractual liability on my part, and on the part of all others similarly situated, to pay whatever assessment might be levied by the Comptroller of Currency on the National Bank, or be determined by the Courts of Kentucky on the State bank stock.

I exchanged all of my $100 par Trustees' Certificates for $10 par Trustees' Certificates. Then I exchanged all of my $10 par certificates two for one for BancoKentucky stock.

The letter of July 19th, 1929 was sent out while I was in Europe. My name is appended, but apparently I never signed it because I was in Europe and the letter was received at my office and put in my file. I don't recall seeing that until I looked in the file after the Bank closed, but I don't suppose that is material one way or the other. I don't recall that I knew about its having been sent out.

You show me Plaintiff's Exhibit 170. That is my signature. I apparently signed it sometime in September; I don't know just when. Payment was to be made the first of October. I think I went to Europe the latter part of June, I am not sure, and got back sometime in September, so apparently this would be after that.

This Exhibit refers to the letter and says "Subscription to the shares of the BancoKentucky Company under the Reorganization Plan as outlined in the letter of July 19, 1929." That does not refresh my recollection that I did know about that letter. I don't recall the letter at all until after the Bank closed, but I knew in a general way what was being done.

Plaintiff's Exhibit 171 bears my signature. It relates to somebody else's certificate, and I was the Trustee for my

daughter. She had some bank stock which I exchanged for Banco. I am Trustee for this account. I presume I signed Exhibit 171 about the same time. I don't know.

Said papers were received in evidence and marked for identification "Plaintiff's Exhibits Nos. 170 and 171."

Plaintiff's exhibit No. 153, bears my signature and I wrote the address. I presume that was written about the same time as the others. I don't know. I think it must have been, though. I don't think I can remember just now whether I was in Paris when I was in Europe. I have been to Europe quite a good deal. When I was in Paris I read either the Paris edition of the New York Herald or the Chicago Tribune. I don't recall having seen Plaintiff's Exhibit No. 99, a clipping from the Paris edition of the New York Herald reciting the purchase by BancoKentucky of the Cincinnati banks. I might have seen it but I don't recall.

I think Mr. Boswell was a director of the Louisville Trust Company. I think he was connected with that company. I don't know whether he was in Europe at that time. I don't recall seeing him. I did not communicate with him from Paris.

My 320 shares of National Bank of Kentucky stock, by virtue of these several exchanges, first into Trust Certificates and then into Banco stock gave me 6,000 shares of Banco.

I had 300 shares of Trustees' Certificates and I bought 300 additional of the $10 par. Those 6,000 were converted into 12,000 shares of Banco. No—600 were converted into 12,000 Banco. The 600 were split 10 for 1. Then I purchased 500, making 6,500 $10 par Trustees' Participation Certificates. When I exchanged it into Banco it made

13,000 shares of Banco. Then, these other purchases were made afterwards.

When I made the exchange and received 13,000 shares of BancoKentucky stock in exchange for the bank stock represented by the Trustees' Certificates, I don't believe I reported to the United States Government any taxable gain or loss as a result of that transaction. I don't think there was any taxable gain or loss. My records were examined every year by the Treasury Department examiners here. My records would show all these transactions.

There is no doubt that at the issue price of Banco, $25 for each share, whereby I got $50 for a $10 Trust Certificate, at that figure there was a considerable appreciation above the cost of my bank stock. I bought some Trustees' Participation Certificates on September 16, 1929, which was just before the exchange date. Those were the Interim Trust Certificates. I paid about $45.50 for each certificate. So when I exchanged those certificates for two shares of Banco at $25.00 a share, that would make a difference of, roughly speaking, a gain of about $50.00 on a $100.00 par. In other words, there would have been a slight profit on purchasing rather than subscribing at par. I did both. January 21st, 1929 I bought 300 of the old certificates and paid $106,000 for it. That is $356.00 per certificate. Figuring it out in my head and I don't say it is correct, there would be a gain on the purchase I made January 21, 1929 of a difference, roughly, between $17 and $25, if it was sold at $25.

You have to have consummated your sale after your purchase in order to make the gain. I did not report any taxable gain when I made the exchange into BancoKentucky stock. I followed the ruling of the Government official on all that. My books were open to the Government and they were examined by the Government every year

and the Government lawyers accepted the situation as not disclosing any taxable gain, that is my recollection.

I made a further purchase of Banco after my initial subscription that was at a little under $25. I don't remember what the figures are there. This purchase on April 17, 1930 of 400 shares cost 23 and nearly eight-tenths dollars a share. On April 22, 1930, 200 shares cost $23.60 something; and April 23rd, a day later, 200 shares cost $24 and about one tenth.

To my knowledge there was no effort made by the Banco-Kentucky Company to try to uphold or stabilize the market by the purchase of shares of stock on its own account. I believe that did come out later on in the trial of the Bank case, that there was an effort on the part of Banco to maintain its stock, but not to my knowledge, and not to the knowledge of any of the directors, so far as I knew. I didn't know until after the bank closed or just about the time the bank closed that Banco went out into the market when it was falling, and bought 106,000 shares at a cost of over $2,300,000.

After the National Bank of Kentucky failed I took a loss on my income tax. I sold my stock after the bank went down and got almost nothing for it, and I took a loss on it. That was all known to the tax officials. I did make a sale after the Bank closed, had a loss then and reported the loss. I took the loss on the basis of the cost of my National Bank of Kentucky stock. I took the cost all the way through. Just as you asked me about this first purchase, as to what the whole thing cost, and what I got for it, I took the difference as a loss. That is, the cost of the Bank stock to me.

I attended the National Bank of Kentucky Board meeting June 28, 1929. I went away just about the first of July. The record shows that I again attended a Board meeting

September 6, 1929. I was going to say that I attended the meetings quite regularly when I was in town, and I think that in itself shows just about the time I was away; as soon as I got back I probably attended the next meeting. Banco had been discussed before I left, in the spring, I think, of 1929.

155—Now, the main object of the formation of Banco-Kentucky was to acquire a chain of banks?

A.—That was one of the objects.

156—No, I want to refresh your recollection, not on one of the objects, but on it being the main object, and I call your attention to your own testimony given in the case of Anderson vs. Akers: This question 43 was asked you: "When did you first learn that it was planned to acquire the banks?" and you answered: "That was discussed some little time before the BancoKentucky Company was formed. That was the main object of the formation of the Banco-Kentucky Company—to acquire a chain of banks."

A.—I think that is correct. The other question came up there at exactly the same time, or probably shortly after about the investment matters.

157—Then, it is correct to say that that was the main object of BancoKentucky, to form a chain of banks?

A.—That testimony is as near correct as I could make it.

When we organized BancoKentucky Company we expected to get a substantial majority of the stock of both the Louisville Trust Company and National Bank of Kentucky into it. The whole plan hinged on getting absolute control of those two banks.

The holders of the Trustees' Certificates were quite enthusiastic about the plan, and they practically all exchanged their stock for Banco stock. I don't recall that we also got more cash from the sale of stock than we expected to get. My recollection now—it is a long while—is that they got about $9,000,000 in cash.

Question 360 asked me in the case of Anderson v. Akers was "What effect did that have on the amount of money Banco expected to realize?" and my answer was: "They got more cash than they expected to get." I assume that is correct; I testified to my best knowledge at that time.

At the time they organized the BancoKentucky Company we expected the National Bank of Kentucky would be denationalized and changed into a state bank, about that time. That was in order to get out of the Federal Reserve. And we were going to use the BancoKentucky Company as a sort of Federal Reserve.

I didn't make the statement that I believed in making loans to encourage the employees of the Bank to purchase stock in the BancoKentucky Company, on the theory that it was a sort of profit sharing program. I don't know who made that. If Mr. Dodd made that statement and I said I believed in it—I think it is a good thing, as a rule, in any company, to do what you can to help the employees. That would apply to the employees of the Bank and to others—to the Trust Company I presume.

You asked me if it was not really all one company. Well, I think there were two; both the Bank and Trust Company were entirely separate corporations. I wouldn't say that as far as the ownership was concerned, however, it was altogether. You couldn't own Trustees' Certificates without having an interest in the other. If you had Trustees' Certificates you had both.

I was one of the Directors of the National Bank of Kentucky who voted to request the officers of the Banco-Kentucky Company to purchase the debentures of the Murray Rubber Company and the participation in the Lewis Humphrey note for $600,000 and take it out of the Bank. I made the motion to request that Banco do this, but I did not participate in anything that the Banco did because I

really was out of town after that for a short time. But I made the motion in the Bank to request the Banco officers to take $600,000 of Banco's money and put that in the Bank, and take the Murray Rubber Company debentures and the Lewis Humphrey note over into Banco.

179—Of course, when you did that you had already been advised by the National Bank Examiner that those debentures and the Lewis Humphrey note were not worth any $600,000?

A.—Of course, I testified I did not consider that they were worthless, that I thought there was a work-out there. Of course, I would not have wanted the Bank to have authorized a $600,000 loan on those as security.

180—I am not going into the question as to whether they were worthless or not: They were not worth any $600,000?

A.—Unless the Murray Rubber Company worked out.

181—At the very time you made the motion, Mr. Neill, the Chief National Bank Examiner, had been before your Board and told you he would not permit the National Bank of Kentucky to carry those two items any longer.

A.—That is true, yes.

I might explain it this way: Mr. Neill said if these two items were not taken out of the Bank he would make them charge off, and to have the surplus cut down would have been a bad thing for the Bank, and as Banco owned a great majority of the stock of the Bank, it was to the advantage of Banco to do it. I felt the same way. I would not have made the motion if I had not thought so.

In other words, my intent in making that motion was that, since Banco owned ninety-five per cent or more of the stock of the Bank, that if that was a bad asset they owned ninety-five per cent of what was bad, and if it was good, they owned ninety-five per cent of what was good.

186—So that the transfer of $600,000 to the National Bank of Kentucky for the Murray Rubber Company deben-

tures was a transfer that did not affect the ownership, insofar as that item was concerned, to any large extent?

A.—Of course, the Banco owned various other things, and it is pretty hard to explain——

The Court: Objection sustained to that question. You may draw any inference, but this witness cannot contemplate all of those facts and answer that in any way that will throw any light on the issue here. It would require an extended answer to answer that question.

Mr. Marx: I will just make an avowal that if permitted I would like to ask the witness here where he did not say, and offer to prove that he did say, in discussing this subject in the case of Carroll vs. Chemical Bank, No. 205,223 Jefferson Circuit Court, Chancery Branch, First Division:

> "Q. 93—And their ownership of this stock in the National Bank of Kentucky made them respectively the owners of the Murray Rubber Company item? A—To a very large extent, yes. Q. 94—And the transfer of $600,000 to the National Bank of Kentucky for the Murray Rubber Company note and debentures was merely a transfer which did not affect the ownership, insofar as that item was concerned? A—To a very large extent it did not affect the ownership, no."

Redirect Examination by Mr. Crawford

On Redirect Examination by Mr. Crawford, Mr. Speed testified as follows:

I did not transfer any of my Banco stock prior to the closing of the National Bank of Kentucky.

I was in Kentucky when the Brighton Bank was bought, I had come back. I was present at the meeting of the Banco Board September 20, 1929. At that meeting—that is September 27th—I approved the Brighton Bank's purchase. I was in this country when the article appearing in Paris about the purchase of the Brighton Bank & Trust Company appeared.

In the directors' case I was asked "Tell us generally what was the intention of the stockholders and directors of your Bank and of the Louisville Trust Company directors in forming Banco." I answered, "The object was to form a large corporation for the purpose of getting control not only of the Bank of Kentucky and of the Louisville Trust Company, but a chain of banks in the Ohio Valley. It was further contemplated to use the Banco Company as a substitute for the Federal Reserve and they expected to handle bond issues and do various other things that other organizations of that type had done in other parts of the country." I assume that is what I said. That is the fact.

In that case I was asked "Did the organizers of Banco Kentucky Company expect to get all of the stock of either the Louisville Trust Company or the Bank of Kentucky." I answered "No, I remember the time that they expected to get a majority and the whole plan hinged on getting control." I was asked "What was the fact about that?" I answered "What really happened was that the holders of these Trustees' Certificates were quite enthusiastic about the plan, and they, practically all of them, exchanged their stock for BancoKentucky stock." We got more than was generally expected. That reduced the amount we had left for sale. There would be less for sale for cash.

In that case I was asked "What effect did that have on the amount of money Banco expected to realize?" and I answered "They got more cash than they expected to get." The meaning of that was as I considered it, it caused more of the stock to be subscribed for, and the cash came in, perhaps faster than they expected. I think they fully expected to sell the rest of the stock before they got through.

200—Did they sell the rest of the stock?

A.—They sold all of it and increased the amount of stock later on.

201—Did they sell all of it?

Mr. Marx: That is objected to.

A.—My recollection is that they did.

Mr. Marx: I object.

The Court: Do you know, Mr. Speed, whether they sold all the stock or not?

A.—No, I don't.

The Court: All right, that is the answer; he says he doesn't know.

C. C. Hieatt,

called for Defendants, examined by Mr. Crawford, testified as follows:

My name is C. C. Hieatt. My business is real estate.

I live in Harrod's Creek, in Jefferson County, in which I have lived all my life. I have been in the real estate business almost forty years. My office is in Louisville. I had offices in another city at one time. I was President of the Consolidated Realty Company from the date of its organization in 1912, until it failed in 1932. I am a member of the Advisory Committee of the National Association of Real Estate Boards, and at one time I was President of that organization.

I was a director of the Louisville Trust Company prior to 1927. I was the largest stockholder in the Louisville Trust Company. I was in the Trust Company at the time of the trusteeing of certificates of its stock with the National Bank of Kentucky stock. At that time my only connection with the National Bank of Kentucky was as a customer and borrower. I mean, I had an account there and transacted business with the Bank, just banking business, but not as a stockholder or director.

I was a member of a committee of three who negotiated the unification of the Bank of Kentucky and Louisville

Trust Company, and advocated the union. I transferred my stock for Trustees' Participation Certificates. After that I continued as a director in both institutions, remaining a director of the National Bank of Kentucky until January 13th or 14th, 1930.

I knew that in order to effectuate the agreement that we had reached, to make an even swap—I mean a one to four unification—that it was necessary for the Bank to declare a stock dividend of 60 per cent so that they would have four shares of stock to one of the Louisville Trust Company.

We had Humphrey Robinson & Company, a firm of accountants who were the Clearing House examiners, and who also examined both the Louisville Trust Company regularly and the Bank of Kentucky—we had them to make a valuation of both institutions. We traded on substantially the valuation they put upon the two institutions, beside other investigations we made, which all confirmed that as the proper valuation.

I was a member of the Board of the National Bank of Kentucky when Banco was discussed. I would say that I heard most of the discussion. I wouldn't say I attended every meeting, but I attended substantially every meeting, I think, at that time.

Plaintiff's objection to question regarding the purpose and reason for organizing Banco overruled.

A.—I would say Banco was the evolution of certain ideas Mr. Brown had and some of the rest of them had that started shortly after the unification of the Trust Company and the Bank, and it finally took form in BancoKentucky, as it was organized. The beginning of these transactions contemplated the acquisition of banks in Cincinnati and Indianapolis particularly, having a triangle here in the central west, and then it widened out and finally, of course,

before we got through discussing it, we discussed the possibilities of a new company which would have—in other words, we concluded that the logical thing to carry out the purposes that we had finally concluded ought to be carried out, was the organization of a new company which would start out with the acquisition of a controlling interest in the Bank and Trust Company, and then proceed, as the next step, to acquire other banks in the Ohio Valley and not only in Indianapolis, even in Chicago, was discussed quite a good deal—the Harris Bank & Trust Company, or the Harris Investment Concern. We also discussed power of this company to engage in underwritings and the purchase and sale of securities, the reorganization of corporations, and various things that were thought to be very profitable at that time—the purchase of bond issues and stock in corporations. I left the Banco Board in March, 1930. Up to that time Banco had not been able to set up any organization for underwriting. They had purchased quite a number of banks at that time.

I would say that in the discussions we contemplated at least fifty-one per cent of Trustees' Participation Certificates would be transferred to Banco. I don't think there was any question in any one's mind that we would get fifty-one per cent, but I think opinions as to how much more would probably vary, but the result of the subscription, I think, exceeded anybody's expectations, because it was almost unanimous.

As I recall it, after setting aside sufficient shares to accommodate the holders, then it was concluded that as long as that many had come in, we might as well abandon the idea of only having majority control and open it up to the other trustees, and an amount was set aside, I think, sufficient to accommodate all the Trustees' Participation Certificate holders. That, with the stock that had actually

been sold, and the 250,000 shares, as I remember it, that we thought was under contract to Blythe & Company of Chicago, would take up the whole $20,000,000 of the par value. That is my recollection.

That did not give Banco as much money as the organizers hoped it would have. At that time I would say, from the discussions in the Board and particularly from Mr. Brown's talks, that it was contemplated that about $10,000,000—there would be about $15,000,000 surplus cash after taking care of the Trustees' Certificates. The result was, I think, about $9,000,000 cash—no, there was more cash than that; it would have been considerably more cash than $15,000,000—maybe $15,000,000 that would be put into Trustees' Certificates and the balance of it would be cash, $35,000,000. They talked in pretty big figures in those happy days of '29.

I transferred my Trust Company stock into Trustees' Participation Certificates. As I recall it, I sold all of my Trustees' Participation Certificates in the early part of '29 before Banco was organized, retaining, I think, only qualifying shares in the Bank and Trust Company, and maybe some odds and ends of other stock, but I and my brother and Mr. Scheirich, my associate in business, between us owned 2,595 shares of Trustees' Participation Certificates, which was the second largest ownership in Trustees' Participation Certificates, Mr. Brown having about 2,750, and I controlled 2,495. I remained on the Board after I sold that, from January to March. The condition of the bank had absolutely nothing to do with the sale.

33—Why did you make the sale?

A.—Mr. Crawford, I would say that I was actuated by two or three things, the principal one of which was that I had found that after the combination of the Louisville

Trust Company and the Bank of Kentucky, the unification in 1927—up until that time our business required a great deal of money. We were building in those days one million to two and a half million dollars worth of buildings a year, and the financing of them required a great deal of money and credit, and up until the time of the unification I was able to sell our paper in nearly all the banks here. With the exception of maybe one we did business with practically all of them. After that time, after I got into the Bank of Kentucky, some of those things were curtailed, the opportunities for borrowing. Of course, after the unification and I became a director of the Bank of Kentucky, I felt a little different about using the Bank of Kentucky, but we needed, as I say, considerable sums of money, and I had concluded about the time—about January, 1929, that it would be a good thing to sell the stock of the Bank of Kentucky and put it in our business—that it would be better than to keep it in that bank stock. We really needed it in our business. That was one of the things that actuated me. The others were probably more personal.

I hadn't the slightest idea at the time I sold my stock in the bank that there was any trouble of any kind in either institution. In fact, when Banco was organized and the thing really engaged my imagination, the prospect and possibilities of Banco, I really was pretty regretful that I had to sit around there with all my stock gone and not really have a considerable part in it.

At the instance of the Bank in 1928 I made a valuation of the Kentucky Wagon Company property. I think it was around May, 1928. As I recall, Mr. R. M. Martin and Mr. Harry W. Goodman participated in that valuation with me. Mr. Martin is one of the older real estate men in Louisville. For a good many years he was Chairman of the City Board of Equalization. He was a well known real estate

appraiser and one of the best in Louisville. Mr. Goodman was with the firm of Goodman & Hambleton. He has been in the real estate business about as long as I and is one of the top men in the real estate business in Louisville.

That appraisement of the Wagon Company was something over 2,000,000. I think I sent you over a few weeks or so ago a copy of it I had left. I am reading into the record the amount of our appraisal: "Our appraisal on the land, buildings and the elevators, heating system, and sprinkler and ventilating and lighting and plumbing in the buildings, excluding the machinery, in the main place was $2,020,982." There were two other tracts of property. They had one in Highland Park and one on the west side of Third Street, which brought the total real estate appraisal up to $2,077,732. We didn't attempt to appraise any inventory. We saw considerable inventory when we were out there, but we were employed to make a real estate appraisal, and that is all we made.

We did not include any machinery in our appraisal, we merely included the fixed things, that we considered to go with the real estate, like the sprinkler system and plumbing and heating, and things of that kind. We did not include any machinery. The Wagon Company had a great deal of machinery, some of which was being used, and a considerable amount that was not being used at that time. It was operating, I would say, about twenty-five or thirty per cent of its full capacity at the time we made that appraisal.

Cross-Examination by Mr. Marx

On Cross-Examination by Mr. Marx, Mr. Hieatt testified as follows:

I was the principal stockholder in the Consolidated Realty Company that had a line of credit with the Bank of Kentucky and had done business with the Bank of Kentucky

for, I would say, since about 1910. The Consolidated had several subsidiaries, the General Construction Company, the City Plumbing & Heating Company, the City Mill & Lumber Company, but I don't think any of these had—the Louisville Real Estate Corporation at one time had a good deal of money borrowed from the Bank of Kentucky.

I personally was a borrower at various times, had been a considerable borrower from the Bank of Kentucky. If any of my employees were borrowers I wouldn't know it—I don't know it. I said Mr. Scheirick was at one time a borrower. I knew it. He was Vice-President and I think I knew what he was doing. Mr. G. Y. Hieatt is my brother. I knew that he was a borrower.

54—The Consolidated Realty Company loan, the C. C. Hieatt loan, the H. J. Scheirick loan, the G. Y. Hieatt loan and the loans of these subsidiaries were all for the accommodation of either yourself or the Consolidated Realty Company, weren't they?

A.—I would say that the Louisville Realty Corporation loans were not, except for the fact that the Consolidated Realty Company owned quite a majority of stock in it. It had some outside stockholders, but ran its business on its own power. Of course, my loans were individual loans, the ones I signed C. C. Hieatt. The G. Y. Hieatt and Scheirick loans were for themselves, except for one loan of $100,000 of Mr. Scheirick's, which really was not a loan to him at all, but was made to carry out what they had at that time, a way to get a bigger rate of interest. They would make you carry 20 per cent, or a considerable portion of your loan, in a certificate of deposit. Instead, of having the Consolidated Realty Company carrying that $100,000, Mr. Scheirick made the note for $100,000 and had a certificate of deposit for $100,000, so the certificate would pay the note. That is the only one I know about,—that is the only

thing I know of that Mr. Scheirick did for the benefit of the Consolidated Realty Company. As I understand your question, all those loans were for the benefit of the Consolidated Realty Company? To that extent his loan was for the benefit of the Consolidated Realty Company. Not all those other loans were for the benefit of the Consolidated Realty Company. My individual loans—I don't think, were. Some of them may have been; I may have borrowed money and loaned it to the Consolidated Realty Company. I don't recall it.

The Consolidated Realty Company was forced into bankruptcy about fifteen months after the Bank closed, into involuntary, and in June, 1932, six months after the Consolidated Realty Company went into bankruptcy, on account of endorsement that Mr. Scheirich, my brother, and I had made for the Consolidated, we went into bankruptcy. By "We" I mean Mr. Scheirich, my brother and myself. I think all have been discharged. I know I have and I think everybody has, except the Consolidated Realty Company is still—that bankruptcy has never been closed.

I don't think that National Bank of Kentucky lost more than a quarter of a million dollars as a result of that. I think it will make money on the Consolidated Realty Company loan. Personally, I think I owed the Bank $6,000 when it closed—I had owed it nearly $500,000. I did owe it $6,000 personally, which it will lose. My opinion is that the National Bank of Kentucky has not lost a cent to date on those loans.

I don't know how much the bank has been paid to date on them. Since our bankruptcy—we paid a considerable amount, I think, between the receivership and our bankruptcy. I could get you that amount, but since the bankruptcy of the Consolidated and the taking over of all the collaterals by the receiver, by purchases in the bankruptcy.

court—I don't know how much it was, but I do know he has collected a considerable amount; I know that they have made money.

At the time the bank closed The Consolidated Realty Company owed it $273,000.00, I think. They owed quite a lot in 1929, I imagine. I would say substantially $400,000. $405,000 sounds about right. I assume that C. C. Hieatt and H. J. Scheirich owed $9,595.00. I would assume that I owed $23,530.00. I think The General Realty Corporation owed $130,650.00. I wouldn't know what H. J. Scheirich owed individually.

I didn't mention the Gardens Community Corporation—I didn't control that. I only had a one-fourth interest and the Consolidated Realty Company had no interest. I don't know what it owed the Bank. I said I know they owed some money. I didn't know it was quite a large amount at that time. I think that Gardens Communities Corporation loan was placed there by Mr. William S. Speed, who was President at that time—if there was any loan there at that time it was probably placed by him. I had one-fourth of the stock.

The figures you have given there would indicate that our companies owed, at the time Banco was organized, about $600,000. Approximately that, or a little less than that, maybe. I know at the time of the unification—I think the Consolidated Realty Company and myself and probably G. Y. Hieatt, my brother, owed about a million dollars, so the Bank Examiner called me over and explained to me.

It has now been more than eight years since the Bank closed, eight years last November. I would be amazed at any such situation as there still being due and owing on these loans $499,000.00. I couldn't say a word about what balance may be due.

I would say that could not—from what I know about the realization on the assets, I say that could not possibly be true. I don't know anything about the Receiver's accounting or his accounts, of course, and I don't know what his books show, but I would say, from my knowledge of his realizations that I know about that have been made on Consolidated collateral, that it could not possibly be a balance of $499,000. I would not undertake to give you in detail what these realizations are. But I know there were many lien notes, many, many lien notes.

I testified before the Jefferson County Grand Jury which met between February 23rd and February 27th, 1931. Sometime about that time. They were considering this $2,000,000 to Wakefield I think. I was a director of Banco-Kentucky Company from the time it started until I resigned in March 1930. I never heard of the Wakefield loan until after the Bank closed.

I would assume I was asked the following question and that I made the following answer: "Can you tell the Jury in as few words as possible just why BancoKentucky Company was formed?"

"A.—Mr. Allen, of course, from the time I first got into the Bank of Kentucky or associated with Mr. Brown was at the time of the merger of the Louisville Trust Company with the National Bank of Kentucky when the participation certificates were issued representing one-fifth of a share of Trust Company and four-fifths of a share of BancoKentucky. I then became a director of the National Bank of Kentucky. Mr. Brown began shortly after that time talking about the desirability of forming an organization that would control a big bank in Cincinnati and one in Indianapolis, and the banks here. It was in his mind to have these affiliations with the Indiana National and the Middle West. That picture was talked about by him many times, and of

course, following taking into the group the Louisville National in 1929, that was merged with the Louisville Trust Company and Mr. Bean became president of the Louisville Trust Company. Following that, we were discussing the handling of these mergers, whether the banks should be put in one building, like the Citizens Union and Fidelity & Columbia Trust Company. Whether they should be merged into one trust company or whether the National Bank should give up its charter, and not much headway was made until the summer of 1929 and in the meantime the question of a holding company to hold the stock of all the banks was brought up which finally culminated in the BancoKentucky Company. That is as near as I can give you the reason for the organization. After that was started, Mr. Brown still talked about making it big enough to embrace the three states in one group. But as far as I could say, that was the purpose of the organization of BancoKentucky. It was for control of the banking situation in the Middle West. Of course, he told us many things about the TransAmerica, the Gianinni Chain and other chain banking. That was the picture that was presented to us. He said it was the modern thing that the banks were doing, and it would put us in a position to make Louisville and Kentucky, the center. It was a right attractive picture."

That was a true statement of the facts. Generally, that was the situation. I don't recall that Mr. Brown referred to it definitely as a holding company.

I testified in the case of Anderson vs. Akers in the afternoon session of May 10, 1932. Mr. Allen Dodd examined me and asked me to give the history of the organization of the BancoKentucky Company. My answer was, "Of course, the question of the future course of our merged banks was one that was always in mind. I never thought that we had worked out the whole matter. I felt I would never be satisfied unless

the Bank of Kentucky and the Trust Company were housed together. I didn't think that thorough effectiveness would come about until we got these two banks in the one house, and there were frequent discussions of that in the Board and the course that we should take, and Mr. Brown from time to time would discuss one thing and another. I remember that considerably back there he developed the question and told us that he had been thinking about trying to tie in the First National Bank in Cincinnati and the Indiana National Bank in Indianapolis, and he gave a picture of the triangle, Indianapolis, Cincinnati, and Louisville, and that would cover the whole field, and then later in the Spring of 1929 we had frequent discussions. That was all a matter of evolution. He made the suggestion that he had come to the conclusion that the way to do the thing was to form a holding company that could not only acquire the stock of the Trust Company and of the Bank of Kentucky but could acquire the stock of other banks in the Ohio Valley and he developed that and said that that would care for the connections in Eastern Kentucky through Cincinnati particularly. He dwelt on the fact that the Bank of Kentucky had never been able to get its share of the business in Eastern Kentucky and while the bank had gotten down in Tennessee, it had a hard time getting into Eastern Kentucky, but that if we got Cincinnati tied into us, the Bank of Kentucky could get the business in Eastern Kentucky. There was a lot of discussion about it and it sold itself to the Board. He also developed the question about the holding company acting as a sort of Federal Reserve."

That sounds like the answer I would make.

The language may have been mine, and that was what I had in mind that it would be, as far as the banks were concerned, a company to hold the stock of these banks. I don't think it was ever contemplated that Banco was to deal in bank stock, that is, to buy and sell them, but the

banks that were to be acquired would be bought with the idea that they were to be kept together in one group, as a rather permanent organization.

I knew that BancoKentucky stock was being sold by the officers of the National Bank of Kentucky and the Louisville Trust Company when it was offered for sale. I think I knew that both of those banks were receiving subscriptions.

I knew that we discussed interesting as many employees of the two banks, or the Bank and Trust Company, in the stock of Banco as possible, so as to have them interested in the success of the banks, and I think that the officers of the banks bought stock, and of course, I imagine many of the customers. I had nothing whatever to do with the subscription to that stock, or the sale of it, personally.

Prior to the separation of the Board in January, 1930, the members of the old Louisville Trust Company Board became members of the National Bank of Kentucky Board and vice versa. The Directors who came onto the Louisville Trust Company Board through the merger of the Louisville National did not become Directors of the Bank of Kentucky.

When the separation in the Board occurred, with reference to the suggestion that officers ought to be left off the Banco Board, my recollection of the matter was that Mr. Brown recommended that the officers both of the Louisville Trust Company and the Bank of Kentucky be left off of the Board of the BancoKentucky, and said that if the officers remained on the Board, that there would be men in each of these other banks, officers or directors, that would feel like they ought to come on the Board, that he had in mind certain important people that he named—Mr. Whitsel, I believe, of Cincinnati, the Manager of some newspaper, The Enquirer, or some paper. Mr. Wiley, the Manager of the Enquirer was the man. He wanted Mr. Wiley on the Board

and Mr. Shumaker of Cincinnati, and Mr. O'Brien of the Standard Gas & Electric Company—he had certain people he wanted on the Board that might be influential in obtaining the kind of business he wanted. He didn't want the Banco Board to be loaded up with too many officers of the banks it controlled. That, in substance, was the statement he made, and it sort of appealed to the Directors and they agreed to it.

> I recall that at the Grand Jury hearing I was asked about the acquisition of assets by Banco from the National Bank of Kentucky. I said, "After all, the whole thing was one and it all belonged to the same people; that it was just taking money out of one pocket and putting it in another, if the Bank owned it and it was questionable, it didn't really make any difference. I never heard any suggestion made that it was one of the purposes of BancoKentucky."

That sounds like what I would have said. I never heard of the Murray Rubber transaction until after the banks closed. I was not a director of the Bank of Kentucky at the time that transaction took place. I probably was just volunteering my own idea of probably how they felt about it when they made such a transfer. I had nothing to do with such a transfer and heard no discussion about it, and I probably intended to say that they felt like it was taking money out of one pocket and putting it in another, but I certainly heard no discussion about it or the fact that it was made, or any talk about it at all, and certainly nothing was ever said in the organization of Banco about doing any such thing. I was probably reconstructing, probably, what the Board felt about it, because I had no personal knowledge. Mr. Allen, who was foreman of that Grand Jury, was a very close personal friend of mine, and I thought he was just asking me some questions to get my viewpoint or some-

thing, and that was my idea about it, that if they did such a thing, they probably felt that way about it, and justified it in that way.

The following is the question which was there asked me and the answer is—I probably said something of the kind.

> "Q.—Do you believe if BancoKentucky had bought some assets of the National Bank of Kentucky which were not good, that that would affect BancoKentucky's holdings according to the assets and liabilities of that particular statement National Bank of Kentucky assets total less than half of the assets of the corporation—now if the National Bank of Kentucky sold its slow notes to the BancoKentucky, would that be detrimental to the interests of the other banks in the BancoKentucky Company chain?" A.—"At least a substantial part of the stock belonged to BancoKentucky. I think the question is would the sale of those assets that might be questionable—would that hurt the whole situation, that is a right difficult situation. If there was something in the Bank of Kentucky that might be criticized by the Bank Examiner, it might be a good thing to take it out of the Bank of Kentucky and I can see where it might have been thought it was a constructive thing to put it in the BancoKentucky Company, rather than to have something happen to the bank. Of course, it is a little difficult to analyze whether to leave it in the Bank of Kentucky and it be bad or put it into BancoKentucky and it be bad. It was expressed by Mr. Brown in various ways that it was all one thing and all belonged to the same people and was really taking the money out of one pocket and putting it in another. I didn't know it had been done until after the bank closed."

The only thing that puzzles me about the answer—I probably said something of the kind, as I said was merely theorizing after the event. I wouldn't have thought that I could have said Mr. Brown expressed it, because I never

discussed it with Mr. Brown, nor the transfer of these assets from the Bank to the BancoKentucky Company.

I would say, if I made any statement to the Grand Jury, that Mr. Brown said that things that helped the Bank helped Banco, and things that hurt the Bank, hurt Banco, because it was all one thing and belonged to the same people, which I probably did if the stenographer put it down, if I made a statement of that kind, I would have said that Mr. Brown felt, or Mr. Brown probably felt that it was all one thing, and I believe Mr. Brown did, if you want to know what I think about it; I believe he felt that after all everybody's interest was the same interest, the stockholders of the Bank and the stockholders of BancoKentucky, and the Trust Company, and the success of one meant the success of the other.

I didn't express the same idea in the previous question. I didn't say that. I said they must have felt they were taking it out of one pocket and putting it into another. I never thought about it at all; I didn't know anything about the transaction. They asked me what I thought about it and I was probably reconstructing what the Directors thought about it without any knowledge of what they did say or do.

Before the Grand Jury I was asked the reason for my selling my stock in the Bank, and if that was the cause of any irregularity I noticed in the operation of either the Bank or BancoKentucky. I answered, "Of course, I was a big stockholder in the Louisville Trust Company, and when the Louisville Trust Company and the National Bank of Kentucky was put together, I was the second largest stockholder in the two groups. Mr. Brown had a little more stock than I did. The thing didn't work out like I thought. It was my thought when we made the deal with the Louisville Trust Company about getting the institutions to-

gether in one building, and having the trust business of the National Bank of Kentucky put in the Louisville Trust Company, etc., but that thing didn't come about like I hoped and it was put off and put off and we had not got to the finale of the picture yet, so when the Louisville National Bank was taken in, I saw what I thought a good opportunity to market my stock and I started in to sell it then. I sold it in the Spring of 1929 and there was quite a big demand. I also had other reasons for selling—I needed money and we had a lot of things we wanted to take care of in that and I sold the stock to put the money in my business. I never bought any BancoKentucky stock and only had just about enough stock to qualify me as a director. I then parted with my financial interest in it and didn't have enough interest to justify me in staying in."

As far as I stated the facts there that was a correct statement of facts. I think it might be explained or modified. I did not go fully into the question about the fact that the plan had not worked out as I had hoped it to do, about housing the two institutions in one building. I was very strong for that, and when Mr. Brown—when the negotiations were concluded with the Louisville National Banking Company, which had just built a new building, Mr. Brown said that would solve the building question, so the Trust Company could move into that building and the Bank into the old Louisville Trust Building. It meant that those two banks would remain separate. The picture I had had in mind of having them housed in one house, so there would be close contact between the officers of the Bank and of the Trust Company and everybody could work together, was gone. I was very much disappointed in that and some other things that happened just before that, and just made me feel like, needing the money in my business, there was no use trying to hold on to that stock, and I sold it. That is

what I meant when I said it had not worked out like I hoped when the thing took shape. It apparently meant there was no opportunity to have the two housed in one building like the Citizens Union and Fidelity & Columbia Trust Company here.

When I sold my stock the Louisville Trust Company was housed in its old building at the corner. It moved into 421 West Market Street on May 24, 1929. I had sold my stock before that time. The merger was not consummated—the merger was agreed on, I think, in January, but it was not consummated, the legal formality merging the two corporations, until several months later—I don't know what date, but I think about the first of June, and the Trust Company moved over into 421, and I thought at that time that the Bank of Kentucky, in renting its quarters, would move into the old Louisville Trust Building, which was against my judgment as to what was the best situation for the two banks. In the meantime, I had, I am sure, sold all my stock except a small amount, before the Trust Company moved out. I think I sold all my stock within about sixty days after January 14th.

I knew it was contemplated that the Trust Company, when merged, would stay in one of the buildings. I thought at that time they would stay in the building at Fifth and Market and the Bank of Kentucky would move into the new building which the Louisville National had built. As it turned out, the Trust Company moved into the new building and left the old building for the Bank of Kentucky. They left it vacant, but as I thought, with the idea of the Bank of Kentucky moving in it. We did make—I did make, personally, some investigation for Mr. Brown about acquiring property west of the Louisville Trust Company, so it could be enlarged to take care of the Bank of Kentucky.

I owned 2,495 shares of the Louisville Trust Company stock, and none of the National Bank of Kentucky. Now, I don't know, I may have bought a few shares of National Bank of Kentucky about that time, but I am not positive about that.

As the owner of Bank stock, I knew that it was subject to an assessment equal to the par value. That was likewise true of the Trust Company stock under the state law.

At one time I had a loan with the National Bank of Kentucky that ran into quite a little money, secured by the Louisville Trust Company stock. I knew when the two banks unified, the Louisville Trust Company and the National Bank of Kentucky, that my unified shares would not be eligible for collateral at either the National Bank of Kentucky or the Louisville Trust Company. I don't remember exactly, but I think I owed the Bank of Kentucky individually about $450,000.00, or somewhere around that, at that time, and then, a few weeks after the consolidation or the unification became effective, I paid off about, I think around $400,000 of that loan, which left me owing about $50,000 individually. I paid that by transferring the securities to the Consolidated Realty Company, the bank stock.

I borrowed money on the Trustee's certificates. I made two loans, I think, at Chicago, and one in New York. I think I borrowed some money from the National Bank of Republic, and also from the Continental Illinois, and I think maybe later on I borrowed some money, half a million dollars, I think, from the Irving Trust Company in New York.

When BancoKentucky was launched, I did not attempt to ascertain from the other Louisville Bank, whether they would make any loans on the security of Banco stock. I didn't know they would not. As a matter of fact, my own impression is that the Citizens Union did make some loans, but not to me. I have only heard that. I have no personal

knowledge of it. I didn't attempt to borrow any money, because I had pretty definitely concluded at that time—because I had sold all my bank stocks. I would say the bulk of it was sold between January 15 and March 15, 1930. I know I started selling at $400.00 a share, and the last stock I sold I got $495.00 a share. I sold on a rising market.

I assume those sales were before the consolidation of the Louisville National with the Louisville Trust Company. While I remember very definitely that the agreement to consolidate was made, I think, in January, I think it was either April or May before all the necessary changes——. I think the Louisville National was a National Bank, and I think it had to denationalize and become a state bank, and then the two corporations had to be merged under Kentucky law. I think it was probably April before it was consummated, or about then. I know it took several months to consummate it. I would say that by the time that had been concluded, I had sold practically all my stock, except just a few shares.

I commenced to sell after I knew that that merger was going to take place. That was the thing that caused me to make up my mind that I was going to get out and put my money in the real estate business, which didn't do me any good after all.

I don't claim to be a lawyer, although I did practice for about ten years fairly actively, but at the same time I was interested with my brother in the real estate business, and that got so attractive that I began giving up all my time to it. I figured I could make more money in real estate than I could in practicing law, and I began giving all my time to real estate developments and things of that kind.

I think I must have bought the Banco stock which I own. I don't recollect whether I bought that in the open market or whether I sold out a Trustees' Certificate that I got and

transferred it. The record would show. My impression at this time is that I bought that Banco. I had, of course, kept my qualifying shares, I mean, they were never sold in the Bank and Trust Company.

I was on the Board, on all three Boards, in the Fall of 1929, I think it was, when resolutions were introduced, I think, probably in the Trust Company and then in the Bank meeting and then in the Banco meeting, with regard to the borrowing of money. As I recall it, there were printed forms of resolutions which the Directors were asked to vote, giving authority to the officers to negotiate some loans with some New York banks, their correspondent banks in New York. That was the Chemical National and the Chase National Banks. There were two sets of resolutions introduced in each Board meeting. There was quite a good deal of stir about it, people asking what all this meant. I know the directors on the Louisville Trust Board, those who had been old Louisville Trust Company directors, some of them, were sitting there with me and there was a good deal of question about it. It was stated that the banks in New York had requested that these formal resolutions be passed by the Board so that they would be in a position to make loans if the banks required them. That, as I remember it, was very shortly after the depression in the Stock Market in October and November; I think it was about that time. It was not stated at that time, as I recall it, that the banks were going to make any loans, or there was anything definite about it.

145—Didn't they say we may reach a point that we may have to borrow money?

A.—As I say, they didn't say that they needed the money, as I recall it, but that there might be, if the depression went on so that they had to borrow money, this technical thing would be taken care of, so they could get it quickly.

That was the way I got it. That was just the background, so if it became necessary to borrow in New York, they would not have to go through the form of having the resolutions passed.

146—They spoke about the fact that it was putting the banks in shape to borrow money, and actually, authority was given to Mr. Brown and Mr. Jones?

A.—I don't remember whether the resolution gave authority to any specific officer or just the officers in general.

We didn't have a meeting of all three Boards at the same time, and all three Boards did not adopt the same resolution at the same time. The order was this: "I think the Louisville Trust Company Board met at two o'clock, say, and held their meeting and passed on their affairs. Then, at three o'clock the Bank Board met. Of course, there were a good many of the same Directors. After the Louisville National came in the Louisville National Directors used to stay in through the meeting of the Bank of Kentucky, and after the Bank of Kentucky meeting they would have a meeting of the BancoKentucky, where everybody was in. There were three separate, distinct meetings, all at the same place and on the same day, but at different times. These resolutions were introduced at three board meetings, the same day.

The fourteen people from the Louisville National Bank and Trust Company were on the Louisville Trust Company Board, but not on the National Bank of Kentucky Board. They were invited to sit through the National Bank of Kentucky meetings, and welcome, and particularly if we were going to have a BancoKentucky meeting after the Bank of Kentucky meeting they would wait, they would stay there, and be there after the Bank of Kentucky meeting when the Banco meeting came on. They were on the Banco Board.

Judge Stites usually presided at the Louisville Trust Company meetings. He was Chairman of the Board and he presided. When that was over, he would wait for a few minutes, and then Mr. Brown, or whoever was going to preside at the National Bank of Kentucky meeting would call it to order. I have no recollection of Mr. Brown ever presiding at a Louisville Trust Company Board meeting. Either Judge Stites or Judge Quin or some of the officers of the Louisville Trust Company always presided at its meetings. Mr. Brown presided at the Bank meeting and the BancoKentucky meeting.

I was present at a special meeting of the Louisville Trust Company Board January 13, 1930. That was a joint meeting with the Board of Directors of the National Bank of Kentucky and BancoKentucky Company. The minutes say, "Mr. James B. Brown acted as Chairman of the meeting," but it was signed by John Stites. Judge Stites was very regular and always presided at the Louisville Trust Company Board meetings. I think I remember this meeting; it was a joint meeting for some special purpose, and I think Mr. Brown took the chair and stated the purpose. I imagine it was entered in the minutes of all three. Though the National Bank of Kentucky minutes and Banco minutes have no reference to that, I have no recollection of how it was recorded.

There was a sort of gossip on the Board that Mr. Brown was a sort of silent partner in Wakefield and Company. I had heard that for a good many years, that Mr. Brown was a partner in Wakefield and Company or had some interest in the concern. It was never more than gossip. I never learned anything to justify the gossip. As a matter of fact, after the Bank closed, I found out very definitely that he was not a partner and that the Company was owned by Mrs. Latta exclusively.

The name "BancoKentucky" was suggested by the National Bank of Kentucky, or Bank of Kentucky. It was copied, I think, after what I said awhile ago about the BancItaly; the Bank of Italy organized the BancItaly Corporation, or something of that kind. The National Bank of Kentucky had been a state bank for many years before nationalization, I think around the early part of the century, and it was, I imagine, sometimes called the Bank of Kentucky, or the National Bank of Kentucky. I sometimes called it the Bank of Kentucky—sometimes I try to shorten things. It was frequently called the Bank of Kentucky.

The appraisal Mr. Crawford showed me is an appraisal of the Kentucky Wagon Manufacturing Company, as of May 11, 1928—of its real estate period. It doesn't show liabilities. It was not an accountant's report at all. It was merely an appraisal of the real estate holdings of that company, as of that date. There would be nothing in here to indicate that the company then had $5,000,000 in liability and was insolvent to the extent of several million dollars. I would not know that. That would not be reflected in that appraisal. It only means that in the opinion of the appraisers, the real estate which they owned had that value at that time.

The appraisal was made on a fair market value basis as of that time. Effect was given to reproduction cost and depreciation; we took that into consideration in our appraisal of that character, and checked them off against the other factors, and our knowledge and information of sales of property and all of that. I have seen a great many of the American Appraisal Company's appraisals. We did not follow that method. I have never felt like it was a fair method to arrive at the value. It is all right for insurance purposes and things of that kind, but I differ very widely with it on property values. I am thinking about what it would sell for. I am also familiar with appraisals for high-

est use value. An appraiser will always give effect to its value when adapted to its best use, and consider that in arriving at its fair market value. We did not appraise this property for its best available use, but it was adapted, I think, to the business which was being conducted there, so, as I said awhile ago, I saw about twenty-five to thirty per cent of the capacity of the plant was actually being used in manufacturing for which it was adapted. That was May 11, 1928. They were then manufacturing truck-bodies and trailers, coach bodies and some farm wagons and furniture,—quite a number of articles. The foundry plant was operating when we were out there. We spent several days out there and the foundry was operating and making, I think, gray iron castings and drop forgings, and I am pretty sure that at that time we were given information that they were selling a good many of those castings and drop forgings, because the capacity of the foundry was larger than the needs of the operation. They were selling them to the Ohio Falls Iron Works, and the Henry Vogt Machine Company.

As I recall, there was a group of frame buildings at the eastern extremity of the property that had been put up during the war period, and also a brick building in the center. I have known that plant for a good many years, in fact, I knew the plant before it was ever moved out there. I was out there frequently during the war, at which time Colonel Board, who was the manager, was in charge, and a woodworking representative of the Government. As I recall, a part of the frame buildings were being used for a furniture factory. The brick building in the center I don't think was being used at all. They had quite a surplus of capacity. The plant was running only about 25 or 30 per cent of what it could accommodate.

I would say that numerous efforts have been made to sell it for a number of years and that nobody would buy it.

Of course, I never had any interest in the property as a property, until 1927. The Bank never effected a sale of that at any time I was on the Board. There were several efforts made to sell it, but none prior to my appraisal. I think they had a deal on for it then, and that was the reason they wanted this appraisal. They had just got title to the land and buildings in December, 1927, I think it was, when they got title to the land the buildings and got it out of the old National Motors or Associated Motors situation.

What I recall about Blythe and Company was a statement made in the Directors' meeting about a contract that had been made with Blythe and Company. I never saw Plf's Ex. No. 173, a circular printed by Blythe and Company in the course of its efforts to sell BancoKentucky stock. You show me Exhibit 172, a letter sent out by the local office of Blythe and Company in great numbers. I did not receive one of those.

Stanley P. McGee,

called for Defendants, examined by Mr. Dietzman, testified as follows:

My name is Stanley P. McGee. I am a member of the firm of Humphrey, Robinson and Company, and am a certified public accountant, and have been about a year and a half.

I made the schedule which you show me, purporting to be the net deposit liability of the National Bank of Kentucky, as of November 17, 1930, to the stockholders of Banco.

Said Exhibit was received in evidence and marked for identification "Defendants' Exhibit No. 22."

This exhibit was made from the stockholders list and checked against the claim record of the Receiver of the National Bank of Kentucky. It accurately reflects the net

deposit liability, so far as the books of the National Bank of Kentucky Receivers show, to the BancoKentucky stockholders as of November 17, 1930, so far as we are able to ascertain.

Walter Girdler,

called for Defendants, examined by Mr. Crawford, testified as follows:

My name is Walter Girdler, I live in Shelby County, and do business in Louisville. My business is the Girdler Corporation, manufacturers. I guess I have been in the manufacturing business twenty-five years.

I was a director of the Louisville National Bank & Trust Company prior to 1929, and took part in the consolidation of that bank with the Louisville Trust Company in 1929. Prior to that there had been no connection between the Louisville National and the Louisville Trust Company, to my knowledge, or between the Louisville National and the National Bank of Kentucky.

Before voting for that consolidation we had audits of all three banks, I think, made by Humphrey Robinson and Company. I think we appointed a committee to make a further investigation. I think a committee was appointed to discuss the matter with the Comptroller of the Currency at Washington. I think some of our Board, acting as a committee, went up there to get their ideas about whether it would be desirable or not, and what steps would have to be taken to do it. The final conclusion reached was that it would be most helpful, from our standpoint, and to the best interest of the stockholders of all the banks involved.

I owned stock in the Louisville National Bank and Trust Company which was exchanged for the Participating Certificates in the unified bank. I don't remember when the final legal merger was completed. I went on the Louisville Trust Company Board immediately following the consoli-

dation or unification period. I remember that after we got on the Louisville Trust Company Board—how soon after, I don't know—there was talk or discussion of this Banco company.

My recollection is that it was told us that it would be a desirable thing to set up such a financial institution. My distinct recollection is that the ownership of these other banks that was discussed might be taken into such a company with more or less a means to an end, and certainly not the thing that would yield the greatest profit. I think the thing that made me invest a substantial sum of money, additional sum of money, was the hope of profits that might be made from dealing in securities and underwriting securities, rather than the owning of banks, and the profits from the banks themselves, because I remember the profits from the banking operations were relatively small.

I invested additional money in it. I think I had 2,200 shares of Banco stock, but I am not sure of this,—I think this is approximately correct,—that I got 2,200 shares of Banco in exchange for my participation certificates, and I bought 2,800 additional shares at $25.00 a share. I bought those as soon as the stock was available.

I certainly had no notion at that time, and received no information that led me to believe that the Bank of Kentucky or the Louisville Trust Company was in any financial trouble. On the contrary, I thought it was the most substantial financial institution in the South. I first found out that there was any trouble in the National Bank of Kentucky on Sunday night—I don't remember the date. I remember I was down the river duck hunting and they called me up Sunday night and told me the Bank of Kentucky would not open Monday morning. I think I had deposits in both the Trust Company and the National Bank of Kentucky.

I didn't ever hear any discussion during the time of the formation of Banco, that it was considered that by trading Trustees' Certificates for Banco stock a possible liability or assessment on bank stock would be avoided. I never heard any kind of discussion at any time involving the idea that by the formation of Banco double liability could be evaded or avoided. I don't think I was even conscious of the fact that there was double liability. If I had been it would not have bothered me because of my confidence in the Bank of Kentucky and the Louisville Trust Company. I never saw or heard of any letters from anybody discussing that. I never saw the letters purporting to have been written by Mr. Bean.

Cross-Examination by Mr. Marx

On Cross-Examination by Mr. Marx, Mr. Girdler testified as follows:

I don't know how much stock I owned in the Louisville National Bank & Trust Company. My recollection is that I owned $25,000 to $30,000 worth of the par value of the stock. I don't remember, I may be very much mistaken about the dollars and cents. That is a matter of record. I mean, I could get it.

I heard Mr. Hieatt testify that he sold some stock for $495.00 a share, as I was sitting there, and it came to my mind that I had paid $250.00. But that may be wrong. I can get that information. I think I also have some National Bank of Kentucky stock. You want the cost price of my Bank stock.

As a Director of the Louisville Bank & Trust Company I am not conscious of having thought of the fact that practically our entire capital was invested in 421 West Market Street before the merger. I knew the building cost, or we were told that the building was going to cost something

like $850,000. I haven't any recollection of a discussion by Mr. Bean that one of the disadvantages of putting up the building was that we would freeze such a large percentage of our capital in the bank building.

I don't remember Mr. Bean presenting a letter to us, which became part of the minutes of the Board of Directors of the Louisville National Bank and Trust Company on August 16, 1927, in which he said,

> "our present rent is $8,000 and depreciation $5,000. The alterations in the present building and new furniture will cost $40,000 and amortizing that through the fifteen years, our rent will be $20,000 to $23,000 in enlarged old quarters.
>
> In a new building containing 17,000 square feet instead of 8,000 square feet, our present space, our expenses, depreciation, 4½ per cent interest on investments, will total $36,000, so the new home will cost from $13,000 to $16,000 a year more than the enlarged quarters.
>
> We will have invested $550,000, which is one-third of our capital and surplus."

I know the question of putting up that building was given a lot of consideration, we had men on the Board, who in my judgment were quite sound business men, and all the angles and phases of the question were considered, and we finally decided it would be to the best interest of the institution to put up such a building.

I can't explain that it was represented that the building would cost $550,000 but after we got into it it cost $850,000. But I do know that the plans were changed, I think, to accommodate the Louisville Board of Trade. Whether that anything to do with it, or not, I don't know; it is too far back for me to remember accurately, but nothing was done in the way of increasing the amount invested in the building without the full knowledge and consent of the Board of

Directors, and I know the Board well enough to know that they did it because they considered it wise, the sound thing to do from the standpoint of the institution.

I don't remember that our capital was $750,000. I didn't know that when we traded in we got 7,500 shares of Louisville Trust Company stock in exchange for 7,500 shares of Louisville National Bank & Trust Company stock. There is no question that our capital was $750,000. My recollection is that the building cost $850,000. That was the building, equipment and furniture. I assume we had about $115,000 in furniture and the real estate. That figure, $850,000 is the lot, building, furniture and equipment.

By virtue of our acquiring Trustees' Certificates, we got into the Louisville Trust Company and the National Bank of Kentucky picture. I would have got into the picture had I not been on the Board and had I not been a stockholder in the Louisville National, because I think I was a stockholder in the National Bank of Kentucky. I was on the BancoKentucky Board, too.

Plaintiff's Exhibits 174 and 175 bear my signature, and I wrote the address on 174. I haven't the slightest recollection when I signed them. I knew what I was signing, I usually do.

I must have seen the letter of July 19, 1929, Plaintiff's Exhibit No. 24-3. I haven't any recollection of it. There is nothing familiar looking about it. I am sure I must have seen it. My name is on it. That is the letter to the stockholders,—to the holders of Trustees' Participation Certificates.

I don't think I was on the Advisory Committee to the Trustee. I haven't any recollection of it. You show me Plaintiff's Exhibit No. 8, a document dated July 3rd. My signature is on it. That doesn't refresh my memory that I was on the Advisory Committee. Let me read it. It seems to me that that is the committee of the whole. There wasn't

any—I was selected as one of a small group to make up a committee. This appears to me to be the entire Board, who signed this thing. "Constituting a majority of the Advisory Committee,"—that did not register when you asked me. I haven't any recollection of this, but I signed it, and I must have read it at the time.

I assume these Directors of the Louisville Trust Company and the National Bank of Kentucky and Banco did run the thing they were authorized to run; Directors usually do. They were not the same individuals in three different capacities in every case.

I was a Director of the Trust Company and of Banco, and a member of the Advisory Committee. I think technically it is a committee of the whole, that is the way it looks to me, with all those signatures on here. I certainly don't remember being a member of a small committee or group and doing something and reporting back to the Board; I was never in such a position.

In the absence of the shareholders themselves telling the Trustees what to do about voting the stock under the Trust agreement, I imagine the Directors acted in such a capacity. I am not sure of that. I didn't know that there weren't any shareholders at this time, other than the BancoKentucky Company. I signed that document and the letter of July 19 is attached to it. I had just forgot.

I was never conscious of double liability, I said awhile ago. I said I didn't know whether I knew about it or not, and if I did I wasn't conscious of it.

Said exhibits were marked for identification Plaintiff's Exhibits 174 and 175 and received in evidence.

I have brought with me the statement of the acquisition of my bank stocks as shown by my records. This is a transcript made by a young man in my office from the original records. I brought the original records down here. There was a discrepancy of 2750 between these figures my

man prepared and the bank's, and he could not locate it. This man over here apparently has located that discrepancy, Mr. White.

Said paper was received in evidence and marked for identification "Plaintiff's Exhibit No. 182."

I would like to explain that this shows my memory yesterday was a little faulty. You asked me how many shares of Louisville National Bank stock I had and I told you I thought I had $25,000 invested. Also I told you I thought I had about $5,000 invested in the National Bank of Kentucky. The record shows I had $48,000 invested in the National Bank of Kentucky, and $5,500 invested in the Louisville National. Another discrepancy in my statement yesterday and this record is that I said yesterday my recollection was that I exchanged my Trustees' Participating Certificates for 2,200 shares of Banco and that I later purchased 2,800 shares of Banco; it is just the reverse, I exchanged for 2,800 and later purchased 2,200.

I don't know whether I said yesterday that the banks acquired by Banco were a means to an end. That may not be a correct description of it. What I meant was this, that my recollection of the purpose of those banks, or control in those banks—I mean by that the banks in Cincinnati and wherever else they may have been—on the basis of the purchase price the earnings of those banks returned a relatively small sum of money, anywhere from 6 to 10%, and that the thing that made me buy additional stock was not the possibility of earning six to ten per cent out of those stocks, but the potential possibility of the investment and financial activities of the BancoKentucky Company, rather than the dividends it would receive from these banks. The banks made possible contacts and were a means to an end. In other words, they would make it more possible for Banco's investment and financing departments to make money, but in themselves they would not make so much.

Through the use of the banks in the group and the banks' facilities and by way of contact or the ability to contact persons along the line of underwriting, it was anticipated that further money would be made through what is sometimes called investment banking.

Redirect Examination by Mr. Crawford

On Redirect Examination by Mr. Crawford, Mr. Girdler testified as follows:

I transferred some Participating Certificates for Banco-Kentucky stock. I did not retain any control over those Certificates after I transferred them. I gave up my control of those and took the Banco stock in place of them. There was no agreement of any kind that I had with Banco that gave me any control, other than what legally might be, of those Certificates. When I gave them up I gave up my control, and took my control in Banco.

Recross Examination by Mr. Marx

On Recross Examination by Mr. Marx, Mr. Girdler testified as follows:

I was a stockholder in Banco and I was no longer a stockholder of participation interests in the Louisville Trust Company and National Bank of Kentucky. What I gave up was not control, it was interest. You call my attention to the fact that the letter of July 19, 1929, in No. 7 says:

> "It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participation shareholders, and that it be managed and operated by the Boards of Directors and the officers of the two banks."

I was one of the Directors. The letter says in 8-B:

"It is an essential part of this plan that the entire plan of reorganization, and the deposit and subscription privileges and rights hereinabove set out, are all, and each of them is, conditioned expressly upon the acquisition by the Trustees' Participation shareholders, either by deposit or exchange, or by direct subscription as above, of at least a majority of the shares of the BancoKentucky Company: And further conditioned upon the acquisition by the BancoKentucky Company of at least a majority of the Trustees' Participation shares issued and outstanding as of September 19, 1929."

Technically, I guess I did retain, through BancoKentucky Company, control of the Trustees' Participation Certificates, to the extent that that is legal. I have been through things like that before and I think at the time this was done I sold the business here in Louisville and exchanged our stock for stock of the Air Reduction Company. It wasn't actually a reorganization because all of its officers and what-not were no longer stockholders in that company, but we exchanged our stock for stock of the company that bought our company, and to the extent of our interest in that parent company, which I then held in the other company, I participated in that interest.

I mean that through directorship in Banco I would have a voice in the management of the affairs or control.

The Court: Through that directorate you would have a voice in the management of its subsidiary or other corporations of which Banco owned the stock?

A.—That is right; the directors of BancoKentucky certainly directed the affairs and policies of that company, and of its subsidiary companies, which were these banks.

Redirect Examination by Mr. Crawford

On Redirect Examination by Mr. Crawford, Mr. Girdler testified as follows:

Prior to my transfer of the Trustees' Certificates to Banco, I was under no contractual obligation of any kind that I could not sell them at any time I wished.

After I transferred my Trustees' Participation Certificates to BancoKentucky I had no contractual right to require Banco to sell those identical certificates to any one I wished. I had no contractual right to require Banco to sell any other certificates that Banco had.

George O. Boomer,

called for the Defendants, examined by Mr. Van Winkle, testified as follows:

I was a director of the Louisville National Bank and Trust Company prior to its consolidation with the Louisville Trust Company. I recall the facts in reference to the consolidation. I was a director of the Bank and sat in with Mr. Bean on one or two meetings with Mr. Brown in which the matter was discussed. I think the Louisville National Bank denationalized before the consolidation was effected.

I don't know exactly what the prevailing market value of Trustees' Participation Certificates at the time those negotiations were entered upon. My recollection would be around $350.00 a share. I would imagine the then market value of the Louisville National stock was about the same. I have no recollection about that.

The discussions in reference to the organization of the BancoKentucky Company began sometime in the spring of 1929, probably around March or April. I don't know how many conferences with regard to the organization Banco I participated in, but a great number of them. At those

conferences, in a general way, I would say the Directors of the Louisville Trust Company and the National Bank of Kentucky were present. That includes the Directors of the former Louisville National Bank and Trust Company.

The object and purposes actually to be undertaken by Banco as disclosed and agreed upon between the parties as a result of these various conferences in which I participated were in the first place, it was to provide a vehicle for the extension of the Bank into other banks and to do a lot of other things that banks could not do. One of the principal things, as I recall it, was the plan to do a general investment banking business, and by that I mean to participate in underwriting issues of securities, because it was the general consensus of opinion, I think, among the Board that there was a wide variety of financing in this general section of the country that could be done by an institution with sufficient funds and properly set up to do it.

In connection with these various conferences, up to the time the Banco charter was directed to be prepared and filed, there was no discussion or consideration at any time of the matter of double liability being imposed on the stockholders of BancoKentucky. None that I ever heard. I doubt that I was acquainted with the charter itself. I don't recall it.

I can speak from my own experience in this. I have participated in a couple of reorganizations. I know there was a reorganization where one company had taken over another and I was familiar with the fact that the word "Reorganization" was used in the tax law, and that that was the purpose of this word in this phrasing that has been referred to here. I mean, there was no question in my mind about the intent of the word "Reorganization" in that letter. That was my understanding of it personally. Following the discussion that was had by these gentlemen who were

interested in the organization of Banco, I would say that was the intention of that body in forming that company. It was explained to them from that standpoint.

At the time of the consolidation of the Louisville National with the Louisville Trust, I can't recall exactly how many shares I held in the Louisville National, but I do recall that I had the equivalent of 4000 shares of Banco-Kentucky before Banco was formed. I may have had some Trustees' Participation Certificates before that; I don't recall. Most of it came from the Louisville National Bank stock which I owned.

I exchanged all of the Trustees' Participation Certificates for Banco stock. At the time Banco was formed I bought an additional 1000 shares which made the equivalent of 5000 shares of BancoKentucky. I sold 2000 shares in the summer of 1930 and held 3000 shares at the time Banco closed. Excuse me, the equivalent of 3000 shares. There were 2,800 shares of Banco and 10 shares of Louisville Trust Company stock which I held, which was equivalent to 200 of Banco, making 3000. I held that for the purpose of qualifying myself to be a director in the Louisville Trust Company. I exchanged T.P.C.'s for my Banco stock except for 1000 shares that I purchased from Banco.

I did not make this exchange of T.P.C.'s for Banco stock with any view or for the purpose of evading or avoiding any liability on the bank stock. I never thought of it. At the time of the exchange for Banco the condition of the National Bank of Kentucky and of the Louisville Trust Company so far as it was known to me, was all right, so far as I knew. Up to the first day of October, 1930, my opinion and belief in reference to the financial condition of the National Bank of Kentucky and the Louisville Trust Company was that they were all right, so far as I knew.

I was a depositor in both of those banks and had been from the time I started until they closed. I had deposits at both the Trust Company and the Bank at the time they closed. I do not recall their amount or their extent. I made no substantial withdrawals from my account within thirty days of the time these banks closed. As a matter of fact, I expect the company with which I was associated had over $100,000.00 on deposit with both at the time they closed. I had control over the deposits of those companies. I was the financial representative and conducted the banking business of those companies. I didn't control them. They were the Ewald Iron Company and the Pittsburgh Fuel Company.

I did not see or know any of the facts in reference to the letters written by Mr. Bean and some of the officers of the Louisville Trust Company in reference to the BancoKentucky Company, that I recall.

Cross-Examination by Mr. Marx

On Cross-Examination by Mr. Marx, Mr. Boomer testified as follows:

According to the list my counsel filed in this case, I had only $166.39 in the National Bank of Kentucky when it closed.

You show me Plf's Ex. Nos. 176, 177, 178. They bear my signature and I wrote the address on both of them. Ex. 178 is dated September 17, 1929. I haven't the slightest idea whether that date is correct. I have no reason to think otherwise. The handwriting on the left-hand corner of Ex. 178 is mine. It says: "The 1000 shares referred to herein is held by the Commonwealth Life Insurance Company, and will be deposited as soon as secured from them. An additional 900 shares has already been deposited by me." I don't know what the purpose of that note was. I

presume it was a memorandum of some kind, but I just don't recall the transaction.

Ex. 177 indicates that the signature "George O. Boomer" purported to have been written by R. Bean. That is just a subscription for 1000 shares of BancoKentucky stock, and I presume I probably telephoned him. My assumption would be I probably told him to put me down for 1000 shares of BancoKentucky and he probably signed the subscription for me. That is Mr. Bean's handwriting. He was President of the Louisville Trust Company. I remember giving him a subscription for 1000 shares, but whether it was verbal or not, I don't know.

Said papers were received in evidence and marked for identification "Plaintiff's Exhibits Nos. 176 to 178 inclusive."

I presume I knew what I signed at the time. I was a director of the Louisville Trust Company and of BancoKentucky Company. I never was a director of the National Bank of Kentucky but I believe I was a member of the Advisory Committee that controlled the Trustees' Participating shares. The Trustees probably had the actual, physical stock certificates in the National Bank of Kentucky, not the Trustees' shares.

I signed Ex. 8, dated July 12, 1929, which instructed the Trustees to organize BancoKentucky. I have no recollection of having signed that but that is my signature and I undoubtedly signed it. Attached to it is this letter which subsequently became the letter of July 19, 1929, the printed letter that was sent out. I don't know whether I signed that letter or not. It purports to have my printed signature attached to it. I have seen that letter and I think I recall its going out at the time, but this other, as far as signing this is concerned, I don't recall it. It is my signature. I undoubtedly knew at the time what I was signing.

I presume that there was also attached this subscription form which I signed similar to Plf's Exs. Nos. 176 and 177, I don't know.

As a director of the Bank and a stockholder I presume I knew that the shares of stock in the Louisville Trust Company, in the Louisville National Bank and Trust Company and in the National Bank of Kentucky, were all subject to what is popularly called double liability. I don't think I had ever thought about it, but I undoubtedly knew it. I expect I also knew that the Trustees' Participation Certificates, which I received in exchange for my bank stock, were subject to the same liability as the bank stock.

When I signed this agreement, Exhibits 176 and 178, I doubt very much that I knew that the BancoKentucky stock which I was exchanging my Trust Certificates for was recited to be fully paid and non-assessable under the terms of the reorganization plan. It is a form which I undoubtedly signed in order to have the stock transferred, but whether I ever noticed that in there, I couldn't say. If I did, it made no impression on me whatever.

When I, as a member of the Advisory Committee, put my name on that document, Ex. 8, I was dealing there with all the stock of what had been three banks and I was recommending it. I was recommending that it be put into BancoKentucky. That was, in part, a holding company to hold the stock of the banks. I don't think it made an impression on me what we were doing about this double liability which I knew existed. I don't recall of ever having thought of double liability. We know a lot of things we don't think about.

I expect I read these papers. The charter of the corporation may have been read to me at a Board meeting but I haven't the slightest recollection of it now. I remember it being discussed but whether or not it was read, I don't know.

My testimony is that I have no recollection now of ever having thought of the matter of double liability in this transaction. I said I knew it at one time. I didn't say that I overlooked it in forming this company.

98—Mr. Boomer, did I understand you to say that you advised the stockholders that this plan, which you called a plan of reorganization in every paper and in every document and which you stated was to reorganize the two banks by adding a third bank, was simply a scheme to avoid income tax?

Mr. Van Winkle: I object to that. The witness has said no such thing.

Mr. Marx: I am asking him if that is what he said.

The Court: Objection overruled. Let him answer.

(The question was read by the reporter.)

A.—I did not.

99—Did you have any such idea in your own mind?

A.—I never had any idea it was any kind of scheme, and as I testified here a while ago, I was familiar with the word reorganization in the tax law, and I knew the purpose of that word reorganization in this particular letter.

100—On the contrary, isn't it true that you entered into this plan in good faith that it was a reorganization within the meaning, spirit and intent of the laws of the United States?

Mr. Van Winkle: I object to that question. The witness has stated exactly what he deemed the term "Plan of Reorganization" to mean.

The Court: This witness is on cross-examination. Objection overruled.

(The question was read by the reporter.)

Mr. Van Winkle: That calls for a conclusion of law.

The Court: No, he is asking what he understood. Objection overruled.

A.—I don't know how to explain it any more clearly than I have already done, but I know that the word "reorganization" had to be used in order to eliminate any taking of profit caused by exchange of bank stock, which was acquired at a low price for some other stock which at that time had a market price higher.

101—You did not think, Mr. Boomer, that by using the word "reorganization" in connection with something that was not a reorganization you could thereby escape payment of income taxes, did you?

Defendants objected to the question.

(After argument.)

The Court: This objection is addressed to the question of counsel for plaintiff on cross-examination. I am going to overrule the objection. You may ask him your question when you take him back, but you cannot require counsel for plaintiff to ask him that question.

(The question was read by the reporter.)

A.—That, as I understood it, was a requirement of the Federal Tax law, that it had to be shown as a reorganization, as a technical reorganization, in order to avoid the so-called profit upon the exchange.

102—That does not quite answer the question I asked you; you didn't think by merely using the label "reorganization" or the word "reorganization" that you could avoid the payment of income tax if it was not in good faith a reorganization within the meaning of the laws of the United States?

A.—It was in good faith a reorganization under the tax laws, and that was all we were concerned with here. There was no change in the status or setup of either of the banks; the Louisville Trust Company and National Bank of Kentucky—those organizations went on just exactly as they did before; there was no reorganization there.

103—But in your letter of July 19th, you said: "The conclusion unanimously reached, as a result of these deliberations, is that the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the assets of these banking institutions more profitable, expand their facilities, and thus develop for the entire group, new and profitable financial opportunities and connections."

Now, you intended, didn't you, in good faith to do what you said in that letter of July 19th over your signature?

A.—That is merely technical; I have explained it as thoroughly as I can.

104—I am asking you whether the reorganization was a technical, legal process, didn't you intend to organize the business of the Bank in the manner set forth in your letter?

A.—I would say it was a technical legal process, and the phrase was used for that purpose.

105—Then, it was not in good faith, it was a mere technicality?

The Court: Objection sustained.

Mr. Marx: I insist that the witness answer whether or not it was in good faith in the meaning of this letter of July 19, 1929.

The Court: That calls for a conclusion. I have sustained an objection to the question. He has answered that question in his manner to several prior questions. I don't think your question presents any new request from the witness to answer.

106—I will ask you when you proposed to the Trustees' Certificate holders that this was a reorganization, as set forth in your letter of July 19, 1929, whether you meant what you there stated in good faith, or whether you were acting in bad faith?

Defendant's objection was sustained by the Court.

Mr. Marx: I think I am entitled to a categorical statement of whether this witness was acting in good faith.

The Court: He has already stated that.

Mr. Marx: He has never stated it categorically.

The Court: It isn't necessary. He states the reason he used that phrase in there, which he says was done in good faith. Now, you have asked identically the same question.

(After argument.)

The Court: Wait just a minute. Your question is undertaking to put this witness on one or the other of the horns of a dilemma; it is a question he cannot answer yes or no the way you have stated the question.

(After argument.)

The Court: Now, Mr. Boomer, you have stated that you signed that letter and that it is authentic so far as your signature on there is concerned, have you not?

A.—Yes.

The Court: Did you, in good faith, in the use of the term reorganization as used in that letter, intend to use that term? Did you intend to use the term "reorganization"?

A.—Yes.

The Court: You did?

A.—Yes.

The Court: For what purpose?

A.—To comply with the tax laws.

The Court: All right.

107—Did you at any place in this letter advise the stockholders that your only purpose in stating that this was a reorganization of the business of the Bank and the operations of the Bank—did you limit that reorganization to income tax purposes or regulations?

Mr. Van Winkle: I object. The letter speaks for itself.

The Court: I think he may answer that, whether or not there is anything in there. It does speak for itself, but we

are discussing this letter from the standpoint of its purport and intent when it was sent out.

(The question was read by the reporter.)

A.—I will have to read the whole letter to answer that question.

The Court: All right, read it.

A.—No, sir, I don't see anything in there to that effect.

108—Did you say yourself to any stockholder that the statement made in this letter of July 19th, 1929, Exhibit 24-3, with reference to reorganization, was limited to a mere technical compliance with the income tax laws, or the regulations of the United States?

A.—I don't recall. It was done for their benefit, so that they would not have to pay any income tax upon the exchange when they had not disposed of their bank stock or securities or its equivalent. Whether I talked to anyone about it, I haven't the slightest idea.

109—Do you recall anybody you talked to about it?

A.—No, sir, I don't.

110—Did you see Mr. Vaughan's letter, the opinion of your counsel, on this subject, stating that it must be made to appear throughout to the stockholders as a mere exchange of one form of security for another form of security representing the same property?

A.—I don't recall any such letter.

111—I will show you the letter, Ex. 25-5:

> "In other words, the issue and delivery of two shares of stock of the Company, for one Trustees' Partici pation Share, must be made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction, wherein they part with one species of property in exchange for an entirely different species of property."

A.—What was your question? You asked me if I ever saw this letter?

112—Or if it was read to you.

A.—I don't recall ever seeing this or hearing it, but undoubtedly it was necessary to do that. I may have seen it; I don't recall it.

113—Then you were in good faith setting up a corporation which would do what your counsel said you must do, that is, a corporation whereby you would deliver two shares of stock for one of the shares of the Bank stock, so that the stock of the reorganized company, or the company called a reorganized company, would be a receipt of the same property in another form?

Mr. Van Winkle: I object to that as being argument and calling for a legal conclusion, and based upon a letter that this witness has never seen.

The Court: I don't understand the question.

(The question was read by the reporter.)

A.—That is a little bit involved——

The Court: Objection sustained. I think you are undertaking to have this witness state that it was the intention, or his purpose, to do what you interpret that letter to say. Now, you may ask him the question directly, but not in that form, as to what you have paraphrased that letter to mean. He says he hasn't seen the letter, that he recalls of, before this time, or that it was shown to him. He certainly should not be examined to that extent on something with which he is not any more familiar than this. Look at it on the witness stand. You may cross-examine him on what he intended to do and on what he said he intended to do but not in that way, making it vouch for that letter.

114—You were intending in good faith, were you not, Mr. Boomer, to set up a corporation which would reorganize your holding of bank stock so that the same persons would

receive in exchange for their Trustees' Certificates shares of stock in the reorganized company, which reorganized company would hold the same property that had previously been held by the Trustees' Participation Certificate holders?

Defendant's objection was sustained by the court.

115—Mr. Boomer, you were endeavoring in good faith to carry out the advice of your counsel in causing a bona fide reorganization of the business and operations of the banks to be made, and of its stock holdings to be made in accordance with the plan set forth in that letter of July 19, 1929, that you signed?

Mr. Van Winkle: I object. That is the same question he asked him a dozen times.

The Court: I think it is the same thing. You went over it a while ago.

Mr. Marx: This relates to his secret intent. He never disclosed his intention to anybody. I asked about whether he ever talked about it to anybody and he said no, and now I am asking him about what he intended.

(After argument the question was read by the reporter.)

The Court: Objection sustained; I think this witness has stated a time or two here on cross-examination his purpose and intention in sending out that letter and in signing that letter. I can see no reason for continually asking the same thing in perhaps a different way, questions that he can hardly answer yes or no without explaining, and giving exactly the same explanation he has heretofore given.

(After argument.)

The Court: Did you intend to reorganize the banks as set forth——

Mr. Marx: (Interrupting.) And their business.

The Court: (Continuing.) ——and their business, as set forth in that letter of July, 1929?

A.—I would say so, by adding BancoKentucky Corporation to that group. I think that is what is referred to when it speaks of more profitable operations.

I do not have here a record of my own stockholdings. On December 8, 1928, I got 40 Trustees' Participation Certificates; on January 1, 1929, I got 60 more; and on Feb. 7, 1929, I got 15 more, making a total, when split ten for one of 1150 Trustees' Participation certificates.

I don't recall how many shares of Louisville National Bank and Trust Company stock I owned. I do recall this, that before Banco was formed I had the equivalent of 4000 shares of Banco and I acquired an additional 1000, but how I acquired the Trustees' Participation certificates in the interim, I haven't any idea. My first stock in the Louisville National was acquired in the early 20's. I am sure of that. I don't remember what I paid for them. That was before I became a director. I don't recall what the memorandum you are asking for is all about. If it makes any difference I will endeavor to look it up. I can tell you this, I got 4000 by exchange and 1000 by purchase. I don't recall that I borrowed the money to purchase the 1000 shares. I did not borrow the full purchase price of this stock from the Louisville Trust Company on this collateral alone. I had a loan there with better than two to one collateral. It is entirely probable that when I acquired this Banco I was permitted to increase my loan.

The statement in my answer is correct:

"That the defendant, George O. Boomer, was the owner of 4800 shares of stock in the BancoKentucky Company, which were acquired by him, first, by exchanging Trustees' Participation Certificates representing 1900 Participation Shares for 3800 shares of BancoKentucky stock, and second, by purchasing 100 shares from the Banco Company."

"Said George O. Boomer sold 1000 shares of BancoKentucky stock on June 12, 1930, and 1000 shares of said stock on June 30, 1930, which left the defendant Boomer with 2,800 shares of BancoKentucky stock when the National Bank of Kentucky and the Louisville Trust Company were closed."

I will look up what the bank stock I owned and traded in cost me. I will endeavor to locate it.

I was present at several meetings when the Caldwell & Company was discussed. As I recall, I was not present at the meeting when the contract was approved. I was present at the meetings where the contract was discussed and practically agreed to, subject to it being gone over by the lawyers. I believe a committee was appointed to value the assets before the deal was to be finally consummated. I think somebody made the motion suggesting a committee to assist Mr. Brown in the valuation of the Caldwell securities. The motion was made by Sam Stone and seconded by Stuart Duncan. It consisted of Mr. Vaughan, Mr. Jones and me.

The committee did nothing. May I explain why? As I recall the contract with Caldwell and Co. specified that a valuation of those securities should be made somewhere within a twelve month period, and also, as I recall, the original contract, I think, discussed by Mr. Jones, recited that he and Mr. Caldwell were to evaluate those securities, and I remember objecting to that. I remember stating that in my judgment that was a responsibility which the whole Board should assume. I remember further saying that my position would be the same even if J. P. Morgan was President of the National Bank of Kentucky and that I thought it was a function the whole Board should assume. There was a lot of discussion about it, and more or less as a compromise, that motion was made. I do remember stating

afterwards that that was a job which would take months of time and that I didn't have the time, and that we should get some expert to value all the securities and others to evaluate the bank's and try to arrive at some——

We never employed any expert to make those evaluations. Mr. Caldwell was to state some time in a year when the valuation was to take place. We did not withhold all of the stock of BancoKentucky from Caldwell until that valuation had been completed. I believe they only withheld 200,000.

I knew then that there were a number of banks which were owned or controlled by Caldwell & Company. I knew then that we were affiliating the BancoKentucky Company chain of banks with the Caldwell & Co. chain of banks. I would say that that was one of our purposes. He had a lot of—controlled a great many things, as I recall it, banks, insurance companies, and at least some industrial companies. When we made this affiliation of the banks in the BancoKentucky chain with the banks in the Caldwell, we did not have any statement of those banks before us. I never had any statement, any financial statement, prepared by Caldwell and Company before me. Mr. Brown had a lot of figures that he said had been given him by Caldwell.

"145—The only thing in the world that the Board of Directors of Banco, which was the Board of the National Bank of Kentucky and the Louisville Trust Company—wasn't it?

A.—Yes, with the exception of some officer directors.

146—(Continuing.) Had before them, was Mr. Brown's verbal statement that he had received some figures that Caldwell gave him: Isn't that correct?

A.—So far as I know."

I never saw Caldwell in my life. The Board did not have Caldwell up here before them. The Board entrusted those

negotiations to Mr. Brown and Mr. Jones, I think, they were the only people that saw Caldwell, so far as I know. I think the Board knew they were the only people that had seen him. On the strength of that we were willing to trade on the basis of $25 a share for Banco stock. I don't know how many shares of Banco we were to trade. I think it was about 800,000 shares.

As a matter of fact, I don't think I knew until the last week or so that the stock was going to be transferred to Caldwell before the valuation took place. I remember distinctly stating in the Board meeting that in my judgment we should have this contract gone over by lawyers with a fine tooth comb to make sure that we could not get hurt.

Report of the Special Committee on the sale of Cincinnati banks was received in evidence and marked for identification "Plaintiff's Exhibit No. 179." Defendants' objection thereto was overruled.

Mr. Boomer's statement of the cost and dates of acquisition of his stock was received in evidence and marked for identification "Plaintiff's Exhibit No. 183."

BancoKentucky Company was not talked about before the Louisville National merged with the Louisville Trust Company. The agreement for the merger was made in January, as I recall it, but not completed until May. In between those two dates there may have been some discussion of it—I think it started along in April.

Mr. James B. Brown, the President of the National Bank of Kentucky, conducted the negotiations regarding the merger of the Louisville National and the Louisville Trust Company, for the Louisville Trust Company. He was the first man I ever heard mention BancoKentucky Company. So far as I know, he first originated it and advocated it.

I think it is correct in a general way that he was the one whom the Directors entrusted with the formation of

the detailed plans for the organiz tion of BancoKentucky Company.

When I was defining the purposes to be undertaken by BancoKentucky Company and said "In the first place it was to be a vehicle for the extension of the banks into other banks and to do the things the banks could not do," I did not mean the extension of the National Bank of Kentucky and the Louisville Trust Company. I meant the extension of our interest into other banks, such as the Covington bank and Cincinnati banks and Paducah, etc., that we afterwards purchased. Our interest at that time was the National Bank of Kentucky and the Louisville Trust Company.

The idea was this—of course, you have got to go back to 1929 to get the picture—there were banking groups springing up over the country which had not only their home office, but had acquired an interest in various banks. This idea was to extend our interest outside of Louisville into other centers. That was what I had in mind in quoting that language there.

Through the vehicle, as I put it, of the BancoKentucky Company, it was planned to extend our group interest into these other banks which we subsequently acquired. About the other groups that I spoke about that were being talked about in the company at that time was the BancItaly Group. That was known as the Gianninni chain, that was one of them. I am not sure whether it was BancItaly or Banc-America Blair. I may have known about BancOhio, the Wolf interest in Columbus, Ohio, in a general way, but I had no specific information about it. I knew about the Guardian National Bank or the Guardian Union Group, Inc., in Detroit. I knew about Wisconsin Bank Shares in a general way. I assumed they were in existence at that time. I knew of the First Wisconsin National Group.

This matter of group banking was being discussed pretty generally in banking circles at that time. I think possibly there was a good deal of chafing against the restraint on branch banking. As I recall it, Mr. Brown expressed himself as in favor of group banking, and as against chain banking.

I could not say that bankers regarded the system in that particular as antiquated and not in accordance with the modern trend. I think the feeling was that the trend certainly, at that time, was toward larger banking groups and that was one of the purposes of this formation of Banco-Kentucky. It would permit us to extend our group interest.

I don't recall that it was ever discussed that they wanted to keep these other groups or chains from coming into this territory. There might have been something about the threatened competition of eastern chains. It is entirely possible.

There was no intention or purpose to trade in these bank stocks, that is buy them at a low price and sell them at a high price, that I ever heard of. Our purpose was to keep them. To hold them.

We certainly had every idea of getting a working control, I would say, of the banks we purchased. Working control of large corporations today does not necessarily mean a majority. A compact minority in a large corporation can exercise what is called working control. The wider the stock is held, I presume, the more that is true.

I presume I would have felt it was desirable to have 50% of the stocks of the banks we were acquiring but I don't know whether the actual, legal control was in our minds at that time or not. I don't recall what proportion of the stocks were acquired in the Brighton and Pearl-Market Banks in Cincinnati, in the Paducah Bank and Mechanics Bank and Security Bank and these other banks. I

don't think I ever knew any of the Directors in any of these other banks outside of Louisville and I don't recall having voted for them. I doubt that the BancoKentucky Company, through its control of these banks, named the Boards of Directors for all of the banks we controlled. I don't know if we had any annual meetings after we acquired them or not. I don't recall that BancoKentucky had a majority of all these banks. It may have come up in the Board, a discussion of the election of the directors in these other banks. I don't think I knew Mr. Brown was a director in every other bank we owned, I may have.

Horace A. Taylor,

called for Defendants, examined by Mr. Dietzman, testified as follows:

My name is Horace A. Taylor. I am in the drug business and have been in it for thirty-three years.

I was a director of the Louisville National Bank and Trust Company at the time it consolidated with the Louisville Trust Company in the spring of 1929. As a director I participated in the negotiations that led up to the merger of those two institutions. At that time I considered the financial standing of the Louisville Trust Company to be very good and that of our own institution to be very good.

In the spring of 1929 I participated in the negotiations that led up to the formation of Banco. When the Trust Company and the Louisville National were merged I became a director in the Trust Company. As such director I participated in the negotiations leading up to the formation of Banco. I have never been a director of the National Bank of Kentucky. After Banco was formed I became a director in it and remained so until it was closed.

At the time Banco was formed and during the negotiations leading up to Banco I thought the National Bank of

Kentucky was perfectly sound. I had never heard of any intimation of any shaky financial conditions. Or of the Trust Company prior to the merger of my institution with that Company.

From the discussions that went on I understood the purposes of Banco—I gathered that there was need of a financial institution in Louisville that would be able to handle financial matters that banks could not handle, such business having been taken away from Louisville and into other institutions; that the formation of Banco would give to Louisville an investment banking company, and they could underwrite issues, they could set up an organization for selling securities of that kind and do a general banking business beyond the scope or limit placed on banks.

During those discussions leading up to the formation of Banco I do not recall anything being said about the matter of double liability on stock. That was not ever discussed at all to my knowledge. I acquired my Banco stock both by purchase and by exchange of Trustees' Participation Certificates. I never did have a tremendous amount of bank stock. I had some National Bank of Kentucky and Louisville National Bank stock prior to the formation of Banco. This I transferred to Banco stock. After that I purchased about 600 shares or something of that kind that I bought after the formation.

The reason why Banco did not engage in all the things it was empowered to do was because in setting up an organization as large as Banco, I knew that it was going to take some time to get the organization in shape to function. They were acquiring banks; they were building the organization. Those things cannot be done at once, and then, as time went on, we went into a financial crash in this country which stopped any sale of securities that Banco intended to deal in.

I signed the letter of July 19, 1929, that was sent out to all the Participation Certificate holders. I understood the word "reorganization" was more or less technical, that it merely meant to me that the National Bank of Kentucky and Louisville Trust Company were going to add to this reorganization a third corporation.

I continued a director of the Louisville Trust Company until it closed. The financial structure of the Louisville Trust Co. was not reorganized or changed in any way after Banco was formed. It did not change its character of business that it was doing. It did not engage in any activities, although authorized, yet not undertaken at the time Banco was formed.

I recall the financing of the Louisville Railway Company's first mortgage bond in the spring of 1930, but not in detail. I recall the fact that the Railway Company had some bonds maturing that had to be taken care of and refinancing was necessary. I don't remember that that matter came before the BancoKentucky Company at all. I heard it discussed. My own reason why Banco did not engage in that was that Banco was not set up to go forward with it at that time. I believe at that time Banco was negotiating with Caldwell and Company to take over an interest. So far as I know, that contract with Caldwell was consummated.

39—Banco itself never engaged in the banking business per se, did it?

A.—No, sir.

Cross-Examination by Mr. Marx

On Cross-Examination by Mr. Marx, Mr. H. A. Taylor testified as follows:

I have never testified previously in any of the cases following the failure of the Banks in the BancoKentucky chain. I was not called before the Grand Jury, either

state or federal. This is my first appearance on the witness stand in connection with these conferences. I have not had the matters or details of these matters specifically called to my attention in the past ten years until a few days ago when I found out I was to testify. I tried to refresh my memory of things I have tried to forget.

I came into the domain of Mr. Brown through the acquisition of the Louisville National by the Louisville Trust Company.

I am not related to Mr. Leland Taylor.

I was on the Board when they decided to put up that new building at 421 West Market Street. Mr. Bean was then our president. We figured the building would be about $500,000 and then some additions were put on. The final figure ran close to $850,000. That was more than the entire capital of the Louisville National.

Without having seen the original minute book I presume that it is there recited, as Mr. Bean said "The main argument against building a bank is that it solidifies our assets and fixes our location for all time to come." The stock market crash occurred in October, 1929. We moved into this building on May 24, 1929. The Trust Company weathered that—The Louisville National went through that without any trouble. It went with the Trust Company. The problem didn't come to me as a director because no such thing happened to us, but as a business man I would say theoretically that it was very necessary for them to have their assets in liquid form.

I have looked over the reports of the Federal Reserve Examiners or the State Bank Examiners of the Louisville Trust Company and I certainly saw those of the Federal Reserve examiner for the Louisville National. We saw one of the Louisville Trust Company before the merger. I never saw one of the National Bank of Kentucky. I do

not know the date of the one of the Louisville Trust Company. I don't remember ever seeing one afterwards. I believe we did see the Humphrey Robinson report on both of those banks, but I couldn't say positively. When I said I thought the National Bank of Kentucky was in good shape my opinion was simply based upon the general thought in the community that it was one of the strongest banks in the South.

"78—You had no personal knowledge of what its assets were or what the condition of its assets really was?

A.—No.

79—You had not heard any rumors at that time that it had more than $2,000,000 sunk in the Kentucky Wagon Works?

A.—No, sir.

80—You didn't know it had more than $1,000,000 loaned to a woman by the name of Mrs. Latta, doing business as Wakefield & Company?

A.—No, sir.

81—Or her clerks and employees?

A.—No, sir."

I didn't know about any of these other items that were then in the bank which subsequently turned out to be terrific losses.

With regard to BancoKentucky's purposes, the principal person who suggested and proposed the idea of Banco-Kentucky Company was James B. Brown, I think. My impression as to what those purposes were, is information that I have received from other people, that similar institutions in other localities had been able to perform those duties to the satisfaction of their stockholders and were money makers.

I believe one of the organizations that was talked about at the time was the Gianinni Bank chain. I don't remem-

ber discussion about the Guardian Bank chain. Or the Guardian Group. The Northwest Bank Corporation might have been mentioned. I don't remember. I believe the Gianinni chain was called BancItaly.

It was well known to me and to my fellow Directors that the primary purpose of this institution was to first secure a majority of the National Bank of Kentucky stock and the Louisville Trust Company stock as a nucleus for a group of banks in the Ohio Valley. That was one reason. The whole plan was conditioned, in the first instance, on acquiring a substantial majority of the stock of the National Bank of Kentucky and Louisville Trust Company.

I would say that BancoKentucky took its name from the Bank of Kentucky, to identify it with this State—not so much with the bank. Popularly the National Bank of Kentucky is still referred to and was referred to then as the Bank of Kentucky.

It was also definitely understood at the outset that the money that was put in was subscriptions to stock of the BancoKentucky Company and shares of stock of BancoKentucky were to be used to either purchase or acquire by exchange the stock of additional banks in the Ohio Valley. It was contemplated at the outset that we would acquire one or more banks in Cincinnati and one or more banks in Covington, Ky. Negotiations were under way with other banks in Kentucky, some of which were subsequently acquired.

99—Now, when you said that this new company was to engage in a general banking business beyond the scope of the banks, you had in mind, did you not, that there were—that this new company might make loans——

Mr. Crawford (Interrupting): I don't think he said engage in a general banking business; he said a bank investment business.

The Witness: If I made that statement, I meant a general investment banking business, and I desire to correct it now.

I would not say that we expected this new institution to make loans to business enterprises. I say, if I remember the way I put it, that I said they were to engage in underwriting issues. Underwriting means that the underwriter makes an advance of money to some business or industrial enterprise and then proceeds on the strength of certain securities issued by the business—and the house making the loan then proceeds to market those securities. That is correct whether they be stocks or bonds. It does mean that the underwriter or underwriting house is lending its money, or advancing its money, either for the purchase of the securities of the business house or upon a pledge of the securities of the business house as collateral for the advance.

It was contemplated that the BancoKentucky Company might engage in lending money to industrial and business houses upon the strength of securities issued by such houses, if it had that power in its charter and it was approved by its directors. The banks could also do that same business to a certain extent, but not underwrite issues.

I was a Director of the Louisville Trust Company at the time that company took a participation in this underwriting that Judge Dietzman asked me about in July of 1930. I don't recall that the Louisville Trust Company took a very substantial participation in that underwriting. I don't recall anything about the National Bank of Kentucky participating in the underwriting. I told Judge Dietzman I had heard of the underwriting, I mean of the refinancing of the Louisville Railway. Whether it was before this Banco Board or some place else, I don't recall.

I said on direct examination, the reason BancoKentucky did not participate in that syndicate was because they were

not ready to go forward with it because it was not yet set up. That would be correct on that refinancing or any other thing that came up at that time. That was a year after Banco had been organized. If these banks in the Banco chain took some of the securities or refinanced bonds of the Louisville Railway Company, it was done under the authority of their charter and with the approval of the Directors. Banks could participate in underwriting to a limited extent. That limit was fixed by law.

In the BancoKentucky when I said they were to engage in underwriting or banking business, beyond the scope of the banks, I meant that BancoKentucky Company would be able to make underwritings and loans without having those limits which the banking laws impose on the banks.

I don't know just how far my knowledge went on branch banking, but I knew there were limits to it. But BancoKentucky Company could engage in what was then popularly called either group banking or chain banking. One of our purposes was to acquire other banks.

I knew as a director of the Louisville National that National banks were required to keep their deposits, or a certain percentage of their deposits, in the Federal Reserve Bank as a reserve. That was so as to have that much liquid cash available in the event of a run or something of that kind. I don't remember the details about BancoKentucky Company's acting as a little Federal Reserve or a Federal Reserve for the BancoKentucky banks instead of the Federal Reserve Bank at St. Louis. The thing I do remember is that BancoKentucky would be of assistance to these member banks, or these other banks. I don't remember Mr. Brown saying that it would substitute, so to speak, for the Federal Reserve and enable us make some saving by not keeping idle money in the Federal Reserve Bank.

As a Director of a National bank I knew that National

Bank stock was subject to assessment for what is termed double liability whenever the Comptroller of the Currency determines in his judgment to call on the stockholders to pay that assessment. When I came into the Louisville Trust Company I knew that a similar double liability was provided by the laws of the State of Kentucky. When we voted to acquire bank stock in Ohio I knew that the Ohio laws contained some similar provision.

I exchanged my stock for Trustees' Participation Certificates. I presume I knew that these Participating Certificates were subject to double liability. I never gave it a thought.

I signed Ex. 8 and was on the Advisory Committee which formulated this plan for the BancoKentucky, the committee of the whole, as I called it, because everybody was on there. I don't know that the Advisory Committee was popularly called the committee of the whole, but I was on the Board of Aldermen for a while and when we went into session with all the Board, we called it the committee as a whole. At any rate, all of the Directors sat on it. That was the Advisory Committee to the Trustees. The document which I signed recites that the letter of July 19, 1929, known as Plf's Ex. 24-3, was attached. I presume it was. I either saw the letter or heard it read. My printed name appears here. I was familiar with that plan. I hope I knew what I was signing when I signed it.

My signature appears on Ex's 180 and 181. I also wrote the address. I haven't the slightest idea the date I signed it. At any event, I accepted and agreed to this plan of reorganization and deposited 250 Participation shares in exchange for 500 shares of BancoKentucky stock and then subscribed for 300 additional shares.

I don't know that there was a campaign among the officers of the Bank and the Trust Company to secure the

deposits by Trustees' Participation Certificate holders of their shares and to sell stock. Naturally they wanted to get as much sold as possible but there were so many exchanged that there wasn't much left. They had to get 51% exchanged. I presume it was part of the plan to get as many Trustees' Participation Certificates exchanged as they could and then sell as much of the balance of the stock as they could sell, but I knew nothing about any organization set up for that purpose.

On September 8, 1924, I bought 10 shares of Louisville National Bank & Trust Company stock at $168.00; February 9, 1927, 5 shares at $256.00; Sept. 12, 1929, 4 shares at $200.00; Dec. 13, 1 share at $250.00; Jan. 28, 15 shares of National Bank of Kentucky at $393.00. My ledger shows that May 15th I exchanged the above for 250 shares of Trustees' Participation Certificates and 10 shares of Louisville Trust Company. September 1, I exchanged 250 shares of Trustees' Participating Certificates for 500 shares of Banco. Sept. 17, I bought 300 shares of Banco at $25.00. That is all in 1929. In 1930, from my father's estate, I received 250 shares of Banco. On March 1, I bought 50 shares at 24½. On the same date I bought 100 shares for 24¾. April 1, I bought 100 shares at 24½. July 1, I exchanged some other securities with my brother who had received a similar amount of this from my father's estate, and secured 250 shares, which was set up at $20.00.

After Banco closed I sold all of these shares. I got $300.00—⅛th or something of the kind; I don't remember what it was. When I made that sale, that established a taxable loss. I took that loss from my income tax, as against my cost prices. I went back to the bank stock and set that up as the cost of that 250 Participating shares. When I made the exchange of my bank stock for Banco-Kentucky stock, I did not report any taxable gain or loss on my income tax return.

A $100 share of Bank stock was exchanged for a $100 Trustees' Participating Certificate, par for par. Then the Trustees' Participating Certificates were split into $10 par, so I had $10 Trustees' Certificates. Each $10 certificate was traded, two for one, for Banco at $25.00.

If I had sold I would have had to declare it on my income tax, but under this plan, with the information I received from the accountant who handled my income tax, and the attorneys I employed, I was told not to do it. When the sale was made, instead of a profit, it was a loss, and I took it. That income tax has been checked a long time ago and O. K.'d. In my report to the Federal Government and in the transaction itself I acted in entire good faith.

The Louisville National Company, which we had in the Louisville National Bank, I don't believe ever engaged in any business to amount to anything. It was organized to start something, but it didn't do it. It was to sell bonds and securities—a sort of investment banking business. It was an adjunct of the Louisville National Bank. I had forgotten about that. I don't remember that every share of the Louisville National Bank stock had stamped on it that every share of that had a participating interest in the Louisville National Company.

Banco did the things that were the first things on our program. We acquired the Louisville Trust Company and National Bank of Kentucky stock and then we proceeded to use the funds derived from the sale of Banco stock to buy those other banks. I wouldn't say we exhausted our money in that way. I don't remember how the financial statement looked at that time. I don't remember that the money was all gone in November when we had to borrow money in New York. I remember some such transaction as Mr. Ormsby's going to New York and borrowing $1,000,000 for the BancoKentucky Company from the Chemical National Bank, but the details of it I do not.

I don't know that it was contemplated at the start that they were going to denationalize the National Bank of Kentucky. I told you I knew nothing about the National Bank of Kentucky. I wasn't on that board. I was on the Banco. I was on this committee of the whole. I believe both those Boards passed on the denationalization. But I am not sure. Probably if you find it there, it will recall it. Banco owned the banks.

I may have known that it was part of the original plan to denationalize the National Bank of Kentucky. I don't remember. You show me another part of Ex. 8. That is my signature. You call my attention to the following language:

> "it having been determined by unanimous vote of the board of directors of the National Bank of Kentucky and the Louisville Trust Company, at their regular meeting on September 27, 1929, that it is to the best interests of the National Bank of Kentucky to surrender its national charter and become incorporated as a state bank."

That refreshes my memory. According to the exhibit you showed me, it was part of this reorganization plan to change the structure of the National Bank of Kentucky from a national bank to a state bank.

I couldn't tell you the details of the departments of the Bank which Banco was to take over, but it was intended that the BancoKentucky Company should assist these banks in whatever they could to the benefit of the entire institution.

My answer that there was to be no change in the set-up of the National Bank of Kentucky should not be amended. I wouldn't say the corporate structure of the National Bank of Kentucky was to be radically changed. It was to be changed from the national system into the state system.

That was contemplated back in May, according to that exhibit.

I never heard anything about Banco having any title insurance department. If was never discussed to my knowledge.

Redirect Examination by Mr. Dietzman

On Redirect Examination by Mr. Dietzman, Mr. H. A. Taylor testified as follows:

I never saw or knew anything about the letters in this record from Mr. Bean to the employees of the Louisville Trust Company and officers and employees of the National Bank of Kentucky.

With reference to the Louisville Railway matter, that refinancing in July, 1930, was an extension of a bond issue. It had nothing to do with the stock in the Louisville Railway Company.

E. Leland Taylor,

called for Defendants, examined by Mr. Dietzman, testified as follows:

My name is E. Leland Taylor. I am President of Wright & Taylor, and have been in that business for twenty-five years.

I was a director of the Louisville National Banking Company prior to its merger with the Louisville Trust Company, and had been for six or seven years. I was never a director of the National Bank of Kentucky, but was later a director of BancoKentucky. After the merger with the Louisville National, I continued to be a director of the Louisville Trust Company until it closed. I continued to be a director of BancoKentucky until the last meeting we had.

As a director of the Louisville National I participated in the negotiations leading up to the merger of that bank with the Louisville Trust Company. At that time I knew the condition of our own institution in a general way, as a director. It was considered by us to be sound. We had semi-annual reports by auditors which different directors went over and examined and reported back. To the best of my knowledge and belief it was in a sound condition.

We also, during the course of the negotiations leading towards the merger, examined reports of the Louisville Trust Company and the National Bank of Kentucky, and we were convinced in our minds, speaking for the other directors too, that they were sound institutions, too.

During my connection with the Louisville Trust Company as a director, up to the time just before it closed, I always considered it to be a sound institution, and even today I still consider it so.

I had no knowledge or information to lead me at the time of the organization of Banco to have any idea that the National Bank of Kentucky was other than a sound financial institution. I regarded it as absolutely sound, and I had never heard a sentence against it in any way.

I participated in the negotiations and discussions leading up to the formation of Banco. As to the business that Banco was to perform, and on its creation, what business it was to engage in, it was explained to us the need of such an institution as Banco in this community; that business was leaving the State and City and section, and going to New York, Atlanta, St. Louis and other places, because we had no institution in this section of sufficient size to handle the different financial transactions that came up. It was explained to us that with the background of the Bank of Kentucky and those other banks that we could organize a new company that could not only have these banks, but

extend their holdings in banks to other places, and form a large enough company, by selling additional stock, to handle these matters that would be very profitable that we were losing here.

21—Could you be a little more specific in your statement as to these other matters? What did you mean by that?

A.—I mean matters such as the refinancing of buildings, or taking over bond issues for companies. There was no particular one thing; it was just as a financial institution that would take care of people that needed money and had to go to New York and other places to get it, and we would be in a position to let them have it.

I owned a few shares of National Bank of Kentucky stock which I inherited, and I sold it about 1924 or 1925. I think there were only two or three shares. Throughout the formation of Banco I owned no National Bank of Kentucky stock. I was never a director in that institution.

What stock I had in the Louisville National I transferred for Participating Certificates, which were later transferred for Banco stock, and I bought 1000 shares after the organization of Banco.

I was not a depositor in the Louisville Trust Company, but always in the Bank of Kentucky, because they had a branch in the building where my office was. My office was in the Francis Building which was owned by some of my relatives, by Wright and Taylor.

Wright and Taylor also banked at that branch, they had $100,000 on deposit when it closed. I had control of that deposit. I had a small personal deposit, and the day before it closed I put $20,000 in the Bank personally, to pay off a note at the Beattyville Bank. They treated it as a deposit, and I was allowed 66⅔ per cent of it.

During the discussion leading up to Banco, I never heard anything mentioned about the matter of double liability on

Banco or avoiding it in forming Banco. In exchanging my Trustees' Participation Certificates for Banco, the matter of avoiding double liability never occurred to me. I never thought there was any question going to come up about it. I never heard it mentioned and never thought of it.

My name is signed to the letter of July 19, 1929, which was sent out to all the Trustees' Participation Certificate holders. I remember the substance of that letter from what I have heard around here. The word "reorganization" is used in that letter. My understanding of that expression "plan of reorganization," as it appears in that letter was—— I might say I never heard anything said about "reorganization" during the whole time, until our attorneys who were preparing the case said that in order to comply with the Income Tax Department ruling that it must—should be called a "reorganization," though it was not contemplated in any way to reorganize any bank connected with it.

It was understood by me, so far as "reorganization" was concerned, to reorganize the control of the banks only; the stock was owned by the Committee, and afterwards owned by Banco, but so far as I understood and knew, that was all the reorganization contemplated. I never saw any of the letters from Mr. Bean and other employees of the Louisville Trust Company to one another and to the officers and employees of the National Bank of Kentucky, which are in this record. I have heard them referred to here, but I never knew anything about them.

Cross-Examination by Mr. Marx

On Cross-Examination by Mr. Marx, Mr. E. L. Taylor testified as follows:

I said that business was going to Chicago, New York, Atlanta and St. Louis because there was no institution large enough here to handle it. A bank could hardly handle that.

The New York banks were handling some of that business, they were handling a good deal of it, and Chicago Banks, but they were not to be compared with our banks. I heard Mr. Hieatt testify that the Consolidated Realty Company had gone to the National Bank of Republic, in Chicago, to secure accommodations. I don't know it. I think I remember St. Louis Banks were getting some of that business. I have forgotten the details of where it went.

I just referred to Atlanta as being one of the cities that was—or that seemed to be more progressive than Louisville in getting things of that sort. Certainly a good deal of it went to Caldwell and Company of Nashville, refinancing and things of that sort. We had no similar institution here. I don't know of any in Atlanta. I don't know of any in Chicago or New York, exactly, that handled any local business, but I do know they were doing it.

And I do know the banks in Chicago, New York and St. Louis were doing that business either directly or through their wholly owned subsidiaries. In some cases they could get it on account of their size, some because of their charter provisions, that allowed them to do it.

I knew that national banks all over America were subject to the same laws. I don't know whether they were national banks—the Harris Trust Company, for instance, I don't know now, for instance, whether that was a national bank or a state bank. They handled some of that business. Chase is one of the biggest banks in America, and is a national bank. The First National of Chicago was one of the biggest banks in America. I guess the National Bank of Republic which Mr. Hieatt went to was a national bank.

If a bank was of sufficient size, it was permitted to make these large loans and underwritings, but there were a good many things, though, that were contemplated, that banks could not do. Banks could make large loans. But the Na-

tional Bank of Kentucky could not make larger loans than the law permitted without increasing its capital. The Louisville Trust Company was limited by law to the size loans that it could make. We could make larger loans in both the Bank and the Trust Company by increasing our capital. I never heard that mentioned as part of the Banco plan. It was not the plan of BancoKentucky to increase the capital of the bank.

I don't think it was the plan of BancoKentucky to organize a corporation under the Delaware laws with the widest powers on earth. I never knew a corporation ever organized with charter powers that were wider. But there were lots of things they couldn't do. I never knew any corporation to be organized with broader powers than BancoKentucky. But that doesn't mean it was the widest powers on earth. I don't know the powers of very many corporations. The corporation I belong to has about as broad powers. I don't know that they are broader than Banco, but it can do things Banco couldn't do,—make whiskey, for one thing. There is nothing in the Banco charter that prohibited that, if they would be licensed in the state charter. There is nothing in the Banco charter that would prohibit BancoKentucky from owning all the stock of a company engaged in manufacturing whiskey, but they wouldn't be making whiskey. I own stock in corporations, but don't consider myself to be in the manufacturing business. Although by law BancoKentucky was allowed by charter to do all these things, it could not do it in Kentucky until authorized to do business in Kentucky. I don't know it never was qualified.

The plan of BancoKentucky, while not to increase the capital of the banks, was to get control of the National Bank of Kentucky and Louisville Trust Company first, and all they wanted was control. One of the purposes was to sell additional stock in order to get some cash.

75—And it was proposed that in order to get that cash that the Board of Directors of the Louisville Trust Company and the Board of Directors of the National Bank of Kentucky would make loans to subscribers for BancoKentucky stock, if necessary up to the full subscription price of that stock, upon the collateral of BancoKentucky and such additional collateral as the lending officers thought proper?

A.—That was a matter strictly for the individual banks.

76—That is what I say.

A.—The Banco Directors did not exercise any control over that. The directors of the Bank of Kentucky—the officers of the Bank of Kentucky, I presume, with their directors' consent, established a policy of lending money, and I believe they did lend money on Banco stock, but I don't know to what per cent; I don't know whether it was 100 per cent or 50 per cent, but as far as the Banco directors were concerned, that wasn't considered.

I was a director of the Louisville Trust Company and knew that bank was also making loans to subscribers of the capital stock of BancoKentucky. I am sure also they never made 100 per cent loans on that stock. Through the medium of those loans from $4,000,000 to $5,000,000 of the National Bank of Kentucky money and the Louisville Trust Company's money, went out of the Bank and Trust Company and into the Treasury of the BancoKentucky Company.

One of the purposes was to use that money which came into the BancoKentucky Company for subscriptions to its capital stock in order to purchase additional bank stock, in order to complete this bank group or bank chain. That was done. Banco bought other banks with that money. It was actually done. I mean by that, that that was not the purpose, the entire purpose of getting that money; it was one of the purposes, to increase the number of banks in

different cities, which was done. It was not intended that that should be the only use of that money. However, I might say, to add to that other answer, that other banks loaned on Banco stock as well as the Trust Company and Bank of Kentucky, other local banks did. The Liberty Bank is one I know of. I can't name any other. I presume all of them were doing it, and I know the Liberty did.

The purchase of these other banks with the money realized from the subscriptions to Banco stock was not done as an after thought after we organized Banco. "86—But was done by premeditated intention? A.—No, that is right; it was part of the plan." I can't tell you whether we had decided to buy the two banks in Cincinnati for seven and half million dollars before we declared the plan effective, because the periods are confused in my mind, as to when things happened.

Charles Bohmer was a director of the Louisville Trust Company.

You show me a letter on the stationery of the Louisville Trust Company, dated August 21, 1929, signed by President Bean, addressed to Mr. Jones of the National Bank of Kentucky, Plf's Ex. 29. I don't know anything about this letter, or the facts leading up to it. I don't recall any such thing as Mr. Charles Bohmer's stating at the meeting of the Board of Directors of the Louisville Trust Company, that the First National Bank of Louisville was calling every loan based on the stock of our banks, and suggested that we ought to retaliate. I may have been present, I don't know, but I don't remember anything about this. I don't know that it is a fact that the First National Bank declined to make loans on BancoKentucky stock. It is easily possible. They were not any too friendly at that time.

I don't know whether they decided to buy those Cincinnati banks before we declared the Banco plan effective. I

can't imagine them going on buying banks before they were organized to buy them, or had completed organizing. It may have been done, if it is in the record, but I don't know. The money was not called for until October 1st. But they got a lot of subscriptions in before then. The subscriptions were not called before October 1st, but a great many were paid before that. I know I paid mine before then. I imagine the money was returnable if the plan was not effective, I don't know.

I was present September 20, 1929, when a "motion was made, seconded and carried, authorizing the President in his discretion, to close negotiations," for the purchase of the Pearl Market Bank and Brighton Bank & Trust Company. Undoubtedly it was done if it is in the minutes, but that is the 27th of September, and then sufficient stock subscriptions probably had been made by that time to assure its success. That is probably the reason they went on with it.

You ask me if we did not use up all our available cash, or substantially all of it, very shortly, in the acquisition of the bank. My recollection is that it did not use up all the cash. I was under the impression that we had several million dollars loaned out in what we called brokers' loans —other loans, as a sort of reserve. We were getting low, I will admit, and that is the reason we decided to increase the capital stock, to get more money, because more people surrendered their stocks in these banks than we expected to.

I haven't the slightest idea when I first heard about Banco increasing its capital. It was at some of these meetings, but the whole thing is confused, as to the relative times.

It is my impression that I paid my subscription before October 1st—that is my impression now, that I paid, because I got a loan down at Beattyville to buy the stock.

The plan of the BancoKentucky Company was that after they got this Banco organized, according to my testimony, they were going to take, or attempt to secure, some of this business that was going some place else by making loans which it was thought BancoKentucky could make without the legal limitations which the national bank laws placed on loans of national banks, or the state laws placed on loans of state banks. Banco would not be subject to those laws in the making of its loans. That was one of the things they intended to do.

Plf's Ex. 184 and 185, bear my signature. I wrote the address in both cases. No. 184 is dated September 27, 1929, and 185 is dated September 17, 1929. I assume the date is correct, if it was written at the time I signed these, but I don't know when this was put on there. As a business man, I should have known what I signed. I have signed a good many things I wish I had not. I think I knew what I signed when I signed these documents.

Said papers were received in evidence and marked for identification "Plaintiff's Exhibits 184 and 185."

I never saw any report from the National Bank Examiners of the National Bank of Kentucky. I never asked to see them. We saw the published statements in the paper and saw a report of Humphrey Robinson, who was considered to be about the best bank auditor. I don't remember which report of Humphrey Robinson I saw of the National Bank of Kentucky. When the negotiations were going on, they presented the report that they had made.

The report I am talking about is not when we formed the unification back in 1927. We didn't form that unification until 1927. I don't know what report I saw other than it was an Humphrey Robinson report. It was of the National Bank of Kentucky, and perhaps the Louisville Trust

Company, too. We were merging with the Louisville Trust Company. I probably saw that report in the Fall of 1928, because the contract, I think, was signed in the first part of 1929, and consummated three or four months later. While we were discussing it was when we saw the report. It may have been '27, or up to July '28. I don't know. As far as I remember, that is the only report I ever saw of the National Bank of Kentucky. We left the negotiations to the President and the Committee that was appointed. All I can say or do say was that my thought, and the popular notion was, that the National Bank of Kentucky was thoroughly sound.

I controlled Wright and Taylor Company. I got them to buy 6,000 shares of Banco, is one way I controlled it—whatever I said went with the company. It is a corporation, and I have been in active charge of it for fifteen years. I did not exercise control through stock ownership. I don't own a majority of the stock, I own part of it. It is a closed corporation, and my sisters own the other part which I don't own, and my wife. I own probably a little more than one-fifth. My sisters own the same amount. There are five parts. I exercise control through the consent of the other stockholders. I could not exercise control through the stock that I have, but actually I have directed the policy and business of the company for some time.

They gave me their proxies, or failed to vote, and that enabled me to elect the Board of Directors. The Board of Directors appoints me and I run the Company and that gave me control.

"144—Just the same way as the stockholders of the National Bank of Kentucky exercised control over the BancoKentucky here, didn't they, through stock ownership?

Mr. Crawford: I object.

The Court: Objection sustained.

(After argument.)"

I said I did not think the question of double liability was ever going to come up. Of course, I knew Bank stock was subject to double liability, but I had never thought of it. You don't think of the storm when the sun is out, usually. If I had thought of the fact that the Trustees' Certificates were subject to double liability I would have known it, because I know that they would be. I never even thought about assessments or double liability of any kind. I expected to make a lot of money out of Banco. That would be the motivating influence to agreeing to organize the company; it was organized for profit.

149—You were willing to put more money into stocks when you knew that money was going into bank stock, because you expected the enterprise was going to be profitable?

A.—No——

150 (Interrupted)—You would not put it in if you didn't think it was going to be profitable?

Mr. Crawford: Let him answer.

A.—We put money into Banco as a corporation that was going to expand and have a big business. The banks that that company was to have—we expected that would be a small part of Banco's business before we got through with it.

151—You know, however, that your money, the additional money you were putting up, was partly, at least, going into bank stock, didn't you?

A.—Yes.

152—And you were willing to put up additional money to buy bank stock, in part, in the hope that those banks that you were to acquire, together with whatever other business the company might do, would enable you to make money, profits?

A.—We didn't expect to make very much money out of the banks; that was merely to be an outlet for the business that Banco expected to do. We never would have bought a bank for the money we could make out of it.

153—The banks were used as stepping stones?

A.—For a means.

I meant by my answer to Judge Dietzman about "reorganization"—it was no reorganization at all, in the generally accepted use of the term. I did not mean they were just a fake; I didn't mean it was any at all. The word "reorganization," as I understood it, was never contemplated up until the attorneys brought the papers and said that was the way it had to be, in order to comply with the Internal Revenue Department's ruling. It was explained that what we were doing would come under that provision. The plan for Banco was thought up and worked out without any mention of the word "reorganization," as I remember, and when we were getting ready to complete it, we had a good many papers to sign, that the attorneys had worked out for us and among them was one which contained the word "reorganization," and when the matter was brought up, saying there was no contemplated reorganization, it was explained that "This is understood by the Department, just what is being done, and in order to comply with their ruling the word 'reorganization' should be used in that prospectus."

Some of the attorneys said that. It may have been Mr. Helm or Mr. Vaughan or Mr. Carroll. I don't remember who the lawyer was who made this statement. It was made in the Directors Room, I think. In the Louisville Trust Building, that is where we had our meeting. I could not tell you on what day or who was present, but probably most of the Directors were present. I don't remember a single one who was present because I don't remember what day it was. Mr. Helm may have made that statement. I

don't know. Mr. Carroll may have made it, or Mr. Vaughan may have made it.

I can't give the exact language he used. That is the impression that I had at the time, and the impression I have today. I couldn't give you the exact language. I do know there was never contemplated any change in the set-up of the Bank of Kentucky or the Louisville Trust Company, and that their organizations were to continue just as always. Whatever this reorganization may have meant, it certainly did not contemplate any change in the Bank of Kentucky or the Louisville Trust Company, or any of the other banks they bought.

173—Now, let me refresh your recollection as to what actually occurred: Isn't it a fact that the original plan was different than this, and the matter was then referred to Mr. Robert Vaughan for his opinion as to whether you would have a taxable gain or loss under that plan if you transferred your certificates to BancoKentucky?

A.—That does not refresh my memory.

174—Isn't it a fact that Mr. Vaughan then studied the question in connection with the firm of Miller and Chevalier, of Washington, and then, upon Mr. Vaughan's advice and the advice of Miller and Chevalier, the plan was changed so that it would constitute in good faith a reorganization by vesting not only the Trustees' Certificates control in the hands of the new corporation, but the control of the new corporation in the hands of the Trustees' Certificate holders, and by providing that the Board of Directors of the two banks was to operate and control the new corporation?

A.—I don't remember any such things as that.

175—And that you then signed the document as your lawyers advised you, upon their opinion that that plan, if adopted by you, would constitute in good faith an exchange

of one form of security for another form of security representing in substance the same property?

Mr. Crawford: I object to that because there is no evidence in the record to sustain it.

The Court: He is asking him if that isn't what occurred. Objection overruled.

A.—I will answer that I followed the advice of our attorneys; they said "This is the detail of working out the plan the way we agreed."

176—Wasn't this, instead of being a mere sham or a mere technical evasion, in good faith—wasn't this in fact a good faith plan to do exactly what you set forth over your signature in the letter of July 19, 1929?

A.—It was what I said just a while ago.

177—No, I am asking you a different question now, whether this wasn't actually a plan to do in good faith just what you represented in your letter of July 19, 1929 over your signature?

A.—Everything——

Mr. Humphrey (Interrupting): I object. That reminds me of the question "Have you stopped beating your mother-in-law?"

(After argument.)

The Court: Objection overruled.

A.—Everything I have stated was in good faith: everything we did was in good faith; there was never any question of attempting to fool anybody.

178—You intended that there should be a real compliance with the law and did not intend that there should be any pretended compliance, didn't you?

The Court: Objection sustained.

I was one of the men who voted to make this contract with Caldwell. I was for him, I guess I voted for him. It was my understanding that that contract had a year in

which we were to evaluate the assets of Caldwell. I did not figure in my mind that the contract was binding until the appraisal was made. If Caldwell and Company's assets proved to be nothing, there was to be no payment and no contract consummated. In other words, the contract was a contract to buy rather than having bought. Caldwell's assets were to be so much, but if it was less, we would pay less, and if it proved to be more, we would pay more. If it were nothing, we would pay nothing.

186—And that evaluation—I am quoting your exact language "It was not in our minds actually a purchase until the terms were consummated."

A.—My language? I never testified before.

187—Didn't you testify before the Grand Jury?

A.—No, sir.

188—You did not?

A.—I could have made that statement; it is all right with me.

189—Isn't your name E. Leland Taylor?

A.—I don't think I ever testified before the Grand Jury.

190—It is certified to be a correct transcript of E. Leland Taylor's testimony.

A.—I guess I did. That is something I have forgotten.

191—You say it would be your language anyhow?

A.—Yes.

192—It is a correct statement?

A.—I think so.

The appraisal of Caldwell's assets was never made. He had a year, and during that year he was to specify when he was ready to have the appraisal made, and before that year ended, things blew up and it never was made. Some stock was turned over to Caldwell. No dividends were paid on it. I didn't know it was going to be turned over and I was surprised it was.

(There was a long argument in chambers concerning a proposed agreed order.)

Mr. Bloomfield: If Your Honor please, in connection with the proposed agreed order, I represent Mrs. Elizabeth Wesch, the widow of G. A. Wesch, one of the defendants. I want to reserve the right to call Mr. White to show that Mr. Wesch never signed that exhibit. He told me that he had no such paper.

The Court: You and Mr. White can examine the records as to what, and if necessary, you can call him to testify, or you can stipulate it.

Mr. Marx: We will protect your rights thoroughly.

The Court: Gentlemen, it has been suggested that the order which we have just recently been discussing in chambers with reference to the elimination of a majority of these defendants as witnesses, lie over until in the morning. In the meantime, Judge Lafon Allen has suggested that he will try to draw up a composite order that will meet with the approval of all parties. Anyway, we will take that up in the morning and see if it cannot be disposed of. I will ask Judge Allen, or any other attorney who wants to do so, to submit orders. Try not to have any more in the order than is necessary.

It has also been suggested that the testimony of defendants who were directors of one or the other of the corporations, and whom it is proposed to call here as witnesses, may also be stipulated. Counsel have suggested that possibly, if the opportunity were given to sort of recount the testimony and take a summary of just what has been done and to determine just what witnesses would be called in the future, this afternoon, we might eliminate the necessity of calling a great many witnesses in that connection, and possibly conclude this case tomorrow. For that reason I think it is important that these attorneys be given

the opportunity to make this inquiry and investigation to determine just what can be done towards stipulating what the testimony of future witnesses might be.

Adjourned to meet at nine o'clock A. M., February 3, 1939.

Louisville, Ky., February 3, 1939.

Met pursuant to adjournment with appearances as heretofore.

(After discussion concerning the proposed order to be entered by the Court.)

The Court: The Court's attention has been called to the fact that there are certain defendants who were employees of one or the other of the two institutions, to-wit, the Louisville Trust Company and the National Bank of Kentucky, who are represented by counsel, who because of conditions beyond their control are not present in Court. At the conclusion of this case, should these attorneys later determine that their clients' rights would be better protected by permitting them to testify, before the final judgment of this Court, the case may be reopened for the purpose of receiving that testimony, provided such request is made prior to April 1, 1939. That applies, I might say, to any defendant. We have got to end this case. Those who are here now should produce their clients now, but that will protect those who are not here present now and are relying on the attorneys present to protect their interests.

Now, insofar as Mr. Wickliffe's clients are concerned, I don't think there is any reason at all why that matter could not be determined by stipulation.

Mr. Marx: Whom does he represent?

The Court: I don't know, but regardless of who he represents, it is a matter that can be determined by stipulation as to what the record shows. The Court will require you to do that.

I am going to sign this order as of today.

(The Court signed the Order and handed it to the Clerk. See Vol. I p. 174.)

The Court: Now, Gentlemen, what is next?

Mr. Allen: We furnish a list of names of the men we propose to introduce as witnesses to counsel for plaintiff for the purpose of his seeing how many he can stipulate as to their testimony.

Mr. Marx: I think we could as to these.

The Court: Is that all?

Mr. Crawford: All the witnesses, but we have other things we want to offer. The defendants' request for admissions was filed here, and the answer to it, but it is not marked filed. I would like to have that answer to the defendant's request made a part of the record.

I want to also offer in evidence the transcript of the record in the Court of Appeals of this Court in the case of Laurent vs. Anderson.

(After argument.)

Mr. Crawford: We want to file this with the understanding that another copy will be substituted.

(Said record was marked for identification "Defendant's Exhibit No. 23.")

Mr. Crawford: We also want to file in evidence——

Mr. Marx: This exhibit relates to a defense that has been ruled out.

The Court: He hasn't said anything yet.

Mr. Marx: I mean Laurent vs. Anderson.

(After argument.)

Mr. Marx: All I want to do is to call Your Honor's attention to the fact that this exhibit relates to a defense that we claim has been passed on and ruled out, and therefore we are objecting. Your Honor, I suppose, will pass on it when we argue it?

The Court: That is right. Objection overruled; let it be filed.

Mr. Crawford: I also want to file a copy of the Petition and Order filed by Paul C. Keyes as Receiver of the National Bank of Kentucky in the case of Carroll and others vs. The Chemical Bank and Trust Company, and the Banco-Kentucky Company, Jefferson Circuit Court, Chancery Branch, Second Division, No. 205,223. The form of this order has been attested by the Clerk of the Jefferson Circuit Court and the petition has been——

Mr. Marx (Interrupting): There is no question as to the authenticity of it, but it falls in the same classification as our previous objection to Laurent vs. Anderson.

Mr. Crawford: The Order entered therein, I understand Mr. Marx will stipulate, was prepared by his firm for Paul C. Keyes and tendered to the Court; I would like the record to show that.

Mr. Marx: After conference with Mr. Castleman, who was the attorney for the Receiver of the BancoKentucky Company.

The Court: All right.

Said copy of said Petition and Order were marked for identification "Defendants' Exhibit No. 24."

Mr. Crawford: Also, the decision of the Circuit Court of Appeals in the case of Laurent vs. Anderson, 70 Fed. (2) 819, I would like that treated as evidence in this case. I understand the Court would take judicial notice of it, but I would like it treated as evidence. Also, there was filed in this Court the order of the Circuit Court of Appeals confirming that case, and without actually filing the Order——

Mr. Marx: I assume the Court would take judicial notice of its own records. There is no objection to it.

Mr. Crawford: I also want to file as part of our request for admissions—they were not actually filed therewith—these copies given me by the other side of the published statements of the National Bank of Kentucky, beginning January 11, 1927 to and through October 11, 1930, together with a statement from the Herald-Post as of Monday, June 2, 1930, in reference to the Caldwell deal.

Said exhibits were marked for identification "Defendants' Exhibit No. 25," and "Defendants' Exhibit No. 26."

Mr. Crawford: I would also like to file as part of the evidence the exhibits referred to in our request for admissions—only the ones the plaintiff admitted—that is, the plaintiff admitted they were correct copies.

The Court: Let the objection be noted and overruled.

Mr. Crawford: There are one or two exhibits referred to that are not thereafter attached, and I would like, with Plaintiff's consent, to check them over and add any that are not in the record.

The Court: That is all right; that may be done without an agreement; you may do that on the order of the Court.

Mr. Crawford: If the Court please, I don't recall exactly what the order was on the filing of Keyes vs. Akers, later Atherton vs. Anderson, but I take it, it is in the same form as the ones we have just offered.

The Court: You mean so far as making it a part of this record?

Mr. Crawford: Yes.

The Court: You may check that over.

Mr. Marx: I think it was in the form that the Court might take judicial notice of the record to the extent that either side might refer to it for whatever purposes it might serve.

The Court: That record is already in for that purpose.

Mr. Crawford: That record is actually in the case?

The Court: That is right.

Judge Allen: The Order which Your Honor signed this morning concerning what certain defendants would testify to says that it may be read in evidence by the defendants: Is there any mechanical thing we have to do to get it in?

The Court: No; the Court is going to be bound by that Order without having it called to his attention.

Mr. Crawford: I don't know what order Your Honor made on our tendering these pleas of res judicata at the beginning of this trial, or whether they are in the record or not.

(After argument.)

Mr. Marx: They have been marked "Tendered."

(After argument.)

The Court: Let them be filed.

Mr. Marx: I think our objection to that appears in the record——

The Court: Yes, you made your objection to the filing of it and yet would naturally have an exception to the ruling of the Court ordering it filed.

Mr. Marx: The point is that Your Honor previously passed upon the point covered in that plea, and entered an order striking out that plea. I would not want this ruling to be considered as any reversal of that former order.

The Court: Oh, no.

Mr. Crawford: If it is needed to correct the record, we will file a motion for Your Honor to reconsider it.

The Court: The only thing I am trying to do is to get it all in so you can present the whole thing on the final submission. Is there anything else?

Mr. Crawford: We have nothing else so far as I know.

Mr. Marx: We have some evidence.

The Court: I think I will hear this rebuttal testimony at this time and then call a recess and you gentlemen may get together on your stipulations and probably dictate it into the record here. Then, we will reconvene to determine whether there is anything to finally wind up.

Mr. Marx: It is not strictly rebuttal testimony because some of this evidence was deferred in order to let them proceed with witnesses going out of town.

(At this point there was a thirty minute recess.)

The following stipulations were agreed upon between counsel for plaintiff and counsel for defendants:

It is stipulated and agreed between the plaintiff and the defendants, Frederic M. Sackett and Olive S. Sackett, that the affidavit of Frederic M. Sackett is hereby read in evidence in his own behalf, and on behalf of Olive S. Sackett as the testimony of Fred M. Sackett. It is further stipulated that the expression in such affidavit "sold and transferred" in reference to Trustees' Participation Certificates means "exchanged" for BancoKentucky stock; that Mr. Sackett did receive the July 19, 1929 letter referred to in such affidavit on or about that date; that such shares of the BancoKentucky Company stock as the said defendants received in exchange or on subscription were received pursuant to the regular deposit form of agreement hereto attached and marked "Plaintiff's Exhibit 186," "Plaintiff's Exhibit 187" and "Plaintiff's Exhibit 188," Exhibit 188 being signed by Fred M. Sackett personally on or about September 16, 1929, and Exhibit 187 being signed by Olive S. Sackett, by W. S. Speed, her attorney, and Exhibit 188 being signed by W. S. Speed as attorney for Fred M. Sackett, the said Speed being duly authorized to sign for the said defendants and that the stock subscribed for was received pursuant to the regular form of subscription hereto attached, marked "Plaintiff's Exhibit 189"

which was duly signed by W. S. Speed for F. M. Sackett, pursuant to proper authority as heretofore stated; and neither of the said defendants reported any taxable loss or gain in connection with the exchange of Trustees' Participating Certificates for stock in the BancoKentucky Company; and both of said defendants did report a taxable loss on the sale of their BancoKentucky stock in 1930.

AFFIDAVIT OF FREDERIC M. SACKETT

The affiant, Frederic M. Sackett, being first duly sworn deposes and says as follows, to-wit:

I reside in Louisville, Kentucky, but have been staying in Palm Beach, Florida, since the latter part of November, 1938, on account of my health.

I am unable, due to the condition of my health, to return to Louisville for a resumption of the trial of the above action, and make this affidavit as my testimony in such action.

I am one of the defendants in the above styled action, and am the husband of Mrs. Olive S. Sackett, another defendant, and as Mrs. Sackett's agent, I handled all of her affairs in connection with the National Bank of Kentucky, Louisville, Kentucky, and the BancoKentucky Company.

From 1925 to the beginning of 1930, I maintained a residence in the City of Washington, District of Columbia, at which place most of my time was spent. I returned to Louisville occasionally remaining only temporarily there.

This period covered the time of the organization of the BancoKentucky Company. Being occupied at this distance from my Louisville Office where my bookkeeping facilities were kept, I found it more convenient in the transaction of private business of both my wife and myself in the frequent purchase and sale of securities, that the certificates of stock bought for my wife should be issued in my

name as it made for greater ease in transfer. Separate account books were kept in my Louisville office and there wasn't any likelihood of confusion in our accounts from the holding of the certificates in my name. Previous to 1927 both my wife and myself had been for a considerable time the owners of small amounts of the National Bank of Kentucky stock. The certificates of my wife's stock had been in her own name on the Bank's books for many years. It had come to her originally by inheritance as stock of the German Bank a predecessor of the National Bank of Kentucky and had passed through several transfers to the issuance of the new shares of a Ten ($10.00) Dollar par value in the final reconstruction of the capital structure of the National Bank of Kentucky. These shares together with the purchase of a hundred additional shares of the reduced par value stock, therefore, remained in the name of my wife.

A transcript of the books of account of my wife and of myself showing all the transactions and values from acquisition of the German Bank to the final ownership and sale of BancoKentucky is as follows:

FROM THE BOOKS OF MRS. OLIVE S. SACKETT

1913—	
Mrs. Sackett (Olive S.) received from estate of J. B. Speed, 61 shares German Bank	$19,825.00
June 1st, 1918—Exchanged above for—	
48 4/5 shares National Bank of Commerce (later National Bank of Kentucky)	13,420.00
Bought 1/5 share	55.00
June 4, 1921—	
Bought 50 shares Nat'l Bank of Ky. and transferred 14 to Mr. Speed at purchase price, leaving 36 shares, costing	9,026.00
Total 85 shares Nat'l Bank of Ky.	$22,501.00

Feb. 2, 1923—		
Transferred to F. M. Sackett 35 shares		9,264.50
Leaving 50 shares		13,236.50
June 1st, 1927, Stock Dividend 30 shares—		
80 shares		13,236.50
July 1st, 1929—		
80 shares exchanged for 800 shares (participation)		13,236.50
Aug. 30th, 1929—		
Bought 100 same		4,575.00
Total 900 shares		$17,811.50
Sept. 19, 1929—		
900 shares exchanged for 1800 Banco-Kentucky		13,811.50
Oct. 2nd, 1929—		
Bot. 1400 new Banco		35,000.00
" 400 new Banco		10,000.00
		62,811.50
1930—		
11-25, Sold 420 Banco at ⅜	$150.36	
" 780 " at ½	365.04	
" 2400 " at ½	259.20	774.80
Loss		$62,036.90

FROM THE BOOKS OF FRED M. SACKETT

Feb. 2, 1923—	
Transferred from Olive S. Sackett, 35 shares Nat'l Bank of Kentucky	$ 9,264.50
June 1, 1927—	
21 shares as Stock Dividend	
Total 56 shares	9,264.50
1929—	
July 1st, 1929, exchanged 56 shares for 560 shares (participation)	9,264.50
Aug. 30, 1929, Bot. 40 shares same	1,830.00
Total 600 shares	$11,094.50

Sept. 19, 1929—
Exchanged 600 part. shares for 1200 shares BancoKentucky 11,094.50
October 2, 1929, Bot. 1200 shares BancoKentucky 30,000.00
Total 2400 shares BancoKentucky $41,094.50

Sold Banco
Nov. 25th, 1930—

280 shares	at ⅜	$100.24	
520 "	at ½	243.36	
1600 "	at ½	172.80	516.40
Loss			$40,578.10

The foregoing schedule showing the transactions of both my wife and myself, while an accurate record of the ownership of each of us may differ from the stock records filed in the case at bar as shown by the books of the several corporations. However, the total of our two holdings is the same both on the corporation stock books filed in the case as is set out in the above record of purchase and sale transfers in the Company. The difference between the two records is due to the fact that for the reasons above stated in the purchase of BancoKentucky stock made for cash on October 2, 1929, for Mrs. Sackett's account the certificates for her part were issued in my name as well as my own.

The foregoing account shows that my wife sold and transferred nine hundred (900) shares of the National Bank of Kentucky, valued at $17,811.50, to the Banco-Kentucky Company on September 19, 1929, and received eighteen hundred (1800) shares of BancoKentucky Company stock therefor; that on October 2, 1929, she bought for cash eighteen hundred (1800) shares of the new Banco-Kentucky Company and paid therefor Forty-five Thousand ($45,000.00) dollars.

The account shows that on September 19, 1929, I sold and transferred to the BancoKentucky Company six hundred (600) shares of the National Bank of Kentucky stock of a value of Eleven thousand ninety-four and 50/100 ($11,094.50) dollars and received twelve hundred (1200) shares of BancoKentucky Company stock therefor; that on October 2, 1929, I bought for cash twelve hundred (1200) additional shares of BancoKentucky Company stock for Thirty thousand ($30,000.00) dollars.

Both my wife and myself invested in the new Banco-Kentucky Company more than two and one-half times as much as the value shown by our books of the National Bank of Kentucky stock, which each of us transferred to the BancoKentucky Company.

These final transactions took place in October, 1929, and I had no knowledge at the time when I exchanged stock and purchased stock for my wife and myself that there was any question as to the solvency of the National Bank of Kentucky. I had always felt that the Bank was exceptionally strong and I certainly would not have purchased the considerable amount of stock which the both of us acquired unless I thoroughly believed that the Bank was solvent.

In exchanging National Bank of Kentucky stock in the BancoKentucky Company I had no idea of attempting to avoid any so-called double liability on the stock of the National Bank of Kentucky. In the first place, as stated, I never considered that there was ever any question of the Bank's solvency. In the second place, I had followed in a general way the facts of the organization of the Banco-Kentucky Company and knew that it was to have a far larger capital than the Bank and that there were large cash subscriptions to its stock. In the third place, I invested far larger amounts for both my wife and myself in the BancoKentucky stock, in cash, than any possible double

liability on the National Bank of Kentucky stock, which we individually held would amount to.

I considered the BancoKentucky Company an entirely distinct, genuine and separate organization from the National Bank of Kentucky. I knew it was organized to do a very different kind of business from that permitted National Banks which was expected to be exceedingly profitable; I knew it was to have and did have stockholders not common to the Bank. While I have before me a copy of the circular of July 19, 1929, setting forth in general the plan for the organization of the BancoKentucky Company providing for a total capital and surplus of Fifty million ($50,000,000.00) Dollars, and while my attention has been directed particularly to the use of the word "Reorganization" in that circular I do not consider that the formation of this company was in any particular a reorganization of the Bank in spite of the use of the term "Reorganization." The far greater capital, the powers granted to the Company by charter for operations far more extensive in many particulars than the powers of the National Banks under United States Banking Laws, permitted a much wider scope of activity than it is possible for banks themselves to undertake, it clearly indicates the object of organizing a Company to do a kind of business other than strictly banking.

Furthermore, my experience in business brought to my attention and knowledge the many opportunities, that such a Company as the BancoKentucky would have for the use of its capital for making money far in excess of the opportunities of any National Bank, and yet the ownership of large and powerful banks by that Company should bring to it, through its banking subsidiary many opportunities for profitable business.

I recognize that under the United States Banking Laws the opportunities of National Banks to engage in profitable

transactions were in many instances curtailed, as for instance the limitations set to the opportunity for branch banking both under Federal laws and in connection with various and sundry State Laws which narrowed the scope in some degree of National Bank activities. I knew that this limitation on branch banking was being overcome to a certain extent through the adoption of what is known as group banking or the outright purchase of stock in other corporations. In this manner the activities of banks both State and National in various localities were brought under a general direction of the larger corporation unit and served as a feeding-ground for that corporation's activities.

The profit opportunities of group banking through the purchase of stock of banks in separated localities by a large company had impressed me as I watched the activities of somewhat similar companies in other communities that had taken place within the previous year or two, such as the Marine Midland Company, Trans-America and others indicating that the financial communities considered the general activity of an organization, such as the Banco-Kentucky Company, a valuable financial development.

My purchase for my wife and myself of BancoKentucky stock anteceded by nearly a year the closing of the National Bank of Kentucky. During that period I was unaware of any difficulties facing the National Bank of Kentucky. I considered it a sound bank even up to the day of closing. I did not withdraw deposits from the several accounts in which I was interested and for which I was in a measure largely responsible.

The deposit account of my wife, which I entirely controlled, was on July 21, 1929, $27,317.25, and on the closing of the Bank in November, 1930, was $29,573.38.

The Coal Companies in which I am largely interested which kept deposits in checking accounts in the National Bank of Kentucky are:

The Pioneer Coal Company deposit account of which on November 1, 1930, was $11,211.66, and on November 17, 1930, was $22,707.14.

The North Jellico Coal Company deposit account of which on November 1, 1930, was $1,322.78, and on November 17, 1930, was $1,388.40.

The Jellico Coal Company deposit account of which on November 1, 1930, was $637.83, and on November 17, 1930, was $637.83.

I cite these figures of the several accounts in which I was interested in the National Bank of Kentucky because although the time of my purchase of stock in the Banco-Kentucky was in early October, 1929, and the disastrous break in the Stock Market in New York occurring from the middle to late October, 1929, following almost immediately after my purchase and developed into a business depression which brought difficulties to many of the corporate interests of the United States, I felt confident even up to the time that the Bank was closed that the National Bank of Kentucky was strong and able to weather the storm. No thought of a stockholders' liability assessment upon the stock of the National Bank of Kentucky ever entered my head. No transfer was made to avoid such a liability nor did I reduce the deposits of the accounts under my control, deposits where any difficulty in the Bank would be first felt and where protection against loss could be most easily effected.

And further affiant sayeth not.

(Signed) FREDERIC M. SACKETT.

COUNTY OF PALM BEACH }
STATE OF FLORIDA } ss.

Before me, Hazel S. Gorham, a notary public in and for said County and State personally appeared FREDERIC M. SACKETT and being first duly sworn stated that the

facts set forth in the foregoing affidavit were true to the best of his knowledge and belief.

Subscribed and sworn to before me this 20th day of January, 1939.

(Signed) HAZEL S. GORHAM,
Notary Public.

(SEAL)

Notary Public, State of Florida at Large. My commission expires Nov. 22, 1942.

It is further understood and agreed that the plaintiff objects to the incompetency and immateriality and relevancy of the testimony given by said affidavit to the extent as if the witness were on the witness stand, and particularly to each and every paragraph thereof, which objections are overruled.

It is stipulated by and between the plaintiff and the defendant that the following witnesses, if called to the witness stand on their own behalf, would testify as follows:—

E. J. O'Brien was and is in the leaf tobacco business, and was and is a partner of E. J. O'Brien and Company, which is one of the largest leaf tobacco specialists in the country; that he was at all times shown by the Minute Book a Director of the National Bank of Kentucky, and was a Director of the Louisville Trust Company from the unification of its stock interest with the National Bank of Kentucky, to January, 1930, and was a director of the BancoKentucky Company from the time of its organization until the receivership thereof; that his stock holdings are listed on the attached "Plaintiff's Exhibit 190," together with the time, manner and cost of acquisition thereof.

It is agreed that as a witness in his own behalf, his testimony on direct and cross-examination would be substantially similar to the testimony heretofore given in this trial by William S. Speed; that the same objections would

be made; and it is assumed that the same rulings would be entered thereon; it is stipulated that he agreed to the letter of July 19, 1929, and signed counterparts of both the top and bottom of Plaintiff's Exhibit 24-4.

It is stipulated and agreed between the plaintiff and the defendants that E. Weinstock was in the wholesale hat business and was a Director in the Louisville National Bank & Trust Company, the Louisville Trust Company, and the BancoKentucky Company, as shown by their minute books; and that his official capacity also appears in the minute books.

It is stipulated and agreed between the plaintiff and defendants that Sam H. Stone is a merchandise broker; that he was a Director of the National Bank & Trust Company, the Louisville Trust Company, and the BancoKentucky Company, as shown by the minutes of such institution.

It is stipulated and agreed by the plaintiff and defendants that Ben Metcalfe was with the old Louisville National Bank & Trust Company in 1894 in various capacities and held various offices, to that of Vice-President, and went with the Louisville Trust Company at the time of the merger, being a Director in the old Louisville National Bank & Trust Company, the Louisville Trust Company, and the BancoKentucky Company as shown by the minutes of those institutions.

It is stipulated and agreed by the plaintiff and defendant that the testimony of all three of the above witnesses, namely, Sam Stone, E. Weinstock, and Ben Metcalfe, if called as witnesses on their behalf, on both direct and cross-examination, would be substantially similar to that heretofore given by George O. Boomer and E. Leland Taylor; that the same objections would be interposed, and it is assumed that the same rulings would be entered; that

the stock holdings of each of the above named witnesses are listed on the attached exhibits as follows, together, with the time, manner and cost of acquisition, to-wit: Weinstock, Plaintiff's Exhibit No. 191; Stone, Plaintiff's Exhibit No. 192; Metcalfe, Plaintiff's Exhibit No. 193.

It is further stipulated that said three witnesses would also testify that they either agreed to or signed the letter of July 19, 1929, and counterparts of the top and bottom of Plaintiff's Exhibit 24-4.

It is stipulated and agreed by the plaintiff and defendants that Angereau Gray would state that he was with the old Louisville Trust Company from 1891 to its close, and held various offices, including that of Treasurer and Vice-President as shown by the minutes.

It is stipulated and agreed between the plaintiff and defendants that Walter I. Kohn was then President of Herman Straus & Sons Company, and is now engaged in the practice of law.

It is further stipulated and agreed that the testimony of Angereau Gray and Walter I. Kohn, if called as witnesses on their own behalf, on both direct and cross-examination, would be substantially similar to that heretofore given in this case by C. C. Hieatt; that the same objections would be interposed, and it is assumed that the rulings entered by the Court would be the same; that the stock holdings of Angereau Gray are listed on the attached Plaintiff's Exhibit No. 194, together with the time, manner and cost of acquisition thereof, and the stock holdings of Walter I. Kohn are set forth in his answer.

It is further stipulated and agreed that said witnesses Angereau Gray and Walter I. Kohn would testify that they signed the letter of July 19, 1929, and counterparts of both the top and bottom of Plaintiff's Exhibit No. 24-4.

Mr. Crawford: I want to offer the Plaintiff's Brief in the case of Laurent v. Anderson. That is the Brief of the Receiver.

Mr. Marx: I never heard of briefs, the argument of lawyers, going into the evidence.

(After argument.)

The Court: It may be marked "Tendered."

Said brief was marked for identification "Tendered" "Defendant's Exhibit No. 27."

The defendants having rested, the following proceedings were had:

J. C. Daniels,

called for Plaintiff, examined by Mr. Marx, testified as follows:

My name is J. C. Daniels. I live in Louisville. I am assistant to A. M. Anderson, Receiver of the National Bank of Kentucky. I have been an employee of the United States in connection with the liquidation of national banks for fifteen years. I have also been a Receiver in connection with the liquidation of national banks.

I went to work in the liquidation of the National Bank of Kentucky November 19, 1930, and have been continuously engaged therein, in an official capacity ever since. At that time Mr. Keyes was the Receiver. He was succeeded by Mr. Anderson.

I prepared Plf's Ex. No. 195. The first column shows the name of the borrower from the National Bank of Kentucky.

The second column shows the page of the report of May 25, 1929, dated June 15, 1929, on which the loan was mentioned or criticized by the Examiner making the examination. It refers to the pages of the National Banking Examiner's report of the Bank for that period and where the item is mentioned in the report.

I have listed in the next column, headed "On Books May 25, 1929," the amount of debts due from the corporation

or individual on the books of the National Bank of Kentucky as of May 25, 1929, as shown by the report.

The next column, headed "Previous Charge Offs" shows the amount that was charged off on that individual line previous to the date of this examination.

The next column, headed "Subsequent Charge Offs" and under that "Date" and "Amounts," is the amount of the line that was subsequently charged off before the closing of the National Bank of Kentucky.

The next column, headed "Subsequent Collections," shows the amount that was collected on the line either before the Receivership or afterwards.

The next column, headed "Subsequent Increase in Line," shows the amount the line was increased—additional borrowings after the date of this report, between that time and the closing of the Bank.

The next column shows "Balance Due," on that line on the date I made this schedule up, which was the week before last. It took me approximately a week to make it up.

The last column, headed "Loss," is my opinion of what the loss is or will be in the line eventually.

All of the figures shown here, except the last column, are from the books of the Bank. The last column also shows what the books of the Bank show in all cases where we do not, at present, hold some collateral or collectible value period, or where the actual loss has not been established by Court action.

In cases where we are holding collateral I have determined the value of that collateral. If it was marketable collateral, I used the market at that date. If it was unlisted collateral, I used my best judgment, my opinion of what it was worth. That opinion is based on eight years' experience with that collateral.

The first segregation of items "Liabilities of Corporation in which Directors Are Interested," is a classification in the Bank Examiner's report.

The listing "Slow and Doubtful Paper and Losses on Loans Listed in Examiner's Report," is the classification in the Bank Examiner's report.

The next classification, "Loans exceeding the limit prescribed by Section 200 of the Revised Statutes, and excessive balances with non-member banks under Section 19, Federal Reserve Act listed in Examiner's Reports," is the Examiners' classification.

The next item, "Real Estate loans listed in Examiner's Report," is the Bank Examiners' classification. "Other loans especially mentioned in Examiner's report closed June 15, 1929," is the Examiner's listing of those items. "Bonds, Securities, etc., listed in Examiner's reports," is the Examiner's classification. In it I have given a description of the bonds in the first column. Then, what they were held at on the books in May, 1929, and subsequently what we realized. In the last column is the loss.

The last item, "Losses on Items Criticized by John S. Wood, Chief National Bank Examiner in Examination of National Bank of Kentucky," is my own summary, not the Examiner's. That is a correct transcript from the books as to all items except the last column, where my own estimate entered into it.

Plaintiff's Exhibit 195 was received in evidence, over defendants' objection, except as to the last two columns with reference to which defendants' objection is sustained. Said last two columns offered by plaintiff as an avowal.

I prepared Ex. 196. It shows loans made on Banco-Kentucky stock. The first column shows the name of the borrower of money loaned for the purchase of Banco stock. The second column shows the amount borrowed and the third column shows payments received on those loans to January 1, 1939. The next column shows the balance due January 1, 1939. The next column, headed "Value," shows what I consider the note to be worth. That is my

appraisal of that item made in the same manner that I appraised the other items. The last column shows the loss. That is my opinion of the loss in that item.

Said Exhibit No. 196 was received in evidence over Defendants' objection, except as to the last three columns, as to which Defendants' objection was sustained.

Plaintiff offered the last three columns as an avowal.

Hugh A. White,

called for Plaintiff, examined by Mr. Marx, testified as follows:

I prepared Ex. 197. It is a comparison of the deposits, on a monthly basis, from February 11, 1927, to November 17, 1930, as shown by the records of the National Bank of Kentucky. It is of the deposits of the National Bank of Kentucky.

The first column shows the date, the second column shows the deposits other than bank deposits, and the third column shows the deposits of other banks with the National Bank of Kentucky.

The last column shows the total of columns two and three, the total deposits in the National Bank of Kentucky on the dates indicated in the first column.

Cross-Examination by Mr. Crawford

On Cross-Examination by Mr. Crawford, with respect to Plaintiff's Exhibit No. 197, Mr. White testified as follows:

I haven't checked these figures from the published statements relating to the Bank's deposits at all. These were made from the daily statement record of the Bank. I don't know whether any of the published statements are on the same date that this schedule is made or not; I didn't check that. The date is shown, February 11th, March 11th, April 11th, September 12th, December 10th. I took it as near the

11th as possible. I took them from the daily statements, which are reproduced in this volume of exhibits, originally. I didn't check daily fluctuation in deposits during the week. I just happened to take the last column from the daily statement book.

I don't know whether in the same month there would be a big difference from one week to another. I didn't check that at all. I tried to be consistent by taking the last column on each page, and that was the 10th or 11th. It was the 11th in each case if that was not a Sunday or a holiday.

Said Exhibit was received in evidence and marked for identification "Plaintiff's Exhibit No. 197," on condition that if defendants wanted to question the witness, after examination of the Exhibit, defendants may recall him for cross-examination.

I prepared Ex. 198. It is a summary showing the percentage of the total outstanding shares of stock of the BancoKentucky Company, on which dividends were paid, which were held by the same stockholders who exchanged Trustees' Participation Certificates for BancoKentucky Company stock and were stockholders on November 17, 1930. The first column shows three dates—December 31, 1929, June 30, 1930, and the date of closing, November 17, 1930. The next column is the total shares of BancoKentucky stock on the date indicated which were outstanding and on which dividends were paid. The next column shows the shares held by former Trustees' Participation Certificate holders who exchanged their Trustees' Participation Certificates for Banco stock, and who held Banco stock at the close. The last column is the computation of the percentage of the total of the outstanding stock of Banco held by those stockholders listed in column 3.

According to the exhibit, the Trustees' Participation Certificate holders who exchanged and still held on Decem-

ber 31, 1929, was 67.01 per cent. The percentage in the same classification on June 30, 1930, was 72.26 per cent. The percentage at the close was 66.68 per cent. They never, at any time, held less than, roughly, two-thirds.

That only includes stockholders who still held Banco-Kentucky Company stock, who had held Trustees' Participation Certificates. Where a Trustees' Participation Certificate holder exchanged his stock and got Banco and held it at any of these dates, December 31, 1929, or June 30, 1930, and then got rid of his stock—that was not included. That would increase it. These were only Trustees' Participation Certificate holders who held Banco and still held Banco at the close.

That percentage would be still larger if I included those Trustees' Participation Certificate holders who acquired their Banco stock by exchange of Trustees' Participation Certificates and sold their Banco stock 15 or 20 days before the close. This is the minimum.

On Cross-Examination by Mr. Crawford, with respect to Plaintiff's Exhibit No. 198, Mr. White testified as follows:

I said I did not include the ones who sold. There were quite a number of those. I don't know the number of shares. The reason I say there was quite a number of them is that in going through the signed agreements for exchange, there are quite a number of signed agreements of people who exchanged who are not now stockholders and were not stockholders at the close. I made no attempt to find out how much that was. In stating the percentage would be increased, I don't know how much. The second column includes not only the amount they transferred, but the amount they bought.

424—How much did they have to buy in order to maintain control of the banks—to have fifty per cent?

The Court: Control of BancoKentucky, you mean?

Mr. Crawford: Yes.

A.—I am sorry, I didn't get that question.

The Court: He means how many more shares would they have to buy between what they actually had and exchanged, and what was a majority of the BancoKentucky, in order to hold fifty per cent of the stock? How much would they have to purchase over what they already held by reason of having exchanged T. P. C.'s?

425—The whole pertinency is to show that the control remained the same?

A.—Yes, the control of more than two-thirds was always in the hands of these particular individuals.

426—That is the purpose of this statement, and of introducing it?

A.—I prepared the statement of facts in this case——

427 (Interrupting)—Wasn't that the purpose?

A.—I assume it was.

428—You know it was?

A.—I say I assume it was,—I don't think there is any doubt about it.

429—How much stock did these people you are speaking about in the second column have to purchase in order to maintain even a fifty per cent ratio?

A.—I don't understand how I can answer that question from this.

430—You have been over these figures and know what they are?

A.—Sure, I prepared them.

431—Now, how much is included in this second column of purchased stock?

A.—I don't know that.

432—You saw the exhibits filed by Mr. Shuck—you went over them?

A.—I saw them.

433—Did you try to make this so it would not show the amount necessary to be purchased?

A.—I don't say I tried to make it so it would not show; I didn't analyze it from that angle.

434—Do you have any figures in front of you—I don't mean in your hands right now, but have you not figures that would show that?

A.—No; I don't have those figures at all.

435—You know how many of the holders you speak of transferred, do you not?

A.—All of these——

436—Can't you take out——

Mr. Marx: Why don't you let him answer?

A.—All shareholders whose holdings are classified in the second column exchanged T. P. C.'s.

437—I understand that.

A. (Continuing)—That includes all their stock at those particular dates, regardless of where they got it.

438—It includes, in addition to the stock they transferred, the stock they bought?

A.—That is what I say.

439—Can't you separate those two items, that which they bought and that which they transferred?

A.—I don't know how I would; I don't have those figures at all.

440—How did Mr. Shuck get them?

A.—He doesn't have it for these dates; he has made an analysis going back to the stock certificates for the final date, but he does not have it for December 31, 1929—at least, he hasn't introduced it here for December 31, 1929.

441—At the formation of Banco, or any other date—you have got three dates here?

A.—I have December 31, 1929, June 20, 1930, and November 17, 1930.

442—All right, on December 31, 1929—you have got it for that date, have you not?

A.—I have the total number of shares held by those particular stockholders as of that date.

443—You understand what I am trying to do?

A.—Yes, but I don't think it can be done from this, or anything I have.

444—I don't mean from this paper, of course, it would be impossible——

A. (Interrupting)—And not from anything I have.

445—Didn't you see the same records that Mr. Shuck has?

A.—No, he has the stock certificates, the cancelled certificates, and has attempted to trace those cancelled certificates right straight through, and see where the stock that is outstanding now—where it came from, tracing it back.

The Court: Did Banco have a stock subscription record?

A.—Yes.

The Court: Is it available?

A.—That is here—pardon me, I should say the record showing payment for stock subscriptions.

The Court: That would be the same thing.

A.—Yes, the thing that was finally paid.

The Court: A person who transferred his T. P. C.'s or his interim receipts for stock in Banco, would that show on that book?

A.—No, not on that book.

The Court: Why wouldn't that book show the actual number of shares that were subscribed, independent of any exchange?

A.—It does.

The Court: Couldn't you take, then, the names from that book of those holders of T. P. C. or interim receipts and ascertain how much stock they actually subscribed for over and above that stock they acquired by exchange?

A.—That can be done.

The Court: Is that what you want?

Mr. Crawford: Yes.

The Court: On December 31, 1929——

A. (Interrupting)—You can't do it for that date.

The Court: Up to that date?

A.—No.

The Court: It shows only who subscribed for the stock.

Mr. Crawford: There is an exhibit here filed by Mr. Shuck, and tendered to them to check which shows that in order to have the amount set out in Mr. White's exhibit that they bought over $4,000,000 of that stock, which is necessary to have that control, and it was probably not fifty per cent without it.

Mr. Marx: I don't think that can be correct, because at the beginning, as I recall it, there were 570,000 shares of Bank stock exchanged for Banco stock, which makes 1,140,000 shares of Banco that went, at the outset, roughly, to the holders of bank stock, not by purchase, but by exchange, and that is more than fifty per cent—about fifty-one per cent plus of the authorized issue of 2,000,000 shares.

The Court: But they issued more.

Mr. Marx: But they didn't sell any more of that authorized increase of 3,000,000 shares. They never sold any. On the contrary, they bought up 106,000 shares in the open market of what was outstanding.

(After argument.)

The Court: Isn't this same thing in this case once?

Mr. Marx: Not by percentages.

The Court: You are objecting to this exhibit?

Mr. Crawford: I don't care.

The Court: Let it go in without objection.

Said exhibit was received in evidence and marked for identification "Plaintiff's Exhibit No. 198."

Continuation of Cross-Examination by Mr. Marx.

I have checked through the list of persons whom Mr. Wickliffe represented to ascertain whether any of them signed this deposit agreement or made subscriptions to stock. These are the original agreements to exchange Trustees' Participation Certificates for BancoKentucky stock of Mr. Wickliffe's clients. Every one of Mr. Wickliffe's clients who exchanged stocks signed the agreement to exchange. All of them who subscribed for stock signed the subscription agreement.

Said agreements were received in evidence and marked for identification "Plaintiff's Exhibit No. 199" to "Plaintiff's Exhibit No. 199-19," inclusive, and "Plaintiff's Exhibit No. 200" to "Plaintiff's Exhibit No. 200-15," inclusive.

Federal Reserve Board regulations were received in evidence and marked for identification "Plaintiff's Exhibit 201."

Clip-sheet, Exhibit No. D-58, in the Directors case, dated May 21, 1932, directed by the Court to be produced here by the Clerk from the record in Anderson v. Akers, withdrawn from that record and placed in the record in this case.

Said Exhibit marked for identification, "Plaintiff's Exhibit No. 202."

Letter from Mr. Nellis Kraft, dated April 18, 1930, to Mr. James B. Brown, received in evidence over Defendants' objection.

Said Exhibit marked for identification, "Plaintiff's Exhibit No. 203."

It was stipulated between counsel for Plaintiff and counsel for Defendants, that the stock holdings of Mr. W. S. Speed, showing the time, manner and cost of acquisition, be placed in evidence as "Plaintiff's Exhibit No. 204."

A Letter sent by Mr. Bean to Mr. Brown received in evidence, over Defendants' objection, and marked for identification, "Plaintiff's Exhibit No. 205."

Original letter from the office of the Comptroller of the Currency, signed by the Chief National Bank Examiner, to Mr. C. F. Jones, Vice-President of the National Bank of Kentucky, dated May 20, 1930, received in evidence and marked for identification "Plaintiff's Exhibit No. 206," with the understanding that, except as to Brown and Bean, the rest of the defendants would say that they did not know anything about it.

Announcement from the Cincinnati Enquirer of the acquisition of the Brighton and Pearl Market Banks, received in evidence and marked for identification "Plaintiff's Exhibit No. 207," over defendants' objection.

Sample of Louisville National Bank & Trust Company stock certificate received in evidence and marked for identification "Plaintiff's Exhibit No. 208."

Two circulars of the Chicago Stock Exchange announcing the admission of BancoKentucky Company stock to listing on that Exchange, received in evidence and marked for identification "Plaintiff's Exhibits Nos. 209 and 210."

Circular letter of Blyth and Company and printed circular, with letter sent to Mr. Jones, the Cashier of the Bank, by Blyth and Company, dated October 7, 1929, relative to this circular, ordered filed in evidence with the stipulation, that it is only competent as to those who actually saw it, and incompetent against any of the others. Said papers marked for identification, "Plaintiff's Exhibits No. 172, No. 172-a, No. 172-b," and "Plaintiff's Exhibit No. 173."

Certified copy of the findings of fact and conclusions of law in Paul H. Deeming vs. B. C. Schram, Receiver of the Guardian National Bank of Commerce of Detroit, and

Alexander J. Groesbeck, Receiver of the Guardian Detroit Union Group, Incorporated, et al., No. 6035 in Equity, in the United States District Court for the Eastern District of Michigan, Southern Division, offered by Plaintiff as an avowal, Defendants' objection thereto having been sustained.

The record in the Metropolitan Holding Company case in the Seventh Circuit Court of Appeals, offered in evidence as an avowal, Defendants' objection thereto having been sustained and marked for identification "Plaintiff's Exhibit No. 211-a."

Mr. Marx: A statement has been furnished to us by Mr. Burkholder's counsel, but this statement is not what we asked for. It was understood that Mr. Burkholder was to obtain, or his counsel was to obtain, from the First National Bank, I think it was, a transcript showing the dates of his deposits during the period in controversy as showing what times he was here and made deposits in Louisville. That has not been furnished.

Mr. Street: Mr. Burkholder was one of my clients and I was primarily responsible for what occurred there. I did not understand, in the first place, that Mr. Burkholder had to obtain a transcript of all deposits during this period of the year. My understanding was that Mr. Burkholder was to determine from records available to him when he was in Louisville beginning about May, 1929 and extending on to the close of the National Bank of Kentucky. This is Mr. Burkholder's statement of what he has been able to determine as to his whereabouts during that period. If Mr. Marx cares to offer it in the record, I would be glad for him to do so.

Mr. Marx: It is our contention that Mr. Burkholder, who stated he was away from here during the entire period covered by the organization of BancoKentucky—I think

he said he didn't even remotely suspect there was any bank connected with it—was actually here in Louisville during a large portion of that time and made deposits at his bank in his bank account during that time, and since he said he read the newspapers and kept currently advised of what was going on while he was here, that he just must have known the facts, and that he is in error in his recollection as to his absences from town, and as to his failure to remember now what he must have known if he was here.

The Court: Can it not be ascertained if he made deposits at the bank here?

Mr. Marx: Sure, I can get it here by subpoena duces tecum in probably an hour's time or less. I offered to do that a number of times, and each time these gentlemen said it was not necessary, that they would get it.

Mr. Street: If Your Honor will remember, Mr. Burkholder was permitted to testify before the case was closed for the plaintiff because he was going to California. He hurriedly made a search of his records and from that I made up the statement I have here. I might say for Judge Marx' benefit that his bank account during the period—I suppose during August and September that he is worried about—shows that there were transactions in that bank account, but Mr. Burkholder says that does not show he was in Louisville, because checks may have been drawn from elsewhere and deposits made for his benefit; that when he was away from Louisville other people handled transactions for him on that account. If Judge Marx wants to get a transcript from the bank I have no objection, but if he does, I want to explain the fact that, according to Mr. Burkholder, that that would not necessarily show he was in Louisville at that time. This statement, so far as I can see, shows Mr. Burkholder was in Louisville—I want to explain that—I think sufficiently for Judge Marx' purposes.

He returned to Louisville the first of May, 1929 and went to West Baden. He returned to Louisville on May 10th, because of the serious illness of his father who died May 26th. During that time it was his custom to take a trip to Wyoming each Summer with friends, lasting from about August 1st to September. He finds he purchased $300.00 of traveler's checks in July, but is uncertain whether he took the trip in 1929. He does know he was in Louisville from September, 1929 to March, 1930, and in March, 1930 returned to California and was there the rest of that year.

Mr. Marx: Mr. Burkholder testified that if his bank account showed he made deposits, that he was here, and that that would refresh his recollection. I concede a man may have drawn a check at West Baden and it would go through his bank account, but what I want are the deposits. It seems to us unthinkable that he would not know what everybody in the City of Louisville knew. Counsel has stated that during that period deposits were made——

Mr. Street: I think I said both withdrawals and deposits, during that period of time.

The Court: That is all you want. If he testified he made them himself, he had to be here.

Mr. Marx: During the period covered by the organization of Banco.

The Court: That is right.

Mr. Street: Your Honor, please, according to this Mr. Burkholder was in Louisville from May 10th, certainly until the first of August, and he knew he was in Louisville from September 1929, to March 1930. That leaves a period not definitely accounted for from the first of August, 1929, until about the middle of September, 1929. According to Mr. Burkholder this bank account shows both deposits and withdrawals during that period of time, but that does not definitely establish, in his mind, that he was in Louisville during that period of time.

The Court: That is all you could possibly get from it, if he says he cannot state positively that he made those deposits himself. That would be all you could possibly get and that is all the bank's records would show.

The Court: Anything further?

Mr. Marx: I don't think so, except I am a little bit uncertain as to the language of the stipulation that we now have with reference to Mr. Wickliffe's clients. As far as the certificate, or what they signed, is concerned, we proved then, but now, as far as what they would testify to if called, I am not quite sure as to whether he is willing now to accept the language of the stipulation that other people have accepted, or whether he wants some separate stipulation for himself.

Mr. Wickliffe: I am perfectly willing to stipulate that they will come, so far as their evidence is concerned, under the rule that the Judge laid down.

(After argument.)

Mr. Marx: On the question of how these dividends were paid, it is agreed they were paid by dividend checks of the BancoKentucky Company, of which this is a sample.

Mr. Crawford: Paid by a check of BancoKentucky to its stockholders, of which that is a sample.

Mr. Marx: That is right. I offer this in evidence.

Said Exhibit was offered and received in evidence, marked for identification "Plaintiff's Exhibit No. 212."

This was all the evidence.

At the hearing on June 5, 1940, the following proceedings were had:

Plaintiff's motion, that the Court make and find each and all of the findings of fact and conclusions of law set forth in Findings of Fact and Conclusions of Law requested by plaintiff and filed with the Court January 5, 1940, was overruled. Plaintiff excepted separately to such

ruling with respect to each of said requested findings of fact and conclusions of law.

Plaintiff's motion, that the Court make additional and supplemental findings of fact and conclusions of law in accordance with the opinions handed down May 13, 1938, and March 23, 1940, as set forth in the motion filed June 15, 1940, overruled and plaintiff excepted.

PROCEEDINGS IN THE

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SIXTH CIRCUIT

CAUSE ARGUED AND SUBMITTED

(November 13, 1941—Before: SIMONS, ALLEN and MARTIN, JJ.)

These causes are argued by Robert S. Marx for A. M. Anderson, Receiver, by W. W. Crawford for Katherine Kirkpatrick Abbott, Administratrix, et al, and by Henry M. Johnson for Susie E. Tellman, et al, and are submitted to the court.

JUDGMENT

(Entered May 4, 1942)

Appeal from the District Court of the United States for the Western District of Kentucky.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Western District of Kentucky, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

OPINION

(Filed May 4, 1942)

Before SIMONS, ALLEN and MARTIN, Circuit Judges.

MARTIN, Circuit Judge. This court must again travel the tangled trail of ramifications resultant from the failure of the National Bank of Kentucky.

In an action brought by the receiver of that institution, double liability assessment under 38 Stat. 273, 12 U. S. C. A., 64, was upheld against the receiver of BancoKentucky Company, a Delaware corporation, as the real and beneficial owner of the national bank stock by virtue of its position as holder of participation certificates issued by trustees, who, for the benefit of BancoKentucky Company, held the bare legal title to a vast majority of the shares of the assessed capital stock of the National Bank of Kentucky. *Laurent* v. *Anderson*, 70 F. (2d) 819.

Only $90,745.17 of the judgment for $3,771,464.22 entered in that case was satisfied. In the present action, the receiver of the National Bank of Kentucky seeks to recover from the stockholders of BancoKentucky Company, on the basis of their proportionate stockholdings, the difference, with interest, between the amount of the judgment awarded the national bank receiver against the BancoKentucky Company and the amount collected by him.

After receiving and considering voluminous evidence, which in the printed record on this appeal comprises 212 exhibits contained in five volumes and 913 pages of testimony, a part of which is in condensed form, the district court dismissed the instant action brought by the receiver. The grounds of dismissal appear in the trial court's opinion (32 F. Supp. 328) and in its findings of fact and conclusions of law.

On appeal, the national bank receiver renews his contention that the stockholders of the BancoKentucky Company are shareholders of the National Bank of Kentucky, within the meaning of the federal assessment statutes. He states the essence of his case to be that owners of national bank stock cannot organize a com-

mercial corporation to hold their bank stock, channel the dividends on the bank stock to themselves through the holding company, and then interpose the corporate entity as a shield against the assessment liability imposed upon "the actual owners of the capital of a national bank, that is, those who have their money invested therein."

The rejoinder of the appellees is that BancoKentucky Company was an independent corporation and real owner of the doubly-assessed stock of the National Bank of Kentucky, and has been held liable in such capacity; and that the stockholders of BancoKentucky Company were not shareholders of the National Bank of Kentucky within the meaning of the federal stock assessment statutes.

No useful purpose would be served by repetition of the historical background of this case. On the contrary, it would seem more appropriate not to repeat descriptive narrative which can be found in numerous reported cases in this circuit.

The merger and unification of control and management of the National Bank of Kentucky and the Louisville Trust Company through the issuance of trustees' participation certificates, the terms and conditions upon which the certificates were issued, the organization of BancoKentucky Company and the underlying purposes thereof, and the acquisition by Banco of the trustees' participation certificates have been described and discussed, not only in the published opinion of the court below (32 F. Supp. 328) and in *Laurent* v. *Anderson, supra,* but also in *Anderson* v. *Akers,* 7 F. Supp. 924, 947, et seq. (D. C. Ky.); and, on appeal therefrom, in *Atherton* v. *Anderson,* 86 F. (2d) 518, 534, et seq. (C. C. A. 6).

Moreover, in litigation instituted by the receiver of the national bank against its officers and directors to impose liability upon them for the bank's losses, this court, in *Atherton* v. *Anderson, supra,* and in *Atherton* v. *Anderson,* 99 F. (2d) 883, has described and discussed in detail the operations of the National Bank of Kentucky and the BancoKentucky Company and the transactions which

led to the failure of the national bank, and the subsequent collapse of the BancoKentucky Company. Pertinent factual statement will also be found in the opinion of the Court of Appeals of Kentucky in *BancoKentucky's Receiver* v. *Louisville Trust Co.'s Receiver*, 263 Ky. 155, which was a successful action to recover statutory double liability, assessed under the laws of Kentucky, against BancoKentucky Company as the beneficial owner of shares of the capital stock of the Louisville Trust Company.

Without undue repetition of what we have said in *Laurent* v. *Anderson*, *supra*, and the two *Atherton* v. *Anderson* cases, *supra*, we shall limit discussion of the facts to salient points which appear to direct the way to correct decision.

In the consummation of the plan of unification of the National Bank of Kentucky and the Louisville Trust Company, it was carefully provided that the six trustees holding legal title to the stocks of the two banking institutions should not be personally liable as shareholders, but that each owner of a trustees' participation certificate should be subject to the same liability thereon as if he were owner of record of the proportionate number of bank stock shares held in trust for him. Insofar as attaching liability for double assessment was concerned, the trustees' certificates were the equivalent of bank stock; and holders of such certificates were the real beneficial shareholders of the National Bank of Kentucky.

But, in the certificate of incorporation issued by the state of Delaware to BancoKentucky Company, it was distinctly provided that the private property of the stockholders should not be subject to the payment of corporate debts to any extent whatever, and the shares of that company were described in each stock certificate as "full paid and non-assessable." In the prospectus of the BancoKentucky Company, dated July 19, 1929, mailed to the holders of trustees' participation certificates, it was stated that the new corporation could exercise many profitable and important functions which neither a bank nor a trust company is authorized to exercise,

and could take advantage of many sound and profitable financial opportunities frequently presented in the course of business of the two banks but not available to them because of the restrictions upon their power and activities.

It was further pointed out in the prospectus that the broad charter powers of the new corporation would include the right to acquire stocks, bonds, securities, and evidence of indebtedness of other corporations; the power to underwrite securities, to participate in syndicate management and to charge fees and commissions for services in the reorganization or refinancing of other corporations; and the power to issue bonds, to guarantee the obligations of others, and to become surety, guarantor and endorser thereof.

The unification of the National Bank of Kentucky and the Louisville Trust Company was consummated under the trustees' participation certificate plan by an agreement dated April 22, 1927. A week later, market quotations of the National Bank of Kentucky shares of par value of $100 each were $470 bid and $485 asked. Quarterly dividends of four percent were paid regularly on the national bank stock up to the time of the incorporation of the BancoKentucky Company on July 16, 1929; indeed, were so paid up to the closing of the national bank [redacted] November 17, 1930. None of these dividends was criticised by the Comptroller of the Currency in his letters to the bank, or in the reports of the examiner. On June 14, 1929, a month before BancoKentucky Company was incorporated, the official reports of the National Bank of Kentucky to the Comptroller of the Currency showed a capital of $4,000,000, a surplus of $2,000,000, and substantial undivided profits.

No probability of double liability assessment appeared at the time the holders of trustees' participation certificates exchanged the same for shares of BancoKentucky Company. At the time BancoKentucky Company was organized, its directors, who owned 76,115 trustees' participation certificates carrying a maximum statutory assessment liability of $761,150, exchanged their participation certificates for 152,230 shares of BancoKentucky

stock. They subscribed for an additional 47,188 shares of Banco, for which they paid $1,179,750 in cash. Moreover, of the 2,225 holders of trustees' participation certificates prior to the organization of Banco, 646 of them purchased for $4,471,950 cash 178,878 shares of Banco Kentucky stock at $25 per share. This investment in Banco was in addition to their exchange of trustees' participation certificates for stock in Banco. At the time, the trustees' certificates had a market value of "46 bid and 48 asked."

A survey of all the evidence in the case impels the conclusion that the BancoKentucky Company was organized for the purposes declared in its prospectus, and not for the purpose of affording escape by holders of trustees' participation certificates from double liability assessment on bank stock.

Immediately after the closing date for deposit and subscription to BancoKentucky stock, pursuant to the terms of the prospectus, the board of directors, in view of the almost unanimous exchange of trustees' participation certificates for BancoKentucky stock, adopted plans to amend the charter of the latter, so as to increase its capital from two million shares to five million shares; and, in January, 1930, the charter was so amended. Contracts with brokers were authorized for the sale of its shares to the public. On July 1, 1930, Banco stock was held by 6,000 stockholders.

The BancoKentucky Company collected on call and from subscribers to its stock $25 per share for 394,786 shares, or $9,869,650 in cash—a wholesome asset. More than half of this amount was furnished by investors who were not holders of trustees' participation certificates.

An excess of $3,000,000 of the cash realized by Banco from sales of its shares was not invested in bank stocks; but on November 17, 1930, the aggregate par value of bank stocks owned by BancoKentucky Company had reached $7,770,780. The BancoKentucky Company acquired, during the period between September 25, 1929, and November 22, 1930, either by cash payment or by

exchange of its stock, or by both, controlling stock interests in Pearl-Market Bank and Trust Co., Cincinnati, Ohio; Brighton Bank and Trust Co., Cincinnati, Ohio; Central Savings Bank and Trust Company, Covington, Kentucky; Peoples-Liberty Bank and Trust Co., Covington, Kentucky; First National Bank of Paducah, Kentucky; Ashland National Bank, Ashland, Kentucky; Security Bank of Louisville, Kentucky; and the Mechanics Trust and Savings Bank, Paducah, Kentucky.

But it acquired, also, 625 shares of Union Central Life Insurance Company stock; a $2,000,000 note of James B. Brown, President of the National Bank of Kentucky; a $588,000 note of Murray Rubber Company of Trenton, N. J., a $20,000 participation in a note of Louis C. Humphrey; and contracted, on May 28, 1930, for the purchase of 10,000 shares of Caldwell and Company, an expansive investment corporation, in a trade which was not fully consummated.

The deal between Banco and Caldwell and Company was much publicized; and, following the failure of the latter on November 5, 1930, some twelve million dollars was withdrawn from the National Bank of Kentucky by its depositors. The national bank went into the hands of a receiver on November 17, 1930; and, on November 24, 1930, a petition for receivership was filed in a Kentucky state court against the BancoKentucky Company and thereafter a receiver was appointed. On February 20, 1931, the Comptroller of the Currency assessed the stockholders of the National Bank of Kentucky on the full par value of its capital stock of $4,000,000; and, on March 20, 1931, the receiver of the national bank notified the stockholders of BancoKentucky Company that it was his intention to proceed against them for the collection of the assessment liability represented by trustees' participation certificates held by the BancoKentucky Company to the extent that he should be unable to collect such assessment from the BancoKentucky Company or its receiver.

A few days later, the receiver of the National Bank of Kentucky filed suit in the United States District Court

for the Western District of Kentucky for recovery of more than $14,000,000 from the bank's directors, on the predicate of their alleged violation of federal statutes and their alleged common law negligence. That civil action has been finally determined by this court in the two *Atherton* v. *Anderson,* cases, *supra.*

As has been stated, final judgment has been rendered against the receiver of BancoKentucky Company as the real and beneficial owner of the stock of the National Bank of Kentucky involved herein. *Laurent* v. *Anderson, supra.* We are now asked to take the advanced, if not inconsistent, position that the stockholders of the Banco-Kentucky Company, also, are liable as shareholders of the National Bank of Kentucky, "within the meaning of the federal stock assessment statutes."

The appellant receiver contends that the BancoKentucky Company was intended primarily and functioned exclusively as a holding company for bank stocks, was publicly known as such, and was created to "hold and control banks in the Ohio Valley"; that the stockholders of the national bank were solicited to exchange their bank stock, held in the form of trustees' participation certificates, for stock of the holding company to enable the bank to reorganize and to expand by acquiring a chain of banks; that, throughout the existence of the holding company, substantially all of its income was received from bank-stock dividends, which were channeled to its shareholders; that the dividends received by the national bank stockholders who exchanged their trustees' certificates for shares in Banco were the same in amount as had been received by them prior to the exchange; and that the BancoKentucky Company was "run by and for the bank and bank shareholders."

Appellant points to evidence that the BancoKentucky Company paid no salary or fees to its officers, directors, or employees; maintained no separate offices, and incurred no office expenses; that Banco kept only three books—a journal ledger, a cash and journal book, and a stock securities record, all of which were kept by the cashier of the National Bank of Kentucky. He insists

that although the national bank and the holding company were separate corporate entities, their officers and directors interlocked—not entirely, however; and that 94.73 percent of the stockholders of the national bank became stockholders of the holding company. The receiver introduced the evidence of a Certified Public Accountant that, from October 1, 1929, to November 22, 1930, the total income of the BancoKentucky Company was $1,307,662.29 and its total expense $97,413.24, leaving net income in the amount of $1,210,249.05; that dividends were distributed to its stockholders in the amount of $1,253,513, which was $43,263.95 in excess of its net income; and that the money to pay this deficit came from the National Bank of Kentucky and was met by an overdraft on that bank in the sum of $81,537.15.

Appellant asserts in his brief that the only assets of BancoKentucky Company, other than bank stocks, "were the few shares of life insurance company stock, the note of its president and the worthless assets taken over from the bank just preceding its collapse at the insistence of the National Bank Examiner."

Appellant insists that in dismissing the bill of complaint the district court failed to follow *Barbour* v. *Thomas*, 86 F. (2d) 510, 516 (C. C. A. 6), wherein recognition was accorded the principle that "the actual owners of the capital of a national bank, that is, those who have their money invested therein, are 'shareholders' and liable to assessment."

In the case cited, it appears that the Detroit Bankers Company had been organized as a holding company to acquire the stock of five Detroit banks, including the First National. Stockholders of the respective banks exchanged their bank stock for stock in the holding company. None of the stock of the holding company was sold to the public or issued to any persons other than stockholders of the constituent banks, or their assignees.

The only assets of the holding company upon its organization were the bank stocks transferred to it by constituent units, in exchange for its stock, and $1,200 received from 120 "trustee shares" of no par value,

issued to 12 persons composing a committee which served as agent and attorney for all stockholders who transferred their stock. Such trustee shares were non-participating in dividends, assets, or subscription rights, but were vested with exclusive voting power in the election of directors until the specified date at which they were to be redeemed at cost price, and retired and cancelled. The expenses of the holding company were met by a levy of "service charges" on its various units.

The opinion pointed out that inasmuch as the holding company possessed no substantial assets, except the stock of its component banks, cerditors and depositors of the latter were afforded no real protection, either under the federal statute imposing double liability upon shareholders in a national bank, or under a similar statute of Michigan applicable to state banks.

Moreover, by express agreement, the stockholders of the holding company assumed its statutory liability as record holder of the bank stocks and agreed that such liability might "be enforced in the same manner and to the same extent as statutory liability may now or hereafter be enforceable against stockholders of banks or trust companies under the laws under which said banks or trust companies are organized to operate." This provision was printed on the reverse side of the holding company's stock certificate, leading to the court's comment that "there was no hardship on new stockholders or transferees because all were warned by the provision in the certificate." It was observed that the super-added liability imposed by the stockholders upon themselves constituted additional evidence that they regarded themselves as the true and real owners of the bank stocks, and that creditors and depositors should have "that real protection which the law demanded rather than an irresponsible promise; and that this vitally important matter should not be subject to any doubtful interpretation." The point, while deemed worthy of evaluation, was not considered controlling, however, for Judge Hicks said: "But, all this to one side, we are applying a federal statute in a suit by the receiver of a national

bank to enforce the personal liability of its real shareholders for the benefits of its creditors and depositors."

The stockholders of the holding company were held to double liability assessment on the shares of stock of the First National Bank.

It would seem that the facts of *Barbour* v. *Thomas, supra,* are pointedly differentiable from those in the case at bar.

In the former case, the holding company sold no stock to the general public; it was capitalized exclusively by the exchange of its own shares for those of state and national banks, and only bank stocks were acquired; its stockholders expressly assumed double liability assessment on the bank stocks held by it; and the corporation operated strictly within the scope of a typical holding company organized for the acquisition of bank stocks in one community.

In the case at bar, a large portion of its stock was sold by the BancoKentucky Company to the general public, for cash; the company accumulated a cash capitalization of several million dollars, in addition to stocks acquired by exchange of shares; its stockholders expressly assumed no liability for assessment on shares of stock which it owned, its charter provision being that "the private property of stockholders shall not be subject to the payment of corporate debts to any extent whatever"; in addition to its investment in bank stocks, the BancoKentucky Company purchased stock in an insurance company, the heavy obligation of a commercial corporation, the large note of one individual, and the smaller note of another; and an agreement was reached but not consummated to acquire large stockholdings in a non-banking corporation.

In sum total, the BancoKentucky Company conducted operations broader in scope, both territorially and in corporate financing, than did the holding company involved in *Barbour* v. *Thomas.*

In the opinion in *Atherton* v. *Anderson,* 86 F. (2d) 518, 536, 537, which was filed on the same date upon which the decision in *Barbour* v. *Thomas, supra,* was

announced, Judge Simons, in reviewing a record which had been incorporated as a part of the record in the instant case, said:

> "But Banco was not a mere holding company for the bank's [National Bank of Kentucky's] stock. It was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegitimate nor unlawful. It had its own capital with cash resources at one period almost twice the entire capital and surplus of the bank. While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and it was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See *Laurent v. Anderson, supra.* Its separate corporate existence was recognized by the very receiver on whose behalf we are now asked to ignore it. . . .
>
> "The BancoKentucky Company was certainly not a sham, for nearly $10,000,000 of actual cash paid for its stock attest its reality, and there is nothing in the record to point to it as an instrumentality of the bank. Nor was it organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the bank."

The additional evidence adduced in the case at bar, though on a different issue, presents no discernible reason for change in the court's previously expressed concept of the character of the BancoKentucky Company.

From our study of the record in this case, we are in accord with the conclusions of the district court that the

BancoKentucky Company was not a mere holding company, a sham corporation, or an empty shell; but was a very real and live corporate entity, actively acquiring capital assets; that the corporation was organized for the purposes set out in its prospectus of July 19, 1929, and for no other; that it was conceived in no planned avoidance of double liability assessment upon stock of the National Bank of Kentucky; that the BancoKentucky Company was the true, legal and beneficial owner of the national bank stock; and that its stockholders were not stockholders of the national bank within the meaning of the federal assessment statutes. (38 Stat. 273; 12 U. S. C. A. 64.)

Careful consideration has been given to cases from other jurisdictions which have been cited by the appellant. In none of these decisions has a court traveled the distance which this court is invited to go to hold stockholders in a corporation liable for statutory assessment upon stock held by the corporation in a state or national bank.

In *Nettles* v. *Rhett*, 94 F. (2d) 42 (C. C. A. 4), the holding company owned no other assets than bank stock, confining its investment to the shares of banks which were being merged into a chain. It appears from the opinion that when the merger was completed the holding company "owned solely the 74,000 shares of the Peoples State Bank stock, which are the subject of this suit, and continued to hold them until the bank closed." The stockholders of the holding company, which was a record stockholder of a single bank, were properly held liable for assessment under a statute of South Carolina providing for double liability assessment upon the stock of insolvent state banks.

Metropolitan Holding Company v. *Snyder*, 79 F. (2d) 263 (C. C. A. 8), is a far cry from the instant case. There, when a national bank was in shaky condition, its directors organized a holding company to purchase stock in the bank from a stockholder who was unable to make a voluntary contribution under a scheme whereby the bank stock would be re-sold at a profit which was to be

paid to the bank to restore its impaired capital. In these circumstances, the holding company was found to be a mere agency and its individual stockholders were held to be beneficial owners of the bank stock, and liable to assessment as such.

Corker v. *Soper*, 53 F. (2d) 190 (C. C. A. 5), is even more remote to the situation confronted here. A national bank president organized a corporation, as his mere agent, to hold shares of stock in the bank. In holding him to double liability assessment when the bank failed, the court said that "the law will look through the subterfuge of pretended ownership to fasten liability upon the shareholder to whom, in fact, the shares belong."

In our judgment, *Fors* v. *Farrell*, 271 Mich. 358, is no more cogent in support of appellant's contention than was our decision in *Barbour* v. *Thomas, supra.* The court said (op. 375): "It all comes to this: That neither an individual nor a corporation can through a trust arrangement or by other indirect means or circumlocution possess as an owner and enjoy the beneficial interest in bank stock without assuming the contingent liability of a stockholder's assessment imposed by law. To hold otherwise would be to nullify the protection given the bank creditors by the statute imposing double liability."

In a later opinion, *Burrows* v. *Emery*, 285 Mich. 86, the Supreme Court of Michigan said, with respect to its earlier language just quoted, that "this rule is not meant to lend aid to an effort to attack a bona fide corporate entity and hold shareholders of that corporation liable for a bank assessment levied upon bank stock which the corporation owns." *Barbour* v. *Thomas, supra,* was distinguished upon reasoning similar to our own. The Michigan court held that the stockholders of a "Securities Corporation" holding stock in a national bank were not liable for double assessment thereon, where such stockholders had assumed no liability for the assessment, and the holding company "dealt in a wide variety of stocks and bonds pursuant to the terms of its creation," and where "the history of the corporation persuades one to believe that it enjoyed a bona fide

existence free from fraudulent intent to evade liability." Judge McAllister, now a member of this court, concurred in the opinion.

BancoKentucky's Receiver v. *Louisville Trust Co.'s Receiver*, 263 Ky. 155, was an action brought under Kentucky assessment statutes by the receiver of the Louisville Trust Company to recover judgment against BancoKentucky Company for its statutory double liability as a stockholder of the trust company. The Court of Appeals of Kentucky followed *Laurent* v. *Anderson*, *supra*, and held the BancoKentucky Company liable for the assessment as the real and beneficial stockholder under the Kentucky statute. There is no intimation in the opinion that the highest Kentucky court would carry statutory assessment liability beyond BancoKentucky Company to embrace individual liability of its stockholders.

Certain expressions in *Laurent* v. *Anderson*, *supra* (823, 824), have direct bearing here and are therefore reiterated: "The stockholder's double liability is not contractual, but is imposed by statute as an incident of ownership. . . . To determine liability under Sec. 64, the courts must disregard the forms of transactions and ascertain who is the real and beneficial holder of the stock. It has long been settled that the real and beneficial holder of bank stock is primarily liable for the double liability. . . . The evidence establishes that Banco was in every sense the true and beneficial owner of the national bank stock involved; the trustees holding only the bare legal title to the stock. . . . The petition and especially the evidence sustain recovery against Banco as the real and beneficial owner under Sec. 64 of the National Banking Act."

The BancoKentucky Company was a legal entity, separate and distinct from its shareholders. The record reveals no underlying purpose of those who organized it or invested in its shares to afford asylum to stockholders of a national bank, seeking escape from the rigidity of individual liability for double assessment. Banco was not a mere sham corporation, nor was it exclusively

a holding company. It existed vitally as an independent corporation and not as a mere conduit for the flow of national bank-stock dividends to individuals. The corporation has been held liable as the real and beneficial owner of a large majority of the capital stock of a defunct national bank.

In our judgment, the reach of double liability assessment within the true meaning of the National Banking Act does not extend beyond the BancoKentucky Company to its stockholders.

The judgment of the district court is affirmed.

UNITED STATES CIRCUIT COURT OF APPEALS

SIXTH CIRCUIT

Nos. 8852, 8853

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

Appellant,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Appellees.

PETITION FOR REHEARING

Now comes A. M. Anderson, Receiver of the National Bank of Kentucky, appellant herein, by counsel, and respectfully petitions and moves the Court to grant a rehearing in the above entitled cause in which an opinion was filed May 4, 1942, affirming the judgment and decree of the United States District Court for the Western District of Kentucky, and in support of his petition respectfully submits:

1. The opinion of the court does not touch upon the liability of a large group of defendants who originally held National Bank stock and acquired their Banco stock

by merely exchanging bank stocks (T.P.Cs.) for holding company stock in a non-taxable reorganization of their bank stock holdings and not by sale or other "out and out" transfer.

When the bank closed a majority of the holding company stock was held by original bank shareholders who merely exchanged bank stock (in form of T.P.Cs.) for holding company stock. The holders of the bank stock in the form of T. P. Cs. specifically **contracted liability to assessment by a provision incorporated in each of their certificates.**

> "Article IX, (3). *Each owner of a Trustees' Participation Certificate* issued hereunder shall be subject to the *same liability* thereon as he would have been subject to in case he had been the owner of record of such proportionate part of the shares held by the Trustees in any corporation *as the number of shares called for by his Trustees' Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Certificates; . . . The measure of liability assumed hereunder shall be the same as that provided by law with reference to the holders of stock in any particular corporation in which the trustees may hold stock as is provided by law with reference to the holders of such stock, and no more.*"*

Almost coincident with the organization of Banco and the announcement of the bank's "Plan of Reorganization" through the holding company (and as an incident thereto), these participation certificates were split ten for one. *The new $10.00 par certificates again contained the contractual assumption of assessment liability and by accepting them the shareholders again reaffirmed their contract and again recognized themselves as the real owners of the bank stock.*

Although the few shareholders who still held T.P.Cs. when the National Bank of Kentucky failed resisted payment of the assessment just as vigorously as the defendants here, they were held liable. In *Laurent* v. *Anderson*, 70 F. 2d 819, the court said: "Had it been necessary to

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* Italics and bold face emphasis throughout this brief are ours, unless the contrary be shown.

recover upon the provision of the contract assuming liability, the decisions of this court would permit such recovery." This language was approved by the Kentucky Court of Appeals in *Banco's Receiver* v. *Trust Co.'s Receiver*, 263 Ky. 155, 92 S. W. 2d 19, 22. This court recognized a similar contractual liability on the part of the shareholders of Detroit Bankers Company in *Barbour* v. *Thomas*.

The only transfer of bank stock which releases the shareholder from liability is an "out and out" transfer whereby the shareholder completely severs his stock interest in the bank and completely divests himself of his opportunity of having a voice in its control or the receipt of any of its earnings. In *National Bank* v. *Case*, 99 U. S. 628, the Supreme Court said:

> **"It is not every transfer which releases a stockholder from his responsibility as such." Liability continues if the "privileges and possible benefits of ownership continue."**

The bank's "Plan of Reorganization" proposed to the bank shareholders (T.P.Cs.) that they merely exchange their T.P.Cs. for holding company stock, on the basis of two holding company shares for each $10.00 T.P.C. or twenty holding company shares for each $100.00 T.P.C. This exchange was not a sale but a mere reorganization in so far as this group of original bank shareholders was concerned. The bank stock was to be the principal asset of the holding company and the latter was to be managed and controlled by the bank's officers and directors. The promoters of the holding company designed the plan to trade two shares of holding company stock for one T.P.C. so that it positively should be "*made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property.*"

They decided to make a "reorganization" and to merely change the *form of the investment "without in anywise impairing the structure of the setup already agreed upon."* * (Ex. 25-5, p. 1157.)

They merely reorganized the mechanics of the control. The trust arrangement was considered a sort of quasi corporation. The exchange of the bank shares (T.P.Cs.) for Banco shares was only a change in the form of the investment. The promoters were careful, *"in order to clinch our right, as far as possible, to claim for our stockholders the immunity provided for in" United States Revenue Statutes.* (Ex. 25, pp. 1145-46.)

Long after the bank closed the Louisville Trust Company in a pleading filed in court, prepared by capable attorneys, one of whom participated in the defense of this case, and verified by an officer, positively affirmed that the officers

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July 9, 1929

*Mr. James B. Brown, President
National Bank of Kentucky
Louisville, Kentucky

Dear Mr. Brown:

IN RE: THE BANCOKENTUCKY COMPANY

Supplementing my former letter to you under date of July 6th, on yesterday I had a conversation with a lawyer, representing the Income Tax Unit at Washington, in the General Counsel's Department, who shortly expects to become a member of the firm of Miller and Chevalier, my office associates in Louisville, which firm, as heretofore explained, specializes in Federal Tax cases, with offices in Washington and New York.

The gentleman gave as his opinion (without opportunity to study the history of the entire transaction) that it was highly important that every preliminary paper, resolution, etc., dealing with this Company and its organization, should clearly recite that the Company is a "reorganization," within the purview of the Revenue Act of 1928.

In other words, the issue and delivery of two shares of stock of the Company, for one Trustees' Participation Share, must be made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property.

I believe we can accomplish this result, without in anywise impairing the structure of the setup already agreed upon, by prefacing the prospectus with some general remarks, as per the enclosed draft herewith submitted for your criticism.

Yours very truly,
(Signed) ROBERT F. VAUGHN.

RFV:IS
1 Encl.

and directors of the Bank and Trust Company and the shareholders decided that it would be to the best interests of the two institutions and their stockholders to accomplish "a more complete and beneficial unification of interests and of the operations of said two institutions," through the "formation of a separate corporation" to acquire a majority of the T. P. Cs. and "that in order to carry out such purpose, the BancoKentucky Company was organized as a holding corporation. . . . **That the acquisition by the Louisville Trust Company, as Trustee under the will of Clara H. Bullitt, deceased, of said 580 shares of stock of the BancoKentucky Company was a mere change in form of securities. . . . Such acquisition represented, and was in its essence, a mere continuation and retention of the ownership of said Trustees' Participation Shares.**" (Ex. 122, pp. 1886, 1887, 1890. See also Ex. 123.)

The Revenue Act of 1928, 26 U. S. C. A. 112b(5),* exempts gains or losses on exchanges of shares, such as the exchange of T.P.Cs. for Banco stock, on a "reorganization." The exemption deals with actualities—the substance of things—not mere forms. "The underlying purpose of the exemptions in § 112 is to disregard corporate manipulations *which do not substantially affect the shareholders' interest in the properties.*" *Helvering* v. *Schoellkopf,* 100 F. 2d 415, 417. This section was designed to "prevent the taxation of purely fictitious gains." *Speedway Water Co.* v. *U. S.,* 100 F. 2d 636.

The two important elements exempting such exchanges are the "continuity of interest" and "continuity of control" of the transferror. *Comr.* v. *Kitselman,* 89 F. 2d 458; 26 U. S. C. A. § 112 (b) (5).

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* *(5) Transfer to corporation controlled by transferor.* No gain or loss shall be recognized if property is transferred to a corporation by one or more persons solely in exchange for stock or securities in such corporation, and immediately after the exchange such person or persons are in control of the corporation; but in the case of an exchange by two or more persons this paragraph shall apply only if the amount of the stock and securities received by each is substantially in proportion to his interest in the property prior to the exchange.

Had the bank shareholders terminated the continuity of their interest in and control of the National Bank of Kentucky a very substantial liability to income tax would have resulted. One of the attorneys who aided in the organization of the holding company said, "*it will be at once seen that the taxable gain would be very large* were it not possible to treat the BancoKentucky Company as a reorganization under the Revenue Act of 1928." (Ex. 25, p. 1145.) It is even possible that the trading of bank stock for Banco stock, had it been taxable, would have resulted in a liability exceeding the assessment per share here sought to be recovered.

Persons liable to assessment on bank stock who also assume such liability by express written contract are not relieved from such contractual liability by merely reorganizing the form of their investment. The trading of bank stock for holding company stock simply cannot be a "reorganization," to escape taxes, and a sale, to escape assessment.

As the court said in *Barbour* v. *Thomas:*

> "The stockholders never sold their stock. They simply exchanged it for holding company shares. *The holding company certificates represented the interests which the shareholders of each unit held or acquired* in the assets of the group. . . . The stockholders of the bank had no intention of retiring from the banking business. *They organized the holding company for the protection and promotion of their common interests because they realized that the banks acting separately were at a disadvantage in competing with the Guardian-Detroit Union group. Their primary purpose was to* centralize *the* control *and* operation of the five unit banks and from time to time acquire control of additional ones by the exchange of holding company stock for other stocks. *They were careful to provide that the holding company* should be under the exclusive control of officers and agents of the component banks at least until December 21, 1934."

The court should at least hold on rehearing that all defendants who originally owned National Bank stock and who acquired their holding company stock by a mere exchange of T.P.Cs. are liable under their express written contract.

2. The court erred in referring to the decision of *Laurent* v. *Anderson*, 70 F. 2d 819, as if it was an impediment to the claim asserted against holding company shareholders in this case. The District Court overruled defendant's contention in this respect as did the District Court for the Northern District of Illinois, Eastern Division, in *Anderson* v. *Atkinson*, 22 F. Supp. 853, and this court has affirmed the trial court's decision. Nevertheless, throughout this court's opinion appears repeated references to the *Laurent* decision and to the fact that Banco was there held to be *liable* as the real owner of stock of the National Bank of Kentucky. This court says, "We are now asked to take the advanced, if not inconsistent position, that the stockholders of BancoKentucky Company *also. are liable as shareholders of the National Bank of Kentucky,* 'within the meaning of the Federal stock assessment statutes.'"

There is no inconsistency in so holding! Banco was held liable as the record owner of T.P.Cs. which defendants say "*are admittedly Bank stock for the purpose of this case.* This case then turns on who is the owner of them—Banco or its stockholders." (Appellees' Brief, p. 40.) This Court finds "*insofar as attaching liability for double assessment was concerned, the trustees' certificates were the equivalent of bank stock.*" In each reported decision except one, and that decided by a district court in 1893 (*Yardley* v. *Wilgus*, 56 F. 965), and particularly in the bank stock holding company cases, where the question has been raised, it has been held that national bank receivers **may recover assessments both from the record owner, or one liable as a record owner, and from the real owner and particularly both from bank stock holding companies and their stockholders.**

This court did not hold in the *Laurent* case that liability *stopped* with BancoKentucky Company. *That issue was not before it.* The same answer to that contention should be made here as this court made in answer to defendants' claim in *Barbour* v. *Thomas*, 86 F. 2d 510, 517. There the holding company stockholders claimed that the decision of the Supreme Court of Michigan, in *Backus* v. *Connolly*, 268 Mich. 595, that the holding company was the real owner of the stock of the bank, was inconsistent with the receiver's claim that the holding company's stockholders were the real owners of the same bank stock. "The holding company was of course the record owner of the stock of the bank as listed with its president and cashier (U. S. C., Title 12, § 62, 12 U. S. C. A. § 62), *but the court did not hold* that an assessment under the federal statute *was not enforceable* against its stockholders as the real or actual owners of the bank's stock. That question was not in issue. . . ."

In *Ullrich* v. *Thomas*, 86 F. 2d 678, the court again said, "upon this feature it is sufficient to restate our conclusion reached in cases Nos. 7116 and 7117" (*Barbour* v. *Thomas*) "that the holding company, *as between it and the creditors and depositors of the bank*, was not the real owner of its stock."

We also call to the court's attention its emphasis in the *Ullrich* case on the importance of the fact that the appellants there "in union with other stockholders of the holding company, received dividends from it" (the bank) "through the holding company."

In this same connection, we believe the court is in error in its interpretation of the decision of the Kentucky Court of Appeals in *BancoKentucky's Receiver* v. *Louisville Trust Company's Receiver*, 263 Ky. 155, 92 S. W. 2d 19. Because the Kentucky Court of Appeals did not indicate that it would have carried assessment liability beyond BancoKentucky Company to its stockholders, this court

implies that the Kentucky decision supports the decision here. *The question of the liability of the stockholders of the holding company was not before the Kentucky court.* Its decision did not hold the BancoKentucky Company *exclusively* liable to assessment any more than the decision of the Supreme Court of Michigan in *Backus* v. *Connolly, supra.* The Kentucky Court of Appeals did attach some importance to the purpose of the Kentucky statute, positively prohibiting Banco from owning more than half of the stock of any banking corporation, to protect creditors and not to enable a bank stockholder to defeat liability. The opinion in the instant case approves a scheme the natural and foreseeable consequence of which was the nullification of the purpose of the National Bank Act to protect creditors.

The holding company was vested with legal title to the T.P.Cs. and thereby subjected itself to the liability of a record owner of National Bank of Kentucky stock, because the Register of the owners of Trust Certificates was, by the terms of the Trust Instrument, kept of record in the bank and showed Banco to be a record owner of T.P.Cs., to-wit, the bank stock. Describing it as the beneficial owner of the bank stock under the trust indenture does not negative the obvious fact that the *ultimate* beneficiaries of the same bank stock were holding company shareholders.

3. The court in its opinion includes as one of the salient points, directing the way to a correct decision, the fact that the T.P.C. holders "carefully provided" that the owner of each of them should be subject to the same liability thereon as if he were a record owner of bank stock, whereas Banco's charter and stock certificates "distinctly" (and deliberately) provided for "non-assessable" share interests. Defendants exchanged their bank stock for T.P.Cs. subsequent to April, 1927. The shareholders then willingly contracted in writing to pay any assessment liability directly and un-

equivocably. While Banco was being organized, the $100.00 par T.P.Cs. were divided into $10.00 par T.P.Cs., which again incorporated the express super-added contractual assumption of assessment liability. *The bank's deposits were then shrinking, its borrowing power was substantially exhausted, and examiners were insisting upon the removal of millions of substandard assets.* No one has yet suggested a plausible reason for Banco's promoters' pretended obliviousness to assessment liability in 1929, while they were denominating their share interests as "non-assessable" and when their bank was on the brink of disaster, when the same men were so careful to express their recognition of assessment liability in 1927. However, assessment liability does not turn on intent—on fraud—or on the condition of the bank (except as it may throw light and color on what was done). Shareholders of banks which were sound as Gibraltar up to the day of failure (whose insolvency may have been suddenly precipitated by embezzlement, forgery or catastrophe) are held liable for assessment. The test is—looking through all forms,—Is the person against whom assessment is sought the ultimate beneficiary of bank stock holding?

4. The court refers to the prospectus and Banco's charter as salient points. True, the prospectus referred to many things the new corporation "could" do that which a bank could not do. True, the prospectus pointed out the "broad charter powers" of the holding company, including its "right" to do many things. Neither the prospectus, nor the charter, gave any indication of what the holding company participants proposed that it actually do. The only certain representations in the prospectus were that the *bank* and the *trust company, and the business conducted by them, should be reorganized by adding Banco which was to be managed and operated by the directors and officers of the two banks.* The plan was expressly conditioned upon

the T.P.C. holders acquiring a majority of the holding company shares and the holding company's acquiring a majority of the T.P.Cs.

We submit the court erred in disregarding the *documentary evidence of Banco's promoters' actual purposes,* the knowledge of all defendants of those *actual* purposes, the absence of any activity on the part of the holding company *except its ownership of bank stock and the receipt and disbursement dividends thereon.*

5. Other salient facts to which the court refers in its opinion are the bank's payment of dividends until it closed November 17, 1930, defendants' claim that none of these dividends were criticized by the Comptroller, and the bank's report to the Comptroller of the Currency before Banco was organized showing a capital of four million dollars, a surplus of two million dollars, and substantial undivided profits. We submit that the only significance of the amount or frequency of dividends paid by the bank, to defendants, is that the original shareholders of the bank who exchanged for Banco still kept getting the dividends on their stock through Banco (which was their own corporate creation). The bank directors declared and paid these dividends to Banco and the same men, as directors of Banco, paid them to the defendants. Would it have made any difference in assessment liability if the Comptroller had urged an increase in the dividends? Obviously not—but the Comptroller's criticism of the management of the bank and its financial condition *from 1927 to the date of its closing could scarcely be considered approval of the way the bank was run.* Of what significance can it be that the bank's *books* showed a capital surplus in undivided profits of six million dollars just before Banco was organized. Those "books" showed about the same figures the day after it closed. The fact is that the bank was so rotten that after twelve years the assets have only paid depositors seventy cents on the dollar.

6. The court's opinion indicates that it considered the fact that the Banco-Bank directors increased their investment in the enterprise beyond the amount of their assessment liability, that T.P.C. holders likewise increased their investment by buying more holding company stock, as supporting the story of all defendants that they thought they were making a good investment in a company controlling sound banks and that there appeared no probability of an assessment when they traded their bank stock for Banco stock. Our contention is that regardless of the nearness or remoteness of an assessment, *liability* existed by statute on the part of the defendants *before* Banco was organized and that the negation of that liability was an expressed part of the bank's plan of reorganization. A person might not increase his investment in a bank with an assessment appearing probable, but bank stockholders might well be induced to increase their investments in a chain of new banks, by the thought that they could share in the voting control and profits of the enterprise, but have no liability in the event an assessment was ever levied.

The very fact that defendants say they bought holding company stock *because* they thought the bank was in good financial condition is proof that they fully appreciated their position as the beneficial owners of bank stock.

7. We respectfully submit that the court erred in concluding that Banco was organized for the purposes declared in the prospectus and "that it was conceived in no *planned* avoidance of double liability." Banco's purpose to operate and function as a bank stock holding company was not declared in its prospectus, but that purpose appeared in every other medium of reaching shareholders and the public in general. We hardly expect capable and careful lawyers, bankers and bank stockholders to publicly declare that one of the purposes of trading assessable bank stock for *non-assessable Banco* stock was the avoidance of assess-

ment liability. However, it is true that the bank stockholders changed the *form* of their investment but retained their voting control of the bank and their right to dividends from the bank and provided that the new form of stock holding should be non-assessable. It is also true that some at least of Banco's organizers considered double assessment liability and the *advantage of its avoidance.* The president of the trust company wrote the president of the bank a proposed form letter to be sent to all shareholders, answering questions about the plan which he thought they would naturally raise. Bean proposed to say, "*one of the advantages of transferring your bank stock for Banco-Kentucky Company stock is that you are relieved of the double liability.*" (Ex. 27.) Bean also wrote that he "had serious doubts about" including that statement in the suggested letter. (Ex. 27, p. 1262.) Another officer of the bank solicited the trading of T.P.Cs. for holding company stock, using as an inducement the representation that double liability did not apply to the "new stock." (Ex. 27-1; 37-3.) *The Louisville Trust Company* in a pleading filed in the Kentucky court, explained its exchange of T.P.Cs. held in a representative capacity for Banco stock as merely an exchange in the form of security with the advantage of terminating assessment liability. (Ex. 123, p. 1909.) The same trust company in another verified answer, again represented that BancoKentucky was organized as a "holding corporation" empowered to acquire and hold the shares of the stock of the bank and trust company and the stock of other banks and trust companies and corporations; that the exchange of T.P.Cs. for holding company stock did not change the former character of the investment "except that said BancoKentucky Company became the beneficial owner of the shares of bank stock and the shares of trust company stock represented by said 290 Trustees' Participation Shares *and became subject to the double liability*

attaching to both said bank stocks and said trust company's stocks." (Ex. 122, pp. 1887-8.)

8. The court's opinion notes that "immediately" after the closing date for the deposit of T.P.Cs. and subscriptions for Banco stock, the directors adopted plans to increase the company's capital from two million to five million shares and that this was accomplished in January 1930. We assume that this is in connection with defendant's contention that they were surprised at the almost unanimous exchange of T.P.Cs. for holding company stock and that they immediately sought to provide for more Banco stock which could be sold to raise the cash capital the promoters contemplated. At the time the plan was announced enough Banco was set aside for exchange for T.P.Cs. to *cover all outstanding T.P.Cs.* All of Banco stock was pre-empted for the bank shareholders. It was an essential part of the plan that Banco acquire a majority of the T.P.Cs. The bank-trust company officers and directors bent every effort to secure an unanimous exchange.

Of course, the implication in defendants' argument is that Banco's organizers actually expected to provide the holding company with substantial assets other than assessable bank stock. The increased capital was supposed to be made available for the purpose of raising such cash. That this additional cash was not raised is attributed to the stock market crash and the general lack of market for any stock. *The stock market crash was in October, 1929. Banco's capital was not increased until January, 1930, months after Banco's organizers had exhausted the possibility of selling any more of the stock.*

The real purpose of increased capital was explained by Mr. Bean. He wrote, November 4, 1929, that the holding company had enough stock in its treasury to "handle the remaining Cincinnati and Covington deals probably" (bank deals). "*If we trade for many more banks we will have to increase the capital.*" (Ex. 134-5, p. 1934.) The Chicago Stock Exchange got out a circular based, of course, upon

information secured from the holding company, advising prospective investors that the additional stock was "to be issued in connection *with the acquisition of additional banks*" to provide cash and for other corporate purposes.

9. The so-called cash subscription for Banco stock, $9,869,650.00, is characterized in the court's opinion as a "wholesome asset" and it is noted that more than half of that amount was furnished by investors who had not been holders of T.P.Cs. This might have been a wholesome asset in the sense that it might have meant some protection to the depositors of the banks in the event of assessment, **had that fund not been dedicated before it was even collected to the purchase of more assessable bank stock.** Banco promoters represented to the Chicago Stock Exchange, **"It is the intention of the management to employ its cash for acquiring additional banks"** (Ex. 74, p. 1723). The Chicago Stock Exchange issued a circular advertising that Banco was organized for "the purpose of owning a controlling interest in state and national banks. . . . The BancoKentucky Company has acquired, through an exchange of stock, nearly 100% of the shares of the National Bank of Kentucky-Louisville Trust Company, and in addition its stockholders have subscribed to 480,000 shares of its stock for cash. *This cash will be used for acquiring majority interests in other banks and for other corporate purposes.*" (Ex. 209, p. 2168.)

Bean wrote Brown before the Banco plan was publicly announced, outlining his understanding of the Banco plan. It was to be suggested to stockholders that they trade their T.P.Cs. for Banco stock and that they could then buy 575,000 shares for $14,375,000 in cash. "In connection with the idea that our present stockholders put up $14,375,000.00 in cash, this occurs to me; while the present market value of our stock at $40.00 is $23,000,000.00, this stock probably *cost* them $15,000,000.00 *so we are asking them to double their investment in the bank.*" (Ex. 28, p. 1265.)

The proof is absolutely clear that no one expected this asset to remain "wholesome" and that everyone intended it to be used as it actually was—in the acquisition of more assessable bank stock. The wholesomeness of the cash, aside from its intended purpose, is further questionable in view of the fact that the *bank loaned $5,300,000.00 and the trust company loaned $1,710,000.00 to pay for Banco subscriptions.* (Ex. 134-5.) *The bank lost nearly two million dollars on such loans* (Ex. 196), and the cash of the Bank was transferred to the holding company to the tune of seven million dollars.

10. The court notes that, aside from bank stock (having a total par value and equivalent assessment liability, of $7,770,780.00), over three million dollars of Banco's cash was not invested in bank stocks and that Banco acquired 625 shares of Union Central Life Insurance Company stock, a two million dollar note of President Brown, a $588,000.00 note of Murray Rubber Company, a $20,000.00 participation in the Humphries note and contracted for 10,000 shares of Caldwell & Co., "an expansive investment corporation." *The Brown note was an investment by Banco* which the other officers and directors claim was unknown and unauthorized. Banco paid $600,000.00 for the Murray Rubber and Humphries notes, or face value. The transfer of those "assets" from the bank to the holding company was at the insistence of the National Bank Examiner. *Both obligations were worthless. That was not an "investment" by Banco but a belated effort to save the sinking bank.* [See *Banco's Receiver* v. *National Bank,* 281 Ky. 784, 137 S. W. (2d) 357.]* Banco's investment in Union Central Life In-

* The Court of Appeals of Kentucky pointed out that the Murray Rubber and Humphries notes were not investments but were worthless when acquired by Banco. The court further pointed out that the transaction was consummated by the President, acting as dual agent, without disclosing all the facts, and that under those circumstances the transaction could not be sustained. Actually, the only vote to transfer these notes to Banco was a resolution adopted by the Board of the Bank consisting of some of the members of the Board of Banco. Banco's Board never voted on the transaction and those members of Banco's Board who were directors of the Louisville Trust Company were not advised of the transaction until after both institutions closed.

surance Company stock was described by one defendant as *"an infinitesimal amount"* (R. 3, p. 167). We submit that, compared with its millions in assessment liability, Banco's assets, consisting of other than bank stock, were nil.

The Caldwell deal, urged by defendants as proof of their intent to get into the securities business, neither substantiates that claim nor did it bring into the holding company's coffers any asset. The transaction was never consummated. It was suggested by Rogers Caldwell, the sole stockholder of "Caldwell & Co., *Bankers*" who wrote Brown about the feasibility of a consolidation "between the BancoKentucky Corporation and the *banks in which we are interested.*" (Ex. 103, p. 1840.) One of the purposes of the proposed deal was the affiliation of "the BancoKentucky Company chain of banks with the Caldwell & Company chain of banks." (R. 3, pp.166-243.) When Brown announced the contemplated tie-up of the two companies, newspapers published the formation of "Banking Giant" and compared this "banking giant" to other "Bank stock holding companies." (Ex. 26, pp. 1207, 1212.) In fact, defendants' brief shows that Caldwell & Company was not just an investment corporation, but very closely associated with the banking business. The Nashville Clearing House Committee investigated Caldwell and met with the officers of Nashville banks, who were members of the clearing house, and succeeded in having the affairs of that company placed in its hands. (Appellees' Brief, p. 1415.)

We earnestly urge that the court has not realistically considered the undisputed evidence showing that Banco had no independent assets (other than assessable Bank stocks) with which to meet an assessment and was intended primarily to hold bank stocks. The proof of the pudding is the poor eating left for unpaid depositors.

11. The court erred in failing to follow the principles announced in *Barbour* v. *Thomas*. In discussing the facts of that case, the opinion of the court states that Detroit Bankers Company was organized as a holding company

to acquire the stock of five banks. The Detroit Bankers Company was admitted to be and held to have been a holding company, though its operations were far more extensive in character and amount than those of BancoKentucky Company. The opinion states that none of the Detroit Bankers Company stock was sold to the public or issued to anyone other than "stockholders of the constitutent banks *or their assignees.*" What difference does it make that Detroit Bankers Company sold none of its stock to the public? *Many of the defendants in the Barbour case never owned any interest in the First National Bank-Detroit stock until they purchased Detroit Bankers stock on the open market. Detroit Bankers stock was listed and freely bought and sold on the exchanges.* The owners of that holding company stock were held liable because they were the real owners of the bank stock.

The court notes that the only assets of the Detroit Bankers Company "upon its organization" were bank stocks and $1,200.00 paid for 120 trustees' shares, the holders of which were vested with exclusive voting power in the election of directors, and that the expenses of that holding company were met by service charges against its bank units. However, the Detroit Bankers Company had far more, in the form of assets other than bank stock, when it got under way than BancoKentucky Company ever had. Detroit Bankers Company acquired not only the stock of the banks but owned and operated one of the largest office buildings in the City of Detroit, a safe deposit company, a garage, held the stock of the First Detroit Company (its investment unit), the stock of the First National Company-Detroit, the Detroit Company and the Assets Realization Company (See *Record, Barbour* v. *Thomas,* Vol. 3, Ex. 97, pp. 1097-1121; Ex. 99-A, p. 1193; Ex. 99-B, p. 1210, Ex. 101-A, p. 1267; Ex. 101-B, p. 1272.) The voting control of Detroit Bankers Company was vested in the twelve trus-

tees. The voting control of the National Bank of Kentucky was vested in the Advisory Committee, consisting of the bank-trust company board, which was also the holding company board, but the Louisville holding company shareholders had the power and right to elect directors of Banco-Kentucky Company. The defendants in this case retained more control over their representatives than those in Detroit did.

The opinion refers to the *Barbour* opinion where it was observed that it was apparent at the outset that the creditors and depositors of the Michigan banks would not be afforded the protection to which they were entitled under Federal and Michigan law, since Detroit Bankers Company possessed no substantial assets except the stock of its component banks (unless holding company stockholders were liable). Of course, that observation concerned the Detroit-Bankers Company at the time of its organization and explained the reason for the shareholders of that Company's expressly assuming assessment liability. In the instant case, it was just as obvious to the organizers of Banco-Kentucky Company that depositors and creditors of their holding company's bank units would have no real protection in the event of assessment. While denying any thought of avoiding assessment liability, and explaining the label "non-assessable" on their shares as the usual form to limit liability, defendants can hardly be heard to say that they unconsciously sought to protect depositors by the contribution of cash capital to the holding company, which was intended to be spent for more bank stocks.

The court refers to the language in the *Barbour* opinion where it is stated that the contract for the assumption of assessment liability appearing on Detroit Bankers Company certificates was a warning to new stockholders or transferees of the nature and extent of their liability which served as additional evidence that they regarded them-

selves as the real owners of the bank stock. The proof shows that the Banco shareholders knew of their investment in the National Bank of Kentucky and in Banco's other banks, they knew their profits came from the business of those banks and they knew that they were the ultimate stockholders whose votes elected persons who ran those banks. The possible hardship on a bank stockholder in complying with a Federal assessment statute is no greater than the "hardship" of complying with other Federal laws to promote the welfare and security of the nation. Plaintiff must concern himself, first, with the hardship on the depositors of the National Bank of Kentucky which will follow from this decision unless a rehearing is granted.

The court further distinguishes *Barbour* v. *Thomas* by pointing out that Detroit Bankers Company stockholders expressly assumed the double liability, whereas Banco-Kentucky Company shareholders provided expressly that they should not be subject to assessment. This difference is more apparent than real. The Detroit Bankers Company stockholders honestly assumed and provided for liability but denied that liability and the validity of their contract when assessment was levied. Banco stockholders also provided by contract for recognition of assessment liability on the Trust Certificate—then *reorganized* their holdings by exchanging the T.P.C.s for so-called non-assessable shares of Banco. We believe the language of the District Court in *Barbour* v. *Thomas*, 7 F. Supp. 271, pertinent here:

> "In such circumstances, should the corporate entity of the holding company shield the shareholders from the assessment? *If the individuals had incorporated to defeat the assessment, the law would disregard the corporate entity and enforce it without regard to the corporate fiction, or treat the corporation as a mere agency, holding the legal title for the beneficial owners. Corker* v. *Soper*, 53 F. 2d. 190 (C. C. A. 5). Where individuals incorporate, as here, to preserve and pro-

vide the means of enforcing, the assessment for the security of the bank's creditors, *the corporate entity should not become a shield against such liability, but should be disregarded in law, if necessary, in order that such subterfuge should not succeed in nullifying statutes enacted to safeguard the buying public.*

Generally, the primary purpose of incorporating is to limit the liability of the investors for corporate debts to the stock subscribed. The general principle is against stock liability in the absence of statute. *But this is not a general corporation operating under general rules.* The situation is singular, and the principle must be considered in the light of such a situation." (7 F. Supp. 271-277.)

As we have noted above, Detroit Bankers Company was far less typical a holding company than BancoKentucky Company. The Detroit holding company had many activities. It owned and controlled companies other than banks. It did have employees. It had operating expenses and it actually had departments manned by non-bank employees which sought to, and perhaps to some extent probably did, simplify and standardize the practices of its unit banks. Detroit Bankers Company certainly was not confined to the acquisition of bank stocks in one community. It owned and controlled stock in banks all over the State of Michigan. Banco had no employees and never contemplated having any employees. It was a name and its headquarters was the desk of the cashier of the National Bank of Kentucky. Banco's assets, other than bank stock, were insignificant compared with such other assets of Detroit Bankers Company. The shares of Union Central Life Insurance Company stock was not a very substantial asset of BancoKentucky Company. *It paid $25,000.00 for the insurance stock and sold it for $21,000.00.* The obligation of the Murray Rubber Company and the Louis Humphries notes could hardly be described as "*investments*" of BancoKentucky

Company. They were known to be worthless when acquired by BancoKentucky Company and they were taken over only to assist the National Bank of Kentucky.

The defendants' explanation of the reason Banco paid $600,000.00 in cash for worthless National Bank of Kentucky assets is enlightening. Attorney-director-Carroll, who prepared Banco's articles of incorporation, said: "BancoKentucky Company owned all of the capital stock of the National Bank of Kentucky and, therefore, anything that was of benefit to the National Bank of Kentucky would necessarily be beneficial to BancoKentucky" because "ownership was common." Attorney, director and Banco-organizer-Helm said: "after all, the whole thing was one and it all belonged to the same people; it was just taking money out of one pocket and putting it into another, and if the bank owned it and it was questionable, it really did not make any difference. . . . It was just taking money out of one pocket and putting it into another." Director Speed testified that he voted to request Banco to purchase certain worthless assets because: "It was to the advantage of Banco to do it. . . . Banco owned 95% or more of the stock of the bank, that if that was a bad asset they owned 95% of what was bad, and if it was good they owned 95% of what was good."

Three of the defendant witnesses, two of them lawyers who helped organized Banco and one of them counsel for defendants in this case, as members of Banco's Executive Committee had a different view of these "other substantial assets" before the stock assessment was levied. In their petition for appointment of a receiver for the holding company, filed November 24, 1930, they said that prior to the bank's failure Banco "*was in the pursuance of its business* the owner and holder of large amounts of the capital stock of the bank-trust company and five other banks *which holdings represented substantially all of the prop-*

erty and assets belonging to said defendant (Banco)"; that the failure of the bank and trust company "made it impossible to conduct the affairs of the BancoKentucky Company *in the manner and for the purposes for which it was organized,*" that they had immediately disposed of all Banco's holdings of stock in two Cincinnati banks, two Covington banks and the Ashland bank "for the purpose of enabling those banks to proceed in the operation of their respective positions and to protect their depositors from the results of public excitement"; that they had caused the proceeds of bank stock sales to be placed in the custody of the Receiver of the National Bank of Kentucky and that, in addition to such proceeds "The BancoKentucky Company owns shares of stock in the National Bank of Kentucky and the Louisville Trust Company, *which stock constitutes the only assets of said defendant,* except the deposit aforesaid held by Paul C. Keyes." (Ex. 66, p. 1676.)

So far as the so-called other substantial assets are concerned, we also call to the court's attention the statement of the Cashier of the bank, the Secretary-Treasurer of the holding company, March 19, 1930, to the Chicago Stock Exchange: "This is to state that the BancoKentucky Company is a holding company for capital stock of banks and trust companies of which it owns a majority of stock, or a controlling interest. *We do not own any stocks outside of bank shares or bonds.*" (Ex. 72, p. 1711.)

Negotiations looking to the creation of another of the "Banking Giant" by tying up BancoKentucky Company and Caldwell & Company was merely one of the several gestures made to bolster waning public confidence. Caldwell stock was absolutely worthless at the time that those negotiations began and it never became an asset of BancoKentucky Company.

It is respectfully submitted that the distinction referred to in the opinion between Banco and *Barbour* v. *Thomas*

are proved by the evidence to be factually without basis and we believe on re-argument we can establish that this court has made a grievous factual mistake and that factually there is no real distinction from *Barbour* v. *Thomas*.

12. This court, in its opinion, refers to the language in *Atherton* v. *Anderson*, 86 F. 2d 518, where Judge Simons said that Banco was neither a holding company for just stock of the National Bank of Kentucky, nor organized for unlawful purposes; that it had assets of a very substantial nature and that it could have paid any assessment on the stock of the National Bank of Kentucky for a substantial period after it was organized; that there was nothing in the record to point to its creation for the purpose of escaping assessment; that the Receiver had recognized its separate corporate existence in the *Laurent* case; and that it was not a sham because it had nearly ten million dollars cash.

True Banco was a holding company for the stock of many banks. It might have paid an assessment on National Bank of Kentucky stock had that bank immediately failed after Banco was launched, although even that is doubtful. The other assets Judge Simons referred to were undoubtedly either the ten million dollars or other bank stocks acquired with that money. Whatever may have been in the record in the *Atherton* case, there is certainly proof in this record to point to the fact that in the legal set-up for the organization of this holding company the plan was to deny or negative all assessment liability. Apparently, it was not brought to the attention of the court in the *Atherton* case, that BancoKentucky Company never legally transacted any business and that its very ownership of T.P.C.s, the acquisition of which was the first essential to the whole plan, was illegal under Kentucky law.

Under Kentucky Statutes, ordinary corporations could be formed for the transaction of any lawful business except

banking (Ky. Stat. 538). Under Kentucky law, *stockholders of investment companies* and guaranty companies *are subject to double liability* (Ky. Stat. 547). Defendants claim that they intended Banco to be a guaranty company and an investment company. It never was, but had that doubtful intention existed, its organizers knew that the holding company shareholders would be liable to assessment. If the organizers of Banco actually intended that company to engage in the business of making mortgage loans, as they now say they did, they must have known that the corporation would fall within the jurisdiction of the Kentucky Department of Banking (Ky. Stat. 165a-1).

Kentucky laws prohibited any corporation, unless organized under banking statutes, from either "directly or indirectly" engaging in or "carrying on in any way" the business of banking . . ." (Ky. Stat. 567). The very prospectus indicates an intention to reorganize and extend the banking business despite this prohibition. The organizers admitted that another of their unrealized intentions was to use Banco as a little federal reserve system for its unit banks. That certainly is engaging in the banking business, "directly or indirectly."

Under Kentucky laws it was unlawful for a corporation to carry on any business in the state until filing a certain statement and designation of agent with the Secretary of State (Ky. Stat. § 571). **No such statement was ever filed by Banco.** (Ex. 69-A, p. 1692.) **Banco failed to pay a license tax or to file any report with the Kentucky Tax Commission as required by Kentucky law.** (Ky. Stat. 4189-2-3; Ex. 69-B, p. 1694.)

Banco intended to and actually did violate the spirit of the McFadden-Pepper bill (12 U. S. C. A. 36) which prohibited the establishment of branch banks outside of City limits by either State or National bank members of the Federal Reserve System. The National Bank of Kentucky

had one branch in Louisville and the Trust Company had six. (Ex. 79, p. 1780.) Senator Sackett admitted his knowledge of the limitation on the bank's right to establish branches and said when he traded his bank stock for Banco stock that this limitation "was being overcome to a certain extent through the adoption of what is known as group banking. . . ." (R. III, p. 288.)

Long before the unification of the bank with the trust company, Kentucky statutes prohibited any person from *"directly or indirectly" holding more than half of the capital stock of any bank or trust company* (Ky. Stat. 581, 609). Those laws were designed to "spread the liability" imposed by the ownership of bank and trust company stock "and thus afford greater protection to the creditors." *Banco's Receiver* v. *Louisville Trust Company Receiver*, 92 S. W. 2d. pp. 19-22. One of the attorney-organizers of Banco wrote **"the only plausible excuse we have at the present time for Banco owning such a large per cent of the trustees certificates is that the Bank of Kentucky Company is not 'directly or indirectly' owning more than half of the capital stock of the other institutions, and, furthermore counting upon non-action by the State Banking Commission or Attorney General to enforce this provision."** (Ex. 32-2; pp. 1273-4.)

There is certainly proof in this record indicating that Banco was organized for illegal purposes and unlawful purposes in direct violation of applicable State and Federal Statutes.

While the separate corporate existence of Banco need not be disregarded to impose assessment liability, there is ample justification in this record for its being disregarded should that be necessary.

For the foregoing reasons, appellant respectfully prays that a rehearing be granted and that the matters be re-argued before this court.

Respectfully submitted,

NICHOLS, WOOD, MARX & GINTER,
ALFRED KRIEGER,
Attorneys for Appellant.

WILLIAM C. KELLY,
Of Counsel.

CERTIFICATE OF COUNSEL

I, Robert S. Marx, of counsel for the above named appellant, do hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay.

ROBERT S. MARX,
Of Counsel for Appellant.

ORDER DENYING PETITION FOR REHEARING

(Entered June 5, 1942)

The petition for rehearing is denied.

ORDER FOR TRANSMISSION OF EXHIBITS

(Filed August 17, 1942)

On appellant's motion, and it appearing proper, in the opinion of the presiding Judge of this court, that photostatic reproductions of exhibits and the original exhibits should be available for inspection in the Supreme Court of the United States;

IT IS ORDERED that the original exhibits and ten (10) copies of the five (5) volume photostatic reproductions of exhibits be transmitted to the Clerk of the Supreme Court of the United States as part of the record.

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

I, J. W. MENZIES, Clerk of the United States Circuit Court of Appeals for the Sixth Circuit, do hereby certify that the foregoing is a true and correct copy of record and proceedings in the case of *A. M. Anderson, Receiver of the National Bank of Kentucky* v. *Katherine Kirkpatrick Abbott, Administratrix of the Estate of David J. Abbott, deceased, et al.*, No. 8852, as the same remains upon the files and records of said United States Circuit Court of Appeals for the Sixth Circuit, and of the whole thereof.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of said Court at the City of Cincinnati, Ohio, this 17th day of August, A. D. 1942.

J. W. MENZIES,
Clerk of the United States Circuit Court of Appeals for the Sixth Circuit.

(SEAL)

[fol. 357] IN THE SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1942

No. —

A. M. ANDERSON, Receiver of the National Bank of Kentucky, Petitioner,

vs.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, Deceased, et al., Respondents

ORDER EXTENDING TIME WITHIN WHICH TO APPLY FOR A WRIT OF CERTIORARI

On consideration of the Motion of the Petitioner and his counsel in the above entitled cause, and good cause therefor having been shown;

It is Now Hereby Ordered that the time within which application for a writ of certiorari may be filed herein be, and the same is hereby, extended until November First, 1942.

Stanley Reed, Associate Justice of the Supreme Court of the United States.

Dated this 26th day of August, A. D. 1942.

[fol. 358] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1942

No. 497

ORDER ALLOWING CERTIORARI—Filed December 7, 1942

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Sixth Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

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CLERK'S COPY.

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EXHIBIT I

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. ~~497~~ 3

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

October Term, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

v. *Petitioner,*

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

EXHIBITS

VOLUME No. 1

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,

ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

INDEX TO EXHIBITS

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
1	1	1		Minutes of Board of Directors of National Bank of Kentucky November 18, 1930 re: closing
2	1	2		Certified copy of appointment of Paul C. Keyes as Receiver of the National Bank of Kentucky
3	1	4		Certified copy of appointment of A. M. Anderson as Receiver of National Bank of Kentucky to succeed Paul C. Keyes
	1	5		Certified copy of the order of assessment levied by the Comptroller of the Currency for the benefit of the National Bank of Kentucky
	1	7		Authentic copy of Notice of Assessment sent to each shareholder of BancoKentucky Company
7	1	8		Authentic copy of the Trust Agreement entered into on April 22, 1927 under which the stocks of the National Bank of Kentucky and Louisville Trust Company were unified
7-A	1	33		List of Directors of National Bank of Kentucky, amount of assessment on qualifying shares, amount paid and balance due
8	1	34		Minutes of the Trustees under the Plan of Unification of the National Bank of Kentucky and Louisville Trust Company from May 2, 1927 to June 3, 1931
9				Trustees' Participation Certificate - par value $100.00 (reproduced as part of Exhibit 7)
10	1	152		Trustees' Participation Certificate, par value $10.00, issued by the Trustees under the Trust Agreement of April 22, 1927
11-1	1	154		Letter of March 19, 1927 from Louisville Trust Company to Comptroller of the Currency
11-2	1	155		Letter of March 22, 1927 from Deputy Comptroller E. W. Stearns to Louisville Trust Company

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EXHIBITS Number	Volume	Page	Transcript of testimony Page	
11-3	1	156		Letter of March 25, 1927 from Louisville Trust Company to E. W. Stearns, Deputy Comptroller
11-4	1	157		Letter of April 7, 1927 from E. W. Stearns, Deputy Comptroller, to Louisville Trust Company
11-5	1	158		National Bank of Kentucky Directors' Minutes of April 1, 1927, with reference to unification of National Bank of Kentucky with Louisville Trust Company
11-6	1	159		National Bank of Kentucky Directors' Minutes of April 22, 1927 and the plan and Trust Agreement adopted, the form of stockholders' receipt of the Plan of Unification and consent thereto, the letter of April 22, 1927 which was mailed by the National Bank of Kentucky to all of its stockholders
11-7	1	175		Minutes of meeting of stockholders of of National Bank of Kentucky May 27, 1927 re stock dividend and election of Louisville Trust Company directors to Board
12	1	178		Daily financial statements of National Bank of Kentucky for eleventh of each month from February, 1927 to November, 1930, inclusive
13	1	224		National Bank Examiners' Report of Examination of National Bank of Kentucky as of April 23, 1927
14	1	314		National Bank Examiners' Report of Examination of National Bank of Kentucky as of October 14, 1927
15	1	407		National Bank Examiners' Report of Examination of National Bank of Kentucky as of March 9, 1928

Exhibit 1

SPECIAL MEETING

[redacted] Directors of the National [redacted] held [redacted] 1930 at 10:30 P.M. in the Board room at 421 West Market St., there were present the following directors.

C.F. Jones, Brown, Vogt, O'[redacted] Akers, Duncan, Speed, Carroll, S.P. Jones, Angermeier, Ormsby.

The following directors were absent. Messrs. Mengel, Coons, Hayes, Clark, Callahan, [redacted] and Minary.

The following resolution was unanimously adopted.

Resolved, That in order to conserve the resources of this bank for the benefit of its [redacted] it is the sense of this Board of Directors that this [redacted] should suspend business at least temporarily, commencing [redacted] 5 P.M. Sunday, November 16, 1930, and that the Comptroller of the Currency be notified of this action of the Board.

Chairman

Secretary

1

Exhibit 2

[redacted] CERTIFICATE FOR CERTIFIED COPY

PLAINTIFF'S EXHIBIT No. 2 OCT 18 1938 Paul C. Carpenter OFFICIAL REPORTER

TREASURY DEPARTMENT
Office of the
Comptroller of the Currency } ss:

Under the provisions of Section 884 of the Revised Statutes of the United States, I, F. G. Awalt, Acting, Comptroller of the Currency, do hereby certify that the paper hereto attached is a true and complete copy of the original commission of Paul C. Keyes as Receiver of "The National Bank of Kentucky of Louisville", Kentucky, dated November 17, 1930, and signed J. W. Pole, Comptroller of the Currency,

and of the whole of such original on file and of record in this office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the Treasury Department, in the City of Washington and District of Columbia, this twenty-eighth day of October, A. D 1931.

F. G. Awalt
Acting Comptroller of the Currency.

Form 1869
Office of Comptroller of the Currency
Insolvent National Bank Division

2

Exhibit 2

FORM 2440
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

Treasury Department

No 5312

Office of Comptroller of the Currency

WASHINGTON, D. C., November 17, 1930

Whereas, From information on file in this bureau, I am satisfied that "The National Bank of Kentucky of Louisville," located in the City of Louisville, County of Jefferson, and State of Kentucky is insolvent and unable to pay its just and legal debts:

Now, therefore, I, J. W. Pole, Comptroller of the Currency, in pursuance of the power and authority vested in me by law and under the provisions of Section 1 of an Act of Congress entitled "An Act authorizing the appointment of Receivers of National Banks, and for other purposes," approved June 30, 1876, do hereby appoint Paul C. Keyes, Receiver of "The National Bank of Kentucky of Louisville," with all the powers, duties, and responsibilities given to or imposed upon a Receiver under the provisions of the Revised Statutes of the United States which authorize the appointment of a Receiver.

In witness whereof, I have hereto subscribed my name and caused my seal of office to be affixed to these presents, at the City of Washington, in the District of Columbia, this Seventeenth day of November, A. D. 1930

J. W. Pole
Comptroller of the Currency.

Exhibit 3

PLAINTIFF'S EXHIBIT No. 3 OCT 18 1938 Paul L. Campbell OFFICIAL REPORTER

Treasury Department

No. 5312

Office of the Comptroller of the Currency

WASHINGTON, D. C., December 13, 1932

Whereas, Paul C. Keyes was duly appointed and commissioned RECEIVER OF "The National Bank of Kentucky of Louisville," located in the City of Louisville, County of Jefferson and State of Kentucky on the seventeenth day of November, 1930, and whereas the said Paul C. Keyes has resigned to take effect at the close of business December 15,1932

Now, Therefore, I, F. G. Awalt, Acting, Comptroller of the Currency, do hereby appoint A. M. Anderson Receiver of "The National Bank of Kentucky of Louisville," to take effect at the close of business on the fifteenth day of December, 1932, in place of the said Paul C. Keyes, with all the powers, duties, and responsibilities given to or imposed upon a Receiver under the provisions of the Revised Statutes of the United States which authorize the appointment of a Receiver.

In Witness Whereof, I have hereto subscribed my name and caused my seal of office to be affixed to these presents, at the City of Washington, in the District of Columbia, this thirteenth day of December, A. D., 1932.

(Seal)

F. G. Awalt
Acting Comptroller of the Currency.

Certificate for Certified Copy

TREASURY DEPARTMENT
Office of the
Comptroller of the Currency } ss:

Under the provisions of Section 884 of the Revised Statutes of the United States, I, William Prentiss, Jr. Acting, Comptroller of the Currency, do hereby certify that the foregoing is a true and complete copy of the original commission of A. M. Anderson as Receiver of "The National Bank of Kentucky of Louisville," Kentucky, dated December 13,1932 and signed by F. G. Awalt, Acting Comptroller of the Currency, and of the whole of such original on file and of record in this office.

In Testimony Whereof, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the Treasury Department, in the City of Washington and District of Columbia, this twenty-fourth day of September, A. D., 1936.

William Prentiss Jr.
Acting Comptroller of the Currency

S S D 3

Exhibit 5

PLAINTIFF'S EXHIBIT No. 5
OCT 18 1938
Official Reporter

TREASURY DEPARTMENT
Office of the
Comptroller of the Currency | ss:

Under the provisions of Section 884 of the Revised Statutes of the United States, I, F. G. Awalt, Acting, Comptroller of the Currency, do hereby certify that the paper hereto attached is a true and complete copy of the original order of assessment upon shareholders of "The National Bank of Kentucky of Louisville," Kentucky, insolvent, for the par value of each share, levied under date of February 20, 1931, and signed J. W. Pole, Comptroller of the Currency and of the whole of such original on file and of record in this office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the Treasury Department, in the City of Washington and District of Columbia, this sixth day of August, A. D. 1931.

F. G. Awalt
Acting Comptroller of the Currency.

Form 1900
Office of Comptroller of the Currency

Exhibit 5

COMPTROLLER OF CURRENCY
Form 5220
Ed. 529—Dec. 1-28

ASSESSMENT UPON SHAREHOLDERS

No. 5312

TREASURY DEPARTMENT
OFFICE OF THE COMPTROLLER OF THE CURRENCY

Washington, February 20, 1931

In the matter of
The National Bank of Kentucky
of
Louisville, Kentucky

To all whom it may concern:

WHEREAS, upon a proper accounting by the Receiver heretofore appointed to collect the assets of "The National Bank of Kentucky of Louisville, Kentucky" and upon a valuation of the uncollected assets remaining in his hands, it appears to my satisfaction that in order to pay the debts of such association it is necessary to enforce the individual liability of the stockholders therefor to the extent hereinafter mentioned, as prescribed by Sections 5151 and 5234 of the Revised Statutes of the United States, Section 1c 156, Act of June 30, 1876, and Section 23, Act approved December 23, 1913, known as Federal Reserve Act.

NOW, THEREFORE, by virtue of the authority vested in me by law, I do hereby make an assessment and requisition upon the shareholders of the said "The National Bank of Kentucky of Louisville" for Four Million ($4,000,000.-) dollars, to be paid by them ratably on or before the first day of April 1931, and I hereby make demand upon each and every one of them for the par value of ~~full amount upon~~ each and every share of the capital stock of said association held or owned by them, respectively, at the time of its failure; and I hereby direct Paul C. Keyes the Receiver heretofore appointed, to take all necessary proceedings, by suit or otherwise, to enforce to that extent the said individual liability of the said shareholders.

IN WITNESS WHEREOF I have hereto set my hand and caused my seal of office to be affixed to these presents, at the City of Washington, in the District of Columbia, this twentieth day of February, A. D. 1931.

[SEAL]

J. W. Pole
Comptroller of the Currency

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Exhibit 6

PLAINTIFF'S EXHIBIT No. 6
OCT 18 1938
Official Reporter

OFFICE OF THE RECEIVER
THE NATIONAL BANK OF KENTUCKY
LOUISVILLE, KENTUCKY

Louisville, Ky., March 20, 1931

As a stockholder in The BancoKentucky Company, you will please take notice, that the Comptroller of the Currency has on February 20, 1931, levied an assessment upon the stockholders of The National Bank of Kentucky, Louisville, Ky., on the par value of each and every share, payable at the Office of the Receiver, on or before April 1, 1931. A notice of such assessment and a demand for payment of the same has been served upon the Receiver of The BancoKentucky Company as the holder of 540,484 trustees' participation certificates, issued under a certain trust agreement of April 22, 1927, which trustees' participation certificates represent the ownership of 37,721.624 shares of stock in The National Bank of Kentucky. You will, therefore, take notice that it is the intention of the undersigned, as Receiver of The National Bank of Kentucky, to proceed against you for the collection of the aforesaid assessment liability represented by the said trustees' participation certificates held by said BancoKentucky Company, to the extent that the undersigned, as Receiver of The National Bank of Kentucky, is unable to collect said assessment from The BancoKentucky Company or its Receiver.

Paul C. Keyes

RECEIVER OF THE NATIONAL BANK OF KENTUCKY
Louisville, Kentucky

Registered Letter
Return Receipt Requested

Exhibit 7

TRUST AGREEMENT

WITH REFERENCE TO STOCK IN

THE NATIONAL BANK OF KENTUCKY
Of Louisville

AND

THE LOUISVILLE TRUST COMPANY

Dated April 22, 1927.

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This Agreement, entered into this 22d day of April, 1927, between:

Such owners and holders of capital stock in THE NATIONAL BANK OF KENTUCKY, of Louisville, Kentucky, as now unite and such other owners and holders of that stock as may hereafter unite in this agreement by signing it or a counterpart thereof, or by depositing their stock as hereinafter provided, hereinafter referred to as "Bank Stockholders," as parties of the first part; and

Such owners and holders of the capital stock of THE LOUISVILLE TRUST COMPANY, of Louisville, Kentucky, as now unite and such other owners and holders of that stock as may hereafter unite in this agreement by signing it or a counterpart thereof, or by depositing their stock as hereinafter provided, hereinafter referred to as "Trust Company Stockholders," as parties of the second part; and

HENRY VOGT, THOMAS J. MINARY, STUART E. DUNCAN, ALLEN P. DODD, EDWIN M. DRUMMOND and CHAS. H. BOHMER, hereinafter referred to as "Trustees," as parties of the third part;

WITNESSETH.

The undersigned owners and holders of the shares of capital stock of The National Bank of Kentucky of Louisville (organized under the National Banking Act), and owners and holders of the capital stock of The Louisville Trust Company (organized as a Trust Company under the laws of Kentucky), looking to the best interests of

Exhibit 7

the respective institutions as separate corporate entities, and of each stockholder therein, have determined that such interests require closer co-operation of such Bank and Trust Company, to be of greater service to their respective patrons, and in order to secure such co-operation have agreed upon the plan hereinafter set forth for creating a trust estate to consist of their respective shares of stock in the Bank and in the Trust Company.

I.

APPORTIONMENT OF INTERESTS BETWEEN THE TWO SETS OF STOCKHOLDERS.

At this time the Bank has a capital, surplus and undivided profits of more than $6,800,000, which will be represented by 40,000 shares of its stock when a contemplated stock dividend of 60% has been declared; and The Trust Company has a capital, surplus and undivided profits of more than $1,700,000, represented by 10,000 shares of its stock.

The combined net assets of the two institutions aggregate more than $8,500,000.

In apportioning between the Bank Stockholders and the Trust Company Stockholders the participation shares hereinafter provided for, which represent interests in the Trust Estate, presently consisting of the stocks of said two institutions deposited hereunder, such apportionment shall be made upon the following basis:

The total assets and business of the Bank shall be treated as worth 80% of the combined assets of the Bank and of the Trust Company, and the total assets and business of the Trust Company shall be treated as worth 20%

of the combined assets and business of the Bank and of the Trust Company.

The rights of such stockholders in said respective institutions as become a party to this agreement shall be determined on said basis, namely, each shareholder shall receive one participation certificate for each share of stock.

II.

ADVISORY COMMITTEE.

There is hereby created an Advisory Committee, with such powers as are herein conferred, and which shall at all times be composed of the individuals who are the then directors of The Louisville Trust Company and of The National Bank of Kentucky.

In any action to be taken by the Trustees only on the approval of the Advisory Committee, such approval shall be evidenced by a writing filed with the Trustees and signed by a majority of the members from each institution on said Committee.

Said Committee shall have the right by a resolution adopted by them, respectively, to add to their number not more than three of the higher executive officers of each institution who are not already members of the Committee, and such action upon the part of the Advisory Committee, if taken, shall be evidenced by a writing filed with the Trustees.

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III.

TERMS OF TRUST.

The Trustees shall hold all assets which shall come into their hands hereunder as one indivisible Trust Estate, the proportionate interest of each shareholder therein being represented by the certificates issued by such Trustees, and the Trustees agree to hold such estate upon the following trust, terms and conditions:

(1) They shall reassign to each person who shall be at the time of signing this agreement a member of the board of directors of The National Bank of Kentucky, or of The Louisville Trust Company, who desires and is eligible a sufficient number of shares of stock in such Bank and Trust Company to qualify him as a director in both institutions.

(2) The Trustees may, out of the shares owned by them, sell and assign absolutely to any holder of a Trustees' Participation Certificate desiring to be elected a director of either of said institutions, the number of shares of stock necessary to legally qualify him for such office. These provisions shall apply to any other stock acquired by the Trustees.

(3) Upon request made in writing not more than 30 nor less than 15 days before any annual election of directors, by the holders of sufficient in amount of Trustees' Participation Certificates to insure his election they shall sell and transfer to a designated person the number of shares of stock necessary to legally qualify him for such office, upon his surrender of sufficient Trustees' Participation Certificates therefor.

(4) In addition to the Trust Estate herein presently provided for, the Trustees shall have power to purchase all or part of the stock of any other corporation of similar character and engaged in a like or similar business, but only with the written consent of the Advisory Committee, as to terms, price and conditions of purchase, and any stock so purchased by the Trustees shall become and be a part of the Trust Estate above referred to, and the Trustees may issue Trustees' Participation Certificates in sufficient amount to pay for the stock so purchased by them. The Trustees may issue such new certificates direct to the holders of the stock so purchased by the Trustees in exchange or payment therefor, in whole or in part, or may sell such Trustees' Participation Certificates to the then holders of such Trustees' Participation Certificates in proportion to their then holding thereof, which right of purchase by such holders shall be assignable. If all the certificates so offered to existing certificate holders be not taken and paid for by them or their assigns within the time fixed by the Trustees in their offering of the same, it shall be the duty of the Trustees to offer for sale such certificates not taken or paid for to any other person or persons.

(5) No certificate shall be issued by the Trustees calling for a fraction of a share, but scrip may be issued for fractions of shares to those entitled thereto, and when scrip representing as much as one full share shall be presented to the Trustees, they shall issue a certificate in lieu of such scrip for as many full shares as said scrip shall call for in the aggregate. No dividends shall be paid on scrip, but when such scrip shall have been converted into

Exhibit 7

Trustees' Participation Certificates, the rights represented thereby shall be entitled to receive their full share of dividends thereafter declared and theretofore declared during a period not to exceed five years before such conversion.

(6) The Trustees, with the written consent of the Advisory Committee, may sell any stock acquired under Subsection (4) of Article III and the proceeds of sale when collected shall be disposed of by the Trustees with the written consent of the Advisory Committee by:

(a) Either dividing the same among the holders of Trustees' Participation Certificates, in which event the Trustees shall have the right to correspondingly reduce pro rata the number of shares represented by outstanding Trustees' Participation Certificates; or

(b) Using the same in the purchase of stock of corporations engaging in like or similar business; or

(c) Adding to the capital or surplus or capital and surplus of any of the corporations the stock of which is owned by the Trustees.

(7) The Trustees, with the written consent of the Advisory Committee:

(a) Shall have the right to consent to and take any legal action appropriate for an increase or decrease in the capital stock of any corporation, the stock of which may become a part of the Trust Estate;

(b) In case of an increase in the capital stock of any such corporation, the proper proportionate part thereof to which the Trustees may be entitled, may be purchased by them and same shall be added to and become a part of the indivisible Trust Estate held by the Trustees under

the same terms and conditions as are herein provided for the stock acquired hereunder;

(c) The Trustees shall thereupon issue additional Trustees' Participation Certificates equal to the par value of such increase of capital stock so purchased by them and shall offer the same pro rata to the then holders of outstanding Trustees' Participation Certificates at a price which will reimburse the Trustees for the purchase price so paid by them.

If any holder of Trustees' Participation Certificates declines or fails within a reasonable time to be fixed by the Trustees, to take his pro rata of such increased issue of certificates, and which right of purchase by such holder shall be assignable, the Trustees shall have the right to sell such certificates to any purchaser for a price not less than that at which the Trustees acquired such stock.

(d) In case either the Bank or Trust Company, or any other institution in which the Trustees shall own stock, shall reduce its outstanding capital stock in the manner provided by law so as to effect a distribution of corporate assets among stockholders, the Trustees shall dispose of said fund as a distribution pro rata among the holders of Trustees' Participation Certificates or, under the written direction of the Advisory Committee, for the benefit of the trust estate, in any other lawful manner.

(8) The Trustees shall have the right, and it shall be their duty subject only to the limitations herein prescribed, to exercise in the interest of the holders of Trustees' Participation Certificates, all of the powers of management and control over any corporation in which they shall hold stock, incident to the ownership of stock eld by them hereunder, and their power shall include all

rights as stockholders in connection with any corporate purposes or functions whatever and shall authorize them to exercise all voting rights and rights of ownership over such stock in the election of directors or in the discharge of any other corporate functions.

Provided, however, that the owner of record on the books of the Trustees of any Trustees' Participation Certificate, shall have the right by written directions to the Trustees given at least 5 days before the vote is to be cast, to instruct them how they shall vote in the corporate meetings such proportionate number of shares therein owned by the Trustees as the number of shares represented by the Trustees' Participation Certificate owned by such person giving such directions may bear to the total number of shares represented by outstanding Trustees' Participation Certificates and the Trustees shall vote such proportion of stock in accordance with such instruction.

(9) Dividends received by the Trustees on any stock held by them shall be distributed among the holders of Trustees' Participation Certificates; provided, however, that upon the written direction of the Advisory Committee, the Trustees may use any extra dividends, or part thereof, received by the Trustees, for the benefit of the trust estate, in any lawful manner.

(10) The Trustees shall deposit in the Bank or the Trust Company all funds which they receive with directions to such Bank or Trust Company as to the distribution thereof as hereinabove authorized and the making of such deposits and the giving of such directions shall relieve the Trustees of all further responsibility for such dividends. The Trustees shall out of the funds

coming into their hands pay the expenses of the organization and conduct of the Trust.

(11) The enumeration of powers herein shall not be held to be exclusive of other powers herein referred to or incidental to the powers herein mentioned.

IV.

MEETING OF TRUSTEES' PARTICIPATION CERTIFICATE HOLDERS.

(1) Annual meetings of the registered holders of the Trustees' Participation Certificates shall be held at the office of the Trust Company at Louisville, Kentucky, at 2:30 P. M. on the first Monday in January of each year, unless that be the first day of the year, and in which event it shall be held at the same place and hour upon the following day, at which time and place the Trustees or one or more of them, shall attend, and to which meeting the chief executive officers of all corporations in which the Trustees hold stock shall be requested to attend so as to give information as to the condition and progress of such corporation and to make to such meeting any report that may be proper.

(2) Such meeting may be adjourned to any other time and place in Louisville, Kentucky.

(3) The time and place of such annual meeting may be changed at any annual meeting by a vote of persons holding a majority in amount of the Trustees' Participation Certificates present at the meeting in person or by proxy.

(4) Special meetings of the holders of the Trustees' Participation Certificates may be called by the Trustees

Exhibit 7

at any time and place in the city of Louisville, and such meetings shall be called upon the written request of the holders of one-third in amount of the Trustees' Participation Certificates.

(5) Notice of all meetings shall be given by the Trustees in writing mailed to the registered address of each certificate holder at least ten days before the meeting, and such notice shall state the purpose for which any special meeting is called; provided, however, that if a special or annual meeting is to consider the termination, dissolution or modification of this Trust, then at least 30 days' notice thereof shall be given in like manner.

(6) The right to vote at any meeting of Participation Certificate Holders shall be restricted to holders of such certificates of record at least 15 days before the annual meeting, and in case of a special meeting 15 days before the notice of such meeting is required to be mailed. Holders of Trustees' Participation Certificates may vote either in person or by proxy, and if by proxy by a writing attested by one person.

V.

APPOINTMENT OF TRUSTEES AND THEIR ORGANIZATION.

(1) Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Edwin M. Drummond, and Chas. H. Bohmer are hereby chosen as Trustees under this agreement, and they and their successors shall have all the rights, powers and duties herein set forth.

Henry Vogt, Thomas J. Minary, and Stuart E. Duncan, named above, are agreed upon as the Trustees rep-

resenting the Stockholders of The Bank, and Allen P. Dodd, Edwin M. Drummond, and Chas. H. Bohmer, named above, are agreed upon as the Trustees representing the Stockholders of The Trust Company. Provided: That, upon the written direction of the Advisory Committee, a corporation or corporations duly authorized to act in a fiducial capacity, may be designated as Trustee or Trustees in lieu of the individual Trustees herein provided for. In the event of such change the individual Trustees shall cease to act and the corporation or corporations, so designated, shall alone have and exercise all the powers herein conferred on the Trustees.

(2) Those persons upon the Advisory Committee who shall at the time constitute the Board of Directors of the Bank may at any time by a writing signed by a majority of them and filed with the Trustees, remove any of the Trustees designated by the Bank stockholders, and in like manner those persons upon the Advisory Committee who shall at the time constitute the Board of Directors of The Trust Company may at any time by a writing signed by a majority of them and filed with the Trustees, remove any of the Trustees designated by The Trust Company stockholders; provided, however, that such power shall not be exercised within sixty days prior to the annual meetings of the stockholders of the Bank or The Trust Company.

(3) Upon the death, removal, resignation or refusal to act of any Trustee, or if from any cause there shall be vacancy in the position of any Trustee, the successor of such Trustee shall be elected and certified to the acting Trustees by a writing signed by a majority of those persons who shall at the time constitute the Advisory Com-

mittee for the respective institutions, as the case may be, to the end that there shall always be three Trustees appointed on behalf of the Bank Stockholders and three Trustees appointed on behalf of the Trust Company Stockholders unless a corporate Trustee or Trustees be appointed as above provided.

This power to fill vacancies shall not only apply to the original Trustees herein named, but to any successor, and shall be exercised as and when any vacancy may hereafter occur in the position of any Trustee herein designated as the representative Trustee of the stockholders of either the Bank or the Trust Company.

(4) The term "Trustee" whenever used in this agreement shall include successors duly appointed or elected and all estate hereby vested in and all the rights herein given to and the powers herein conferred upon any Trustee shall be vested in, given to and exercised by his successor duly appointed or elected, and such successor shall be substituted in all respects in place of the former Trustee without the necessity of any formal assignment or transfer to him.

(5) The majority of the Advisory Committee in exercising the powers in this article shall be determined in the same manner as prescribed in Article II.

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VI.

ORGANIZATION OF TRUSTEES.

(1) The Trustees shall organize by electing from their own number a Chairman and a Vice-Chairman; and by electing a Secretary and Assistant Secretary, neither of the two latter need be a Trustee.

(2) The Trustees shall keep such record of their official action as may be necessary, including a register of Trustees' Participation Certificates issued by them similar to the ordinary stock certificate book showing the name and mailing address of each certificate holder, and shall certify a copy thereof to each institution issuing stock to them.

(3) They shall adopt a seal and prescribe such regulations or by-laws as they may deem necessary, including regulations for the issuance of duplicate Trustees' Participation Certificates in case of loss or destruction of original certificates, and regulations governing the transfer of such certificates, and no Trustees' Participation Certificate shall be transferred except upon the surrender thereof duly endorsed, in person or by attorney, and all such transfers shall be made only upon the books of the Trustees.

(4) The seal of the Trustees shall be affixed to the Trustees' Participation Certificates and they shall be signed by the Chairman or Vice-Chairman of the Trustees and by their Secretary or Assistant Secretary.

(5) The Louisville Trust Company is hereby designated as Transfer Agent for the transfer of Trustees' Participation Certificates, and The National Bank of

Exhibit 7

Kentucky shall be the Registrar thereof, and no certificate issued by the Trustees shall be valid unless countersigned by the Transfer Agent and Registrar.

(6) A majority of the Trustees concurring shall have and exercise all the powers that could be exercised by the whole number of the Trustees.

VII.

ASSIGNMENT OF STOCK TO TRUSTEES.

The Bank Stockholders and Trust Company Stockholders who shall execute this agreement now or hereafter, or a counterpart hereof, or transfer their stock to the Trustees as herein provided for by that act, assign to the Trustees hereinbefore named, under the terms, conditions and limitations hereof, all of the shares of the capital stock owned or held by them at the time of such execution, either in the Bank or Trust Company, or in both.

Each assignment is made upon the terms, trusts and conditions herein stated.

Each assignment shall be made effectual by proper transfers upon the books of the Bank and the Trust Company, respectively, as provided by law and by the by-laws, rules or regulations of said institutions, respectively, governing such transfer.

The certificate or certificates issued by the Bank or by the Trust Company to the Trustees for the shares transferred to such Trustees hereunder, may be issued to them, as "The Trustees Under Stockholders' Agreement of April 22, 1927," without designating them by name.

It shall not be necessary to issue a new certificate to the Trustees in the event of a change in the personnel

Exhibit 7

of the Trustees, but if desired by the Bank or by the Trust Company the names of the Trustees, or any changes therein may be indicated by a memorandum endorsed upon each certificate issued to the Trustees.

The Trustees and their Transfer Agent for the certificates issued by them shall certify to the Bank and Trust Company a copy of the Trustees' register of Trustees' Participation Certificate-Holders and their addresses and from time to time and as often as any change may be made in the holders of such certificates shall certify such change.

VIII.

TRUSTEES' PARTICIPATION CERTIFICATES.

(1) The shares for which such Trustees' Participation Certificates shall be issued shall be of the par value of $100 each, provided that if hereafter the Trustees shall consider it wise to change the par value of such shares, they shall have the power to do so, and to that end may call in all outstanding certificates and issue others in lieu thereof prescribing the changed par value of shares. After such call has been issued no dividends shall be paid on shares represented by such outstanding old certificates until they have been surrendered for exchange for new certificates in the revised form.

(2) The Trustees' Participation Certificates, subject to the aforesaid power of modification as to the par value of shares, shall be in form as follows:

Exhibit 7 Hill Ex. 1

THE NATIONAL BANK OF KENTUCKY. THE LOUISVILLE TRUST CO.

Number of Certificate Number of Shares

TRUSTEES' PARTICIPATION CERTIFICATE.

Present authorized issue $5,000,000.00

PAR VALUE $100.00 PER SHARE.

....

This certifies that is the owner of ———shares, of the par value of $100 each, of the indivisible trust estate, consisting of shares of the capital stock of The National Bank of Kentucky, of Louisville, and The Louisville Trust Company, also of Louisville, Kentucky, and of any other corporation acquired by the Trustees under the agreement between stockholders of said institutions and said Trustees, which agreement is dated April 22, 1927, and is on file with said institutions.

This certificate is issued under the terms of the aforesaid agreement, and the holder hereof, by accepting same, consents to and adopts said terms as if fully written herein. It shall not be valid unless countersigned by The Louisville Trust Company, the duly designated Transfer Agent for the transfer of said Trustees' Participation Certificates, and by The National Bank of Kentucky, the duly designated Registrar; and is transferable only on the books of said Trustees upon its surrender properly endorsed in person or by attorney.

In Witness Whereof said Trustees have caused their corporate seal to be hereunto affixed, and this certificate to be signed by their Chairman or Vice-Chairman, and by their Secretary or Assistant Secretary, on this ———

Assistant Secretary of said Trustees.

Vice-Chairman of said Trustees.

Exhibit 7

Countersigned at Louisville, Kentucky,_____.

THE LOUISVILLE TRUST COMPANY,
Transfer Agent of said Trustees.

By_____
Assistant Secretary.

THE NATIONAL BANK OF KENTUCKY,
Registrar.

By_____
Assistant Cashier.

IX.

RESPONSIBILITY OF TRUSTEES.

(1) The Trustees shall not be responsible for any acts done by them as Trustees in good faith and in the exercise of an honest judgment. No Trustee shall be liable for the act or omission of another Trustee.

(2) They shall not be liable, except as Trustees to the extent of the Trust funds held by them, by reason of the ownership of stock in any corporation. They shall be indemnified against any such liability by each holder of Trustees' Participation Certificates to the extent hereinafter set forth.

(3) Each owner of a Trustees' Participation Certificate issued hereunder shall be subject to the same liability thereon as he would have been subject to in case he had been the owner of record of such proportionate part of the shares held by the Trustees in any corporation as the number of shares called for by his Trustee's Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Cer-

tificates; and to such extent he shall indemnify and hold harmless the Trustees owning such stock from any loss or liability on account of being the holders or owners thereof. The measure of liability assumed hereunder shall be the same as that provided by law with reference to the holders of stock in any particular corporation in which the Trustees may hold stock as is provided by law with reference to the holders of such stock, and no more.

X.

TERMINATION OR MODIFICATION OF AGREEMENT.

1. The trust herein created shall continue until the death of the last survivor of all those persons who are now stockholders of either of said institutions who presently enter into this agreement, and for the further period of twenty-one years after the death of such last survivor, unless sooner terminated, as it may be, by a vote of the owners of not less than two-thirds in amount of the Trustees' Participation Certificates, such vote to be taken at a special meeting called for that purpose, of which notice shall be given in writing thirty days in advance of such meeting as above provided.

2. By a vote of two-thirds had at a meeting called as above, this agreement may be modified, such modification being evidenced by the signatures of the owners of Trustees' Participation Certificates assenting thereto, in person or by proxy. Such written modification shall be lodged with the Trustees and a copy thereof lodged with The National Bank of Kentucky and The Louisville Trust Company.

Exhibit 7

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XI.

EFFECTIVE DATE OF AGREEMENT.

This agreement shall become effective only when it shall have been executed by the owners of not less than one-half in amount of the stock in The Louisville Trust Company and one-half in amount of the stock in The National Bank of Kentucky by signing this agreement or assigning their stock to the Trustees. It shall, however, remain open for one hundred and twenty days from the date hereof for additional stockholders to make themselves parties hereto by signing it or a counterpart hereof and which additional period may be further extended by a majority vote of the persons herein named as Trustees.

WITNESS the hands of the parties the day and year first above written.

Signatures of Stockholders.	Address.	Number of Shares Held In:	
		The National Bank of Kentucky.	The Louisville Trust Co.

Exhibit 7

Signatures of Stockholders	Address.	Number of Shares Held In:	
		The National Bank of Kentucky.	The Louisville Trust Co.

EXHIBIT 7-A

	NAME OF DIRECTOR	NO. OF QUALIFYING SHARES	AMOUNT OF SUBSCRIPTION	AMOUNT PAID	BALANCE DUE
1.	Shove, John S.	10	$ 1,000.00	$ -0-	$ 1,000.00
2.	Angermeier, H.J.	10	1,000.00	66.54	933.46
3.	Brown, James B.	10	1,000.00	-0-	1,000.00
4.	Callahan, H. Lee	10	1,000.00	1,000.00	-0-
5.	Carroll, A.J.	10	1,000.00	000.00	000.00
6.	Clark, George M.	10	1,000.00	-0-	1,000.00
7.	Coons, Samuel W.	10	1,000.00	1,000.00	-0-
8.	Duncan, S.B.	10	1,000.00	1,000.00	-0-
9.	Durham, Joseph M.	10	1,000.00	1,000.00	-0-
10.	Hayes, James J.	10	1,000.00	-0-	1,000.00
11.	Jones, Charles F.	10	1,000.00	-0-	1,000.00
12.	Jones, Saunders F. Jr.	10	1,000.00	1,000.00	-0-
13.	Kingel, S.S.	10	1,000.00	1,000.00	-0-
14.	Kinsey, T.J.	10	1,000.00	1,000.00	-0-
15.	O'Brien, T.J.Jr.	10	1,000.00	1,000.00	-0-
16.	Crumly, H.B.	10	1,000.00	1,000.00	-0-
17.	Speed, William S.	10	1,000.00	1,000.00	-0-
18.	Vogt, Henry	10	1,000.00	1,000.00	-0-
	Totals	180	$18,000.00	$11,734.54	$6,265.46

Exhibit 8

Louisville, Ky. May 2., 1927

Messrs Henry Vogt, Thomas Minary, Charles H. Bohmer, Edwin H. Drummond, and Allen P. Dodd, five of the six Trustees named in the Trust Agreement with reference to stock in the National Bank of Kentucky of Louisville, and The Louisville Trust Company, dated April 22, 1927, met, pursuant to call, in the Directors' room of The National Bank of Kentucky, on the above date at 3:30 P.M.

Mr. Stuart Duncan, the sixth Trustee, was detained from the meeting on account of death in his family.

Mr. Henry Vogt was duly selected as Chairman Pro Tem.

Upon motion duly made, seconded and carried, the following officers were elected:

Election of officers.

Chairman, ------	Henry Vogt
Vice-Chairman ----	Charles H. Bohmer
Secretary ----	Huston Quin
Assistant Secretary --	John S. Akers

Stock Represented.

The Louisville Trust Company, depositary for the stock under the Agreement aforesaid, reported that the holders of 17,274 shares of the stock of the National Bank of Kentucky, and the holders of 8,307 shares of the stock of The Louisville Trust Company, had executed the Agreement of April 22, 1927.

Agreement declared effective.

It was thereupon moved, seconded and carried that said Agreement be and is hereby declared effective and in force, and The Louisville Trust Company, depositary, was instructed from the shares of stock in its hands to cause to be issued to each person eligible to qualify as a Director in the affiliating Companies, a certificate for Ten(10) shares of stock in each of said Companies. And further, that The Louisville Trust Company, depositary, cause to be issued to "The Trustees Under Stockholders Agreement of April 22, 1927", two stock certificates, one each representing all the stock of the respective Companies, remaining in its hands, after delivery of the qualifying shares for the Directors, as aforesaid.

Issue of Stock.

Seal.

Upon motion duly made and carried a seal was adopted, as per the form impressed hereon, to-wit:

Exhibit 8

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Purchase of Supplies.

The Secretary and Assistant Secretary were authorized and directed by proper motion, to purchase all books, stationery and supplies necessary in the performance of their duties, also to order a sufficient quantity of Trustees' Participation Certificates in form as set forth in the Agreement of April 22, 1927, and in all respects to conform to the requirements of the rules promulgated by the New York Stock Exchange as to engraving and the like.

Agreement as to By-Laws.

Until formal by-laws are adopted, it was the unanimous opinion of the Trustees that they be guided in all respects by the terms of the Agreement aforesaid.

Certificates for additional Stock deposited.

The Louisville Trust Company was instructed to have issued to the Trustees additional stock certificates representing the stock deposited with it from time to time after this date.

Box for Certificates.

The Secretary was instructed to rent a box in a Safety Vault for the purpose of depositing therein such stock certificates, or other papers, as might be desired. Said box to be entered only by the Secretary or Assistant Secretary in the presence of any two of the Trustees.

Messrs Alex. P. Humphrey and T. K. Helm as counsel, and Messrs James B. Brown, Charles F. Jones and Nicholas Dosker were present at this meeting.

Representation at Stockholders' meeting Nat'l Bank of Kentucky.

On Motion duly made and carried, Messrs T. J. Minary, and Charles H. Bohmer, or either of them, were authorized and delegated to cast the vote of the Trustees for the stock in their name, at the Stockholders' meeting of The National Bank of Kentucky to be held on May 27, 1927.

There being no further business to be transacted, the meeting upon motion adjourned.

Henry Vogt
Chairman

ATTEST:

Newton Lee
Secretary.

Exhibit 8

Louisville, Ky. June 3, 1927.

At a called meeting of the Trustees, the following were present:

Henry Vogt — T. J. Minary — Charles H. Bohmer
E. M. Drummond — Allen P. Dodd.

INCREASING NUMBER OF LOUISVILLE TRUST CO. DIRECTORS FROM 25 TO 40.

It was suggested that it was desirable and to the interest of the Stockholders to consent to an amendment of the Charter of The Louisville Trust Company so as to authorize the election or appointment of forty instead of twenty-five Directors, and upon motion duly made, seconded and carried, it was resolved that the Trustees hereby approve and authorize the execution by the Chairman and Secretary, or by a majority of the Directors in behalf of all the Trustees, of a consent to so amend the Charter of The Louisville Trust Company.

Henry Vogt
Chairman

ATTEST Preston Lewis
Secretary

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Exhibit 6

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Louisville, Ky. June 14, 1927

At a called meeting of the Trustees, held on the above date, the following were present:

Henry Vogt — T. J. Minary
Chas. H. Bohmer — E. M. Drummond.

The minutes of the meetings of May 23 and June 3, 1927 were read and approved.

RENTAL OF BOX. The secretary reported that he had rented box No. 2687 in the Vault of The Louisville Trust Company and upon the adjournment of this meeting the members agreed to visit the vault and place in said box certain stock certificates and other documents, a list of which will be placed in said box and reported at the next meeting of the Trustees.

DELIVERY OF STOCK DEPOSITED. The Secretary stated that he had delivered(1) to the National Bank of Kentucky certificates representing 18,218 shares of its capital stock which had been deposited under the Agreement of April 22, 1927. Also that he had received from the National Bank of Kentucky certificates in the name of the Trustees Under The Stockholders Agreement of April 22, 1927, for an aggregate of 17,828 shares, which, with the qualifying shares for the Directors, ten each for the thirty-nine, or a total of 390 shares, represents the number of shares delivered to the National Bank of Kentucky, to-wit: 18,218 shares; and (2) certificates representing 8,318 shares of the capital stock of The Louisville Trust Company deposited under the Agreement aforesaid, were delivered to said Trust Company and in lieu thereof the Secretary had received from said The Louisville Trust Company, certificates for a total of 7,928 shares which, plus the 390 qualifying shares for the thirty-nine Directors, makes a total of 8,318 shares, the number deposited as aforesaid.

RECEIPT OF STOCK IN NAME OF TRUSTEES, AND DIRECTORS.

The Secretary announced that he had also received a certificate from the National Bank of Kentucky for 10,690 shares of its capital stock representing the 60% dividend on 17,818 shares delivered to it.

Attention is called to the fact,(as a matter of record,) that the difference between the 17,818 shares on which the 60% dividend is received, and the 17,828 shares referred to in the third paragraph of these minutes,represents the certificate originally issued to George L. Everbach, who has not qualified as a Director. The certificate issued in lieu of his ten qualifying shares was included in the total received, but the dividend on this certificate had not been received on this date.

The Secretary reported that he had received from the National Bank of Kentucky and The Louisville Trust Company, certificates of stock in the name of each of the thirty-nine qualifying Directors for ten shares of stock in each Company for each of said

directors. Exhibit 8

PERMANENT CERTIFICATES ORDERED.

The Assistant Secretary announced that the American Bank Note Company had been given the order for engraving the Trustees Participation Certificates and that it would probably require five weeks to complete the work, said certificates to conform to the rules of the New York Stock Exchange.

PAYMENT OF DIVIDENDS.

It was moved by Mr. Bohmer, seconded by Mr. Minary, and unanimously carried, that all dividends paid to the trustees, either by the National Bank of Kentucky, or The Louisville Trust Company, shall be deposited with The Louisville Trust Company, and the entire sums so received and deposited shall be distributed as of the date when payable to the stockholders who shall have accepted the terms of the Agreement of April 22, 1927, in the proportion their respective stockholdings bear to the entire amount of stock deposited with the Trustees under the Agreement aforesaid, unless otherwise ordered.

DIVIDEND CHECKS HONORED AT EITHER INSTITUTION.

Said dividend checks issued by said The Louisville Trust Company shall be payable at either The National Bank of Kentucky, or The Louisville Trust Company. The Louisville Trust Company to reimburse the National Bank of Kentucky for any checks so honored by the latter. Arrangements for handling these checks to be agreed upon between said Bank and Trust Company.

ELIGIBILITY OF DIRECTORS.

A message was received from T. K. Helm that the Federal Reserve Board had consented that all the present Directors, for whom application had been made, were eligible to qualify as Directors in both the National Bank of Kentucky and The Louisville Trust Company.

CERTIFICATES OF CONSENT FEDERAL RESERVE BANK.

Certificates of said consent were filed with the Secretary by Messrs Stites, Rutledge and Quin.

WAIVER IN RE DIVIDENDS

Written waiver was presented signed by Messrs Stites, Block, Helm, Kohn, Akers, Short, Drummond, Bohmer, Jones, Speed, Lyons, Crawford, Angermeier, Vogt, Coons, Durham, O'Brien, Hickman, Clark, Ormsby, Pirtle, Gray, and Quin, in regard to the payment of dividends on the qualifying shares.

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Exhibit

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AMENDMENT TO CHARTER THE LOUISVILLE TRUST COMPANY TO INCREASE NUMBER DIRECTORS FROM 25 TO 40.

Messrs Vogt, Bohmer, Minary, Drummond, and Dodd have signed an amendment to the charter of The Louisville Trust Company reading as follows:

"We, the undersigned Stockholders of The Louisville Trust Company, hereby consent in writing that the Board of Directors may, and request them to, amend Section Three of the Amendment to the Company's Charter, approved January 17, 1890, by striking out the word "Twenty-five", and substituting therefor the word "Forty" so as to increase the authorized number of Directors in the Company from twenty-five to forty." Mr. Duncan being absent from the city has not as of this date affixed his signature to said amendment.

AGREEMENT IN RE RETURN OF QUALIFYING SHARES.

The Secretary reported that all but five of the Directors had signed Agreements to the effect that upon death, insolvency, attachment; or upon ceasing to be a director in either of the affiliating institutions, they or their heirs, assigns or personal representatives would forthwith retransfer to the Trustees, certificates for their qualifying shares of stock in each institution upon receiving from the Trustees Participation Certificates of Interest for an equal number of shares thereof, upon the basis of a par of $100.00 each.

The Directors who have not signed being either sick or absent from the city.

The Assistant Secretary was present at this meeting.

There being no further business to be transacted, the meeting, on motion, adjourned.

Chas. H. Behmer
Vice CHAIRMAN

SECRETARY.

Exhibit 8 Louisville, Kentucky June 24, 1927

At a called meeting of the Trustees held on the above date, all members were present, to-wit: —— Messrs Charles H. Bohmer; T. J. Minary; S. E. Duncan; E. M. Drummond, Henry Vogt and Allen Dodd.

AGREEMNET WITH FIDELITY & COLUMBIA TRUST COMPANY RE DEPOSIT OF STOCK IN NATIONAL BANK OF KENTUCKY HELD BY IT.

It was moved by Mr. Dodd, seconded by Mr. Duncan and duly carried, that the Secretary be directed to notify the Fidelity & Columbia Trust Company that if said Company will deposit with The Louisville Trust Company under the Agreement of April 22, 1927, all stock in the National Bank of Kentucky, held by it in any trust or fiduciary capacity, for life tenants and remainderman, the right will be granted to said Fidelity & Columbia Trust Company any time before January 1, 1928, to surrender any Trustees' Participation Certificates so held by it representing the stock dividend of 60% declared by the National Bank of Kentucky, and to receive in lieu thereof stock in the National Bank of Kentucky to represent such stock dividend on the stock held before such surrender. This shall apply to any stock so deposited after this date and this action is taken at the instance of said Fidelity & Columbia Trust Company and in order to relieve it of any complications that might arise in the apportionment of the stock dividend declared by The National Bank of Kentucky.
Mr. T. K. Helm was present by request and he explained in detail the question that had been raised by the Fidelity & Columbia Trust Company, and it was after this explanation and a full discussion of the proposition that the foregoing motion was made and passed.

AGREEMENT RE QUALIFYING SHARES.

The Secretary reported that one more director(Mr. S. E. Duncan,) had signed the agreement re transfer of qualifying shares upon ceasing to be a director.

JUDGE A.P. HUMPHREY STOCK DELIVERY AND RESIGNATION

The Secretary stated that he had delivered to Judge A.P. Humphrey his qualifying certificate of stock in each of the affiliating institutions, and had later received from Mr. Churchill Humphrey, son of Judge A. P. Humphrey, a letter returning said certificates duly endorsed, and in which letter Judge Humphrey tendered his resignation as a Director. The letter was read, but by request, no action was taken thereon.

FURTHER DEPOSIT AND DELIVERY OF STOCK.

The Secretary stated that since the last meeting there had been deposited under Agreement of April 22, 1927, certificates for 444 additional shares of stock in the National Bank of Kentucky, and same had been delivered to said National Bank of Kentucky. This makes a

total of 18,662 shares so deposited and delivered to the National Bank of Kentucky to this date. Also that he had received from said Bank certificates for 905-2/10 shares issued in the name of the Trustees Under the Stockholders Agreement of April 22, 1927, representing both original stock delivered and the stock dividend of 60% due on stock delivered, and that to date, including the number reported as received at the last meeting, makes a total of 29,421-2/10 shares received. This does not include the 390 qualifying shares, but represents the number of shares delivered to the National Bank of Kentucky plus 60% stock dividend thereon, less the 390 qualifying shares and the stock dividend of six shares each on the qualifying shares of eight Directors who have been absent from the city or sick.

18,662 SHARES NATIONAL BANK OF KENTUCKY STOCK DEPOSITED TO DATE.

CERTIFICATES FOR 29,421-2/10 SHARES RECEIVED.

The Secretary announced that he had delivered qualifying certificates of ten shares in each affiliating institution to all directors except Messrs Kelley(sick); Lemon, Mengel and Reynolds,(absent from city), and had taken their receipts therefor, delivering said receipts to the respective institutions.

DELIVERY OF QUALIFYING SHARES

It was reported, as a matter of record, that Messrs Dodd, Duncan, Atherton, Rutledge, Garnett, Carroll, Callahan, Hieatt and Minary had signed the written waiver as to the payment of dividends.

ADDITIONAL SIGNATURES TO WAIVER RE DIVIDENDS.

This meeting, as well as all the previous meetings of the Trustees, was held in the Directors' Room of The Louisville Trust Company, and all subsequent meetings of the Trustees, unless otherwise indicated, will be held at the same place.

This being all of the business on hand, the meeting, on motion, adjourned.

CHAIRMAN

SECRETARY.

Exhibit 8

Louisville, Kentucky, September 9, 1927.

At a called meeting of the Trustees held this day, the following were present: Messrs. Bohmer, Drummond, Duncan, and Minary. In the absence of Chairman Vogt, Vice Chairman Bohmar presided.

APPROVAL OF MINUTES

The minutes of the meetings of June 14th and June 24th were read and approved.

24285 2/10 SHARES DELIVERED TO NATIONAL BANK OF KENTUCKY

The Secretary reported that since the meeting of June 24th, 1927, certificates representing 3218 original shares and 2405 2/10 dividend stock shares had been delivered to the National Bank of Kentucky. Added to previous deliveries of 18662 original shares, makes a total of 21880 original shares and 2405 2/10 dividend shares, or 24285 2/10 shares in all delivered to the National Bank of Kentucky to date.

CERTIFICATES REPRESENTING 34592 SHARES RECEIVED FROM NATIONAL BANK OF KENTUCKY

At the meeting of June 24th, 1927, it was reported that the National Bank of Kentucky had delivered certificates of stock in the name of The Trustees Under Stockholders Agreement of April 22, 1927, representing 18272 original and 11149 2/10 stock dividend shares, or a total of 29421 2/10 shares.

The Secretary now reports additional certificates in the name of The Trustees, received from the National Bank of Kentucky representing 3218 original shares and 1952 8/10 dividend shares, a total of 5170 8/10 shares received since the last meeting.

To date the total received is as follows:

Representing	original stock	21490 shares
"	dividend "	13102 "
	Total	34592 "

9548 SHARES DELIVERED TO THE LOUISVILLE TRUST COMPANY

It was reported by the Secretary that he had delivered to The Louisville Trust Company certificate for 1230 shares, which, plus the 8318 reported at the previous meeting as having been delivered, makes a total of 9548 shares.

CERTIFICATES FOR 9128 SHARES RECEIVED FROM THE LOUISVILLE TRUST CO.

Certificates in the name of The Trustees Under the Agreement of April 22, 1927, have heretofore been received from The Louisville Trust Company totaling 7928 shares, and an additional

certificate for 1230 shares received since the last meeting, makes a total of 9158 shares represented by the certificates on hand.

AGREEMENTS RE TRANSFER QUALIFYING SHARES RECEIVED. FROM 37 DIRECTORS

Agreements re transfer qualifying shares have been signed by Messrs. Kelley, Duncan and Callahan. These three, plus the 34 heretofore reported, makes a total of 37; Messrs. Humphrey and Reynolds being the only Directors who have not signed.

AGREEMENT RE PAYMENT DIVIDEND. SIGNED BY 36 DIRECTORS

At the last meeting, 32 Directors were reported as having signed the Agreement regarding payment of dividends. Since then, Messrs. Mengel, Kelley, Hayes and Lemon have signed, a total of 36. Messrs. Brown, Humphrey and Reynolds are the only ones who have not signed.

QUALIFYING SHARES DELIVERED TO ALL EXCEPT ONE DIRECTOR

The Secretary reported that he had delivered certificates for ten shares in each affiliating company (qualifying shares) to Messrs. Kelley, Mengel and Lemon and taken their receipts therefor. Qualifying shares have been delivered to all Directors except Mr. Reynolds.

Messrs. T.K. Helm and John S. Akers were present at this meeting.

This being all the business to be transacted, the meeting on motion adjourned.

Henry Loyd
Chairman

Kenton Lum
Secretary.

Exhibit 8 Louisville, Kentucky, September 16, 1927.

The Trustees met pursuant to agreement on this date with the following members present: Messrs. Vogt, Dodd, Drummond, Duncan and Minary.

APPROVAL OF MINUTES — The minutes of the meeting of September 9th, 1927 were read and approved.

ADDITIONAL DELIVERY OF STOCK — The Secretary reported additional certificates of stock delivered as follows:

To National Bank of Ky.	To The Louisville Trust Company
63 2/10 shares	210 shares

Received certificates in the name of The Trustees Under Stockholders' Agreement of April 22, 1927 as follows:

STOCK RECEIVED — From the National Bank of Ky.
Certificate No. A 3412 for 1 share in lieu of script certificate representing one whole share heretofore sent to the National Bank of Ky.
No. A 3413 for 31 shares
A 3414 " 23 2/10 shares

From The Louisville Trust Company
Certificate No. 3397 for 210 shares

TOTAL CERTIFICATES RECEIVED TO DATE — Received to date,

From National Bank of Kentucky	34646 2/10 shares
From The Louisville Trust Co.	9368 "
Total	44014 2/10 shares

TRUSTEES TAKE INVENTORY OF SAFETY VAULT BOX — The Trustees present at this meeting together with the Secretary and Assistant Secretary repaired to the Safety Vault of The Louisville Trust Company, and opened Box No. 687, and deposited therein certain papers, and for the purpose of record the contents of said Box as of this date, are itemized as follows:

One

Certificates of stock of the National Bank of Kentucky, issued in the name of The Trustees Under Stockholders' Agreement of April 22, 1927, to wit:

No. A 3094 for	16 275	shares
A 3096 "	713	"
A 3097 "	329	"

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Exhibit 8

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CONTENTS OF BOX
IN SAFETY VAULT
AS OF SEPT. 16, 1927

I

A 3101 for	364	shares
A 3105 "	137	"
A 3106 "	10 690	"
A 3395 "	10	"
A 3396 "	6	"
A 3397 "	155	"
A 3398 "	284	"
A 3399 "	79	"
A 3400 "	5	"
A 3401 "	369	"
A 3402 "	3	"
A 3404 "	42	"
A 3405 "	2 769	"
A 3406 "	2	"
A 3408 "	455	"
A 3409 "	1 161	"
A 3410 "	53	"
A 3411 "	690	"
A 3412 "	1	"
A 3413 "	31	"
A 3414 "	23	"
Total	34 646	shares

TWO

Certificates of stock of The Louisville Trust Company, issued in the name of The Trustees Under Stockholders' Agreement of April 22, 1927, to wit:

II

No. 3386 for	5305	shares
3394 "	2613	"
3395 "	10	"
3396 "	1230	"
3397 "	210	"
Total	9 368	shares

THREE

The following certificates of stock (seventy-eight in number) thirty-nine (39) issued by the National Bank of Kentucky and thirty-nine (39) issued by The Louisville Trust Company, each for ten (10) shares of stock, representing the qualifying shares of each of the thirty-nine (39) Directors, to wit:

III

Name of Director	Certificate No. of Natl. Bank of Ky.	Certificate No. of The Louisville Trust Co.
Akers, John S.	A 3103	3392
Angermeier, H.J.	A 3056	3350
Atherton, John M.	A 3057	3351
Block, Oscar E.	A 3075	3352
Bohmer, Chas. H.	A 3076	3353

Exhibit 8

Name of Director	Certificate No. of Natl. Bank of Kentucky	Ctf. No. of The Louisville Trust Co.
Brown, James B.	A 3058	3354
Callahan, R.Lee	A 3059	3355
Carroll, A.J.	A 3060	3356
Clark, George M.	A 3061	3357
Coons, Samuel W.	A 3062	3358
Crawford, W.W.	A 3077	3359
Dodd, Allen P.	A 3078	3360
Drummond, E.M.	A 3079	3361
Duncan, S.E.	A 3063	3362
Durham, Joseph	A 3064	3347
Garnett, James	A 3081	3364
Gray, Angereau	A 3082	3365
Hayes, James J.	A 3104	3393
Helm, T. Kennedy	A 3083	3366
Hickman, Baylor O.	A 3065	3367
Hieatt, C.C.	A 3084	3368
Humphrey, Alex P.	A 3066	3369
Jones, Saunders P.,Jr.	A 3067	3346
Kelley, M.P.	A 3085	3370
Kohn, Walter I.	A 3086	3371
Lemon, Brainard	A 3068	3372
Lyons, S. Clay	A 3087-	3373
Mengel, C.C.	A 3069	3374
Minary, T.J.	A 3070	3375
O'Brien, E.J.,Jr	A 3071	3376
Ormsby, H.D.	A 3095	3385

Exhibit

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Pirtle, John B.	A 3088	3377
Quin, Huston	A 3089	3378
Reynolds, Richard S.	A 3072	3379
Rutledge, Arthur M.	A 3090	3380
Short, William	A 3092	3382
Speed, William S.	A 3073	3383
Stites, John	A 3091	3381
Vogt, Henry	A 3074	3384

N.B. Attention is called to the fact that certificates in the name of A.P. Humphrey have been endorsed by him.

FOUR

IV Agreements, thirty-seven (37) in number re transfer of qualifying shares upon ceasing to be a Director, signed by the following:

John S. Akers
H.J. Angermeier
John M. Atherton
Oscar E. Block
Chas. H. Bohmer
James B. Brown
R. Lee Callahan
A.J. Carroll
George M. Clark
Samuel W. Coons
W.W. Crawford
Allen P. Dodd
E.M. Drummond
S.E. Duncan
Jos. Durham
James Garnett
Angereau Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
C.C. Hieatt
Saunders P. Jones
M.P. Kelley
Walter I. Kohn
Brainard Lemon
S. Clay Lyons
C.C. Mengel
T.J. Minary
E.J. O'Brien, Jr.
H.D. Ormsby
John B. Pirtle
Huston Quin
Arthur M. Rutledge
William Short
Wm. S. Speed
John Stites
Henry Vogt

FIVE

Certificates of consent three (3) in number, from the Federal Reserve Board in the name of:

John Stites
Arthur M. Rutledge
Huston Quin

Mr. John S. Akers was present at this meeting.

Exhibit 8

There being no further business to be transacted, the meeting on motion adjourned.

Henry Vogt
Chairman.

Secretary.

16 Exhibit 8

Louisville, Ky. November 28,1927.

A called meeting of the Trustees was held on this date, Messrs. Vogt, Behmer, Drummond, Duncan and Minary being present.

The minutes of the meeting of September 16th, 1927, were read and approved.

The Secretary read a letter from Mr.Alex.C.Barret relative to the issual of a duplicate certificate of stock for his wife, Mrs.Ellen B.Barret, the original of which has been lost or misplaced.

The question for decision being whether to accept the personal obligation of Mr.Barret or to secure an indemnifying bond issued by a corporate surety. After full discussion it was unanimously decided preferable to secure corporate security and the Secretary was instructed to have this done without expense to Mr.Barret, since it was not clear that said original certificate was lost or mislaid through any fault or mistake of Mr.Barret or his wife.

The Secretary reported the receipt of additional certificates in the name of the Trustees under Stockholders Agreement of April 22nd,1927, as follows:

Certificate A-3415 from the National Bank of Kentucky for 9 shares, which with the number heretofore reported (September 16,1927) of 34646 shares, makes a total of 34655 shares.

Certificate 3398 from The Louisville Trust Company for 7 shares, which, with the number heretofore reported (September 16,1927) of 9368 shares, makes a total of 9375 shares.

Messrs. T.K.Helm and J.S.Akers were present at this meeting.

There being no further business to be transacted, the meeting upon motion adjourned.

Attest:

Secretary

Chairman

Exhibit 8

Louisville, Ky., Dec. 2nd, 1927.

A called meeting of the Trustees was held on this date with the following present, Messrs: Vogt, Bohmer, Dodd, Drummond, Duncan and Minary.

The minutes of the meeting of November 25th, 1927 were approved after reading.

The Secretary reported that the premium on the bond re: lost certificate of Ellen R. Barret would amount to $84.00 and asked the Trustees' approval before ordering the bond. It was agreed at this meeting that the premium be paid and the Secretary was instructed to close the matter.

The Assistant Secretary was present at this meeting.

There being no further business before the meeting, the same upon motion, adjourned.

Secretary

President

Exhibit 8

1MFG?

Louisville, Ky., December 15,1927.

The Trustees met on the above date with every member present.

The minutes of the meeting of December 2nd, 1927, were read and approved.

The Secretary submitted a form of notice for the annual meeting, to be sent to the holders of Participation Certificates, and same was approved by the Trustees. For the purpose of record, the notice is copied in full, to-wit:

" Louisville, Kentucky, December 16,1927.

The annual meeting of the holders of Trustees Participation Certificates under the Trust Agreement with reference to stock in The National Bank of Kentucky and The Louisville Trust Company, will be held in the Directors Room of The Louisville Trust Company, Louisville, Kentucky, on Tuesday, January 3rd, 1928, at 2:30 o'clock P.M., for the transaction of such business as may properly come before the meeting.

For the Trustees,

By
HUSTON QUIN
Secretary."

On motion of Mr.Bohmer, seconded by Mr. Dodd, and duly carried, the Chairman was instructed to sign the necessary proxies or be present at the annual meetings of the stockholders of the National Bank of Kentucky and The Louisville Trust Company, to be held on January 10th, 1928, for the purpose of representing the Trustees and of voting the stock held by the Trustees, on all matters that might properly come before said meetings.

It was moved by Mr.Duncan, seconded by Mr.Drummond and duly carried that the transfer books of the Trustees be closed at the end of business hours, December 15th,1927 and reopened on January 3rd, 1928.

The Secretary reported the receipt of additional stock certificates in the name of The Trustees Under Stockholders' Agreement of April 22nd, 1927, to-wit:

National Bank of Kentucky:

A-3416	for	591	shares
A-3417	"	4	"
A-3418	"	1	"
A-3419	"	19	"
A total of		615	"

The Louisville Trust Company:

3399	for	22	shares
3400	"	6	"
A total of		28	"

It was agreed that two of the Trustees accompany the Secretary to the box in the safety vault and deposit therein the certificates now on hand, namely: those referred to in these minutes and in the minutes of November 25th, 1927, the

total being as follows:

National Bank of Kentucky:

A 3415	for	9 shares
A 3416	"	591 "
A 3417	"	4 "
A 3418	"	1 share
A 3419	"	19 shares
A total of		624 shares

The previous deposit of 34,646 shares (September 16,1927), plus the above 624 shares, makes a total of 35,270 shares. Add to these the 390 qualifying shares makes 35,660 shares, leaving outstanding as of this date, 4,340 shares.

The Louisville Trust Company:

No.3398	for	7 shares
No.3399	"	22 "
No.3400	"	6 "
A total of		35 shares

The previous deposit of 9,368 shares (September 16,1927), plus the above 35 shares, makes a total of 9,403 shares. Added to the 390 qualifying shares makes 9,793 shares, leaving outstanding as of this date, 207 shares.

The Assistant Secretary was present.

This being all the business before the meeting, the same on motion adjourned.

Henry Taylor
Chairman

Secretary

20

Exhibit 8

MFG.

Louisville, Kentucky, Dec.23,1927.

The Trustees met on this date with the following members present: Messrs. Vogt, Bohmer, Duncan and Kinary.

The minutes of the meeting of December 13th,1927, were read and approved.

The Secretary reported the receipt of stock certificates in the name of the Trustees, as follows:

1. National Bank of Kentucky - No. A 3420 for ten (10) shares

Added to the previous total of 35,270 shares, makes 35,280 shares, plus 390 qualifying shares, makes a total of 35,670 shares, leaving 4,330 shares outstanding.

2. The Louisville Trust Company - No. 3401 for twenty-one (21) shares

Added to the previous total of 9,403 shares makes 9,424 shares, plus 390 qualifying shares, makes a total of 9,814 shares, leaving 186 shares outstanding.

The Assistant Secretary was present.

This being all the business before the meeting, the same on motion adjourned.

Edward Bohmer
Chairman

Secretary

Exhibit 8

ANNUAL MEETING OF HOLDERS OF TRUSTEES' PARTICIPATION CERTIFICATES

Louisville, Kentucky,

January 3, 1928.

The annual meeting of the registered holders of Trustees' Participation Certificates was held on this date and notation of said meeting is made as a matter of record.

The following were present representing the parties in interest in accordance with the Trust Agreement of April 22, 1927.

The Louisville Trust Company, by Mr. John Stites, its President.
The National Bank of Kentucky, by Messrs. John S. Akers, Vice President, and Charles F. Jones, Cashier.
The Trustees by Messrs. Vogt and Duncan.

The meeting was held at 2:30 P. M., due notice of which had been sent to all holders of the Trustees' Participation Certificates.

The meeting adjourned at 3 o'clock P. M.

Secretary.

Exhibit 8

1MFGo

Louisville, Kentucky, February 3, 1928.

The Trustees met on the above date with the following members present: Messrs. Bohmer, Dodd, Duncan, Minary and Quin.

The minutes of the meeting of December 23, 1927 were read and approved.

Messrs. Alex P. Humphrey and William W. Crawford having heretofore resigned as Directors in the affiliated companies and said resignations accepted, their qualifying shares, (ten each in each company,) were withdrawn from the safety box January 17, 1928, said certificates are as follows:

	Natl. Bank of Ky.	The Louisville Trust Co.
Alex P. Humphrey	A 3066	3369
William W. Crawford.	A 3077	3369

Mr. E.M. Drummond, one of the Trustees and a Director in the affiliated companies died January 22, 1928, and committees have been appointed by the Presidents of the two companies to draft appropriate resolutions on account of his death, same to be spread on the minutes of the Boards of the two companies.

Under the provisions of the Trust Agreement of April 22, 1927, more than a majority of those constituting the Board of Directors of The Louisville Trust Company, by writing, dated January 27, 1928, designated Huston Quin as a Trustee for the stockholders of the affiliated companies to fill the vacancy caused by Mr. E.M. Drummond's death.

Mr. E.M. Drummond's qualifying shares, (ten in each company) were ordered withdrawn from the safety box for cancellation, said certificates being:

National Bank of Kentucky	No. A 3079
The Louisville Trust Company	3361

The withdrawal of the above thirty qualifying shares in each company reduces the total to 360 qualifying shares in each company, there being as of this date, only 36 Directors.

Since the last meeting, the following certificates of stock in the name of the Trustees, have been received from the National Bank of Kentucky:

A 3121 for	11 shares
A 3122 "	34 "
Total	45 shares

Added to the previous total of 35,280 shares, makes 35,325 shares, plus 360 qualifying shares, makes a total of 35,685 shares in the National Bank of Kentucky, leaving 4315 shares outstanding.

The 9424 shares in The Louisville Trust Company heretofore reported, (December 23, 1927,) plus 360 qualifying shares, makes a total of 9784 shares, leaving 216 shares in The Louisville Trust Company outstanding.

Exhibit 8

The Assistant Secretary was present at this meeting.

There being no further business to be transacted, the meeting on motion adjourned.

Secretary.

Chairman

24

Exhibit 8

14FC9

Louisville, Kentucky, February 24, 1928.

The Trustees met on this date, the following being present: Messrs. Bohmer, Duncan, Mi ary, and Quin. Mr. Akers was also present.

The minutes of the meeting of February 3, 1928, after reading, were approved.

The Secretary reported the receipt of Certificate A 3423 for 24 shares of the Capital Stock of the National Bank of Kentucky, payable to The Trustees under Stockholders Agreement of April, 22, 1927, and which, added to the previous total of 35,325 shares makes 35,349 shares, plus 360 qualifying shares, a total of 35,709 shares in all, leaving outstanding as of this date, 4291 shares.

The attention of the Trustees was called to a letter from Mr. Thomas Greer, Assistant Cashier of the Fourth Street Branch of the National Bank of Kentucky, dated February 20, 1928, stating that an interim receipt for 20 shares of the unified stock of the National Bank of Kentucky - The Louisville Trust Company in the name of Ellen R. (Mrs. Alex G.) Barret had been misplaced and they were unable to locate it.

Mrs. Barret had requested that a permanent Trustees certificate for these 20 shares be issued. On motion duly made, seconded and carried, it was ordered that a Trustees certificate for 20 shares of stock be issued to Mrs. Ellen R. Barret upon the request therefor in writing signed by an officer of said National Bank of Kentucky, agreeing to indemnify the Trustees against any loss that might be sustained by them through the issuance of such certificate.

This being all the business before the meeting, same upon motion adjourned.

Secretary

Chairman

Exhibit 8

Louisville, Ky., March 2,1928.

The Trustees met on the above date, the following being present: Messrs. Bohmer, Dodd, Duncan, Minary and Quin. Mr. Akers was also present.

The minutes of the meeting of February 24, 1928 were read and approved.

The receipt of Certificate No. A 3424 for 20 shares of the capital stock of the National Bank of Kentucky was reported by the Secretary, same being payable to The Trustees Under Stockholders' Agreement of April 22, 1927. Added to the previous total of 35,349 shares (February 24, 1928) makes 35,369 shares, plus the 360 qualifying shares makes a total of 35,729 shares, leaving outstanding 4271 shares.

There being no further business to be transacted, the meeting on motion adjourned.

Secretary

Chairman

1 MFG

Exhibit 8

Louisville, Kentucky, April 27, 1928.

The Trustees met on this date with the following present: Messrs. Vogt, Dodd, Duncan, Minary and Quin.

The minutes of the meeting of March 2, 1928, were read and approved.

The Secretary reported the receipt of the following certificates of stock in the name of the Trustees Under Stockholders' Agreement of April 22, 1927, to wit:

A - National Bank of Kentucky:
No. A 3425 for 10 shares
No. A 3426 for 6 "
No. A 3427 for 6 "
No. A 3428 for 13 "
No. A 3429 for 23 "
Total 58 "

Added to the total of 35369 shares (reported March 2, 1928,) makes 35427 shares, plus the 360 qualifying shares, or a grand total of 35787 shares, leaving outstanding as of this date 4213 shares.

B - The Louisville Trust Company:
No. 3406 for 21 shares
No. 3407 for 54 shares
No. 3408 for 6 shares
No. 3409 for 1 shares
Total 82 shares

Added to the total of 9424 shares (reported December 23, 1927,) makes 9506 shares plus the 360 qualifying shares, or a grand total of 9866 shares, leaving outstanding as of this date 134 shares.

In the minutes of the meeting of November 25, 1927, (page 16), reference was made to Interim Receipt No. 1243 for 12 shares of stock in the name of Mrs. Ellen R. Barret, which had been lost or misplaced, and the Secretary was authorized to have permanent Trustees' certificate issued to Mrs. Barret for 12 shares, having first obtained an indemnifying bond to protect the Trustees against any loss or damage they might sustain by issuing said Trustees' certificate.

In the minutes of the meeting of December 2, 1927,)page 17), the Secretary was directed to pay the premium on said indemnifying bond and close the matter.

The Secretary now reports that Judge Alex G. Barret has

Exhibit 8

delivered to him said lost Interim Receipt, same having been found. Judge Barret has also delivered to the Secretary check for 42.00. This, plus a like sum of 42.00 which the Surety Company will pay upon the cancellation of the bond, makes the full premium paid to the Fidelity-Deposit Company.

There being no further business to be transacted, the meeting on motion adjourned.

Secretary

Chairman

28

Exhibit 8

Louisville, Kentucky, May 25, 1928.

The Trustees met on this date, the following being present: Messrs. Behmer, Dodd, Duncan and Quin.

The minutes of the meeting of April 27, 1928 were read and approved.

The Secretary reported the receipt of the following certificates of stock in the National Bank of Kentucky in the name of the Trustees Under Stockholders' Agreement of April 22, 1927, to wit:

No.	A 3430 for	4 shares
	A 3431 for	25 shares
	Total	29 shares

Shares received 35,456 outstanding 4184

Added to the total of 35,427 shares (reported April 27, 1928) makes 35,456 shares, plus the 360 qualifying shares, a grand total of 35,816 shares, leaving outstanding as of this date 4184 shares.

Return of Premium on Barret Bond

The Secretary reported that the Fidelity-Deposit Co. of Maryland had sent check for $42.00 being amount of unearned premium on the Barret bond, and this, with the check for like sum from Judge Barret constitutes a full return of total premium paid for said bond.

Mr. Akers was present at this meeting.

This being all the business to be transacted, the meeting on motion adjourned.

Secretary.

Chairman.

Exhibit 8

Louisville, Kentucky, June 22, 1928.

The Trustees met on this date, with the following present: Messrs. Vogt, Bohmer, Dodd, Duncan and Quin.

Mr. Akers was also present.

The minutes of the meeting of May 25, 1928, were read, and after reading, approved.

The Secretary reported the receipt of the following certificates of stock in the National Bank of Kentucky in the name of the Trustees Under Stockholders' Agreement of April 22, 1927, to wit:

National Bk. of Ky.
shares received
36234
outstanding
3406

No.	A 3432	for 775	shares	(St. Bd. Bdg.)
	A 3433	" 1	"	(Darrach)
	A 3456	" 1	"	(Fractions)
	Total	775	shares	

Added to the total of 35456 shares (reported May 25, 1928) makes 36234 shares, plus the 360 qualifying shares, a grand total of 36594 shares, leaving outstanding as of this date 3406 shares of National Bank of Kentucky stock.

There being no further business before the meeting, same upon motion adjourned.

Secretary.

Chairman

30

1MFG.

Exhibit 8

Louisville, Kentucky, August 5, 1928.

The Trustees met on this date with the following present, to wit: Messrs. Bohmer, Dodd, Duncan, Minary and Quin.

The minutes of the meeting of June 22, 1928 were read and approved.

The Secretary reported the receipt of the following certificates of stock in the name of the Trustees Under Stockholders' Agreement of April 22, 1927, namely:

National Bank of Kentucky
No. A 3434 for 8 shares (Dancy)
A 3436 for 56 shares (Irvine)
A 3437 for 12 shares (Poultney-Davis)
Total 76 shares

National Bank of Ky. shares received- 36310 - 360 outstanding 3330

Added to the total of 36,234 shares (reported June 22, 1928) makes 36,310 shares, plus the 360 qualifying shares, a grand total of 36,670 shares, leaving outstanding as of this date, 3330 shares.

The Louisville Trust Company
No. 3410 for 1 share

The Louisville Trust Company shares received 9507-360 outstanding 138

Added to the total of 9,506 shares (reported April 27, 1928) makes 9507shares, plus 360 qualifying shares, a grand total of 9,867 shares, leaving outstanding as of this date 138 shares.

The Secretary reported the receipt of a letter dated July 9, 1928 from the Federal Reserve Bank of St. Louis, advising that the applications of John S. Akers and James J. Hayes, for permission to serve as officers and directors of the affiliated institutions, had been approved.

This being all the business before the meeting, same upon motion adjourned.

Henry Dodd
Chairman

Secretary

Exhibit 8

Louisville, Kentucky,
October 26, 1928.

The Trustees met on this date with the following present, to wit; Messrs. Vogt, Bohmer, Dodd, Duncan, Minary, and Quin.

The minutes of the meeting of August 3, 1928, after reading, were approved.

The Secretary reported the receipt of the following certificates of stock in the name of the Trustees under Stockholders' Agreement of April 22, 1927, namely:

National Bank of Kentucky

No. A 3438	for 14	shares	(Hopper)
A 3439	for 1	"	(Script)
A 3440	for 1	"	(Townsend)
A 3442	for 3	"	(St. Andrews Church)
A 3443	for 1	"	(Script)
Total	20	shares	

National Bank of Ky. shares received- 36330 - 360 outstanding 3510

Added to the total of 36510 shares, (reported August 3, 1928), makes 36330 shares, plus the 360 qualifying shares, a grand total of 36690 shares, leaving outstanding as of this date, 3510 shares.

The Louisville Trust Company

No. 3411 for 15 shares (Hay)

The Louisville Trust Company shares received 9522-360 outstanding 118

Added to the total of 9507 shares, (reported August 3, 1928) makes 9522 shares, plus 360 qualifying shares, a grand total of 9882 shares, leaving outstanding as of this date 118 shares.

Mr. Akers was present at this meeting.

There being no further business before the meeting, same upon motion adjourned.

Hunton Lewis
Secretary

Henry Vogt
Chairman

32

Exhibit 8

Louisville, Kentucky, December 14, 1928.

The Trustees met on this date with the following present, to wit: Messrs. Vogt, Bohmer, Dodd, Duncan, Minary and Quin.

The minutes of the preceding meeting (October 26, 1928) were read and approved.

Natl. Bank of Ky. shares received 36360 - 360 outstanding 3280 shares.

The Secretary reported the receipt of the following certificate of stock in the name of The Trustees Under Stockholders' Agreement of April 22, 1927, to wit:

National Bank of Kentucky:
No. A 3444 for 30 shares (Strater).

Added to the total of 36330 shares, (reported October 26, 1928) makes 36360 shares, plus the 360 qualifying shares, a grand total of 36720 shares leaving outstanding as of this date 3280 shares.

Notice of annual meeting.

Attention having been called to the time for the annual meeting of the holders of Trustees Participating Certificates (the first Monday in January), the Secretary was directed to send notices of this meeting to all registered holders of said Certificates.

Chairman to represent Trustees at annual meetings.

On motion of Mr. Duncan, seconded by Mr. Dodd; and duly carried, the Chairman was instructed to sign the necessary proxies or to be present at the annual meetings of the stockholders of the National Bank of Kentucky and The Louisville Trust Company, to be held on the 8th day of January, 1929, for the purpose of representing the Trustees and of voting the stock held by the Trustees on all matters that might properly come before said meetings.

Closing of transfer books.

It was moved, seconded and duly carried that the transfer books of the Trustees be closed at the close of business hours on December 20, 1928, and reopened on January 2, 1929.

For the purpose of record there is submitted herewith a list of those holding stock in the National Bank of Kentucky and The Louisville Trust Company (excepting the qualifying shares of the Directors), who have not presented their stock for conversion into Trustees Permanent Certificates:

List of outstanding stock in Natl. Bank of Ky.

National Bank of Kentucky

James B. Brown	1 250	shares
Noble C. Butler	3	"
James H. Duffy	8	"
Edwin W. Poe	2	"
Charles G. Strater, Trustee	10	"

Exhibit 8

	Estate T. Hunt Stucky	4 shares
	Harlan M. Tucker	5 "
	C.E. Vaughn, admr.	3 "
	Wakefield and Company	750 "
	Total	2035 shares
List of outstanding stock in The Louisville Trust Co.	The Louisville Trust Company	
	Walter S. Clark	8 "
	Henry Fleischner	5"
	Mrs. Jeannie M. Patterson	9 "
	Charles G. Strater	25 "
	Estate T. Hunt Stucky	24 "
	Lane P. Stucky	6 "
	Georgia Annie Swinney	8 "
	Robt. C. Wahking	20 "
	Mrs. Paul West (formerly Lula Swinney)	9 "
	Mrs. Leo Wolf	4"
	Total	118 shares

Mr. John S. Akers was present at this meeting.

This being all the business before the meeting, same upon motion adjourned.

Secretary.

Chairman.

Exhibit 8

1MFG

Louisville, Kentucky, January 4, 1929.

At a meeting of the Trustees held on this date, all of the Trustees were present, to wit: Messrs. Vogt, Bohmer, Dodd, Duncan, Minary and Quin. Mr. Akers was also present.

The minutes of the meeting of December 14, 1928, after reading were approved.

Resignation of Messrs. Atherton and Reynolds as Directors and conversion of their qualifying shares into Trustees Certificates.

Mr. J.M. Atherton having tendered his resignation as a Director in the affiliated companies and Mr. R.S. Reynolds having indicated his desire not to be re-elected as a Director in said Companies, it was ordered that the certificates representing the qualifying shares of the above named, (10 shares for each in each company) be withdrawn from the box in the safety vault and converted into Trustees Participation Certificates and delivered to the above named on proper receipts being taken therefor.

Nail. Bank of Ky. shares received 36360 - 340 - outstanding 3300.

NATIONAL BANK OF KENTUCKY

Shares in name of Trustees as of December 14, 1928	36 360
Qualifying shares 34 Directors	340
Total	36 700
Outstanding 3300 shares	

The Lou. Trust Co. shares received 9522 - 340 outstanding 138 shares

THE LOUISVILLE TRUST CO.

Shares in name of Trustees as of October 26, 1928	9 522
Qualifying shares of 34 Directors	340
Total	9 862
Outstanding 138 shares	

There being no further business before the meeting same upon motion adjourned.

Secretary

Chairman

Exhibit 8

SECOND ANNUAL MEETING OF HOLDERS OF TRUSTEES' PARTICIPATION CERTIFICATES.

Louisville, Kentucky, January 7, 1929.

The second annual meeting of the registered holders of Trustees Participation Certificates was held on this date in the Directors Room of The Louisville Trust Company, andnotation of said meeting is made as a matter of record.

The following were present representing the parties in interest in accordance with the Trust Agreement of April 22, 1927.

The Louisville Trust Company, by Mr. John Stites, its President.

The Trustees by Messrs. Vogt and [illegible].

The meeting was held at 2:30 P.M., due notice of which had been sent to all holders of Trustees Participation Certificates.

The meeting adjourned at 3 o'clock P.M.

Secretary.

Exhibit B

Louisville, Kentucky, February 8, 1929.

At a meeting this day of the Trustees under the Trust Agreement between the National Bank of Kentucky and The Louisville Trust Company, dated April 22, 1927, there were present: Messrs. Charles K. Bohmer, Thomas J. Minary, Allen P. Dodd, and Huston Quin. Messrs. Henry Vogt and Stuart E. Duncan were absent, both being out of the city. Mr. John S. Akers was also present.

Vice Chairman Bohmer presented a certified copy of the Resolution of a joint meeting of the Boards of Directors of the National Bank of Kentucky and The Louisville Trust Company, held January 16, 1929, (see A, "Minutes and Resolution in these minutes") and also a written consent signed by a majority of the Advisory Committee of each of said institutions, consenting, in writing, to the entering into with the stockholders of The Louisville National Bank & Trust Company of a contract under and by which the Trustees, for the benefit of the trust estate, shall acquire all or not less than 80% of the stock of said institution, upon the terms and conditions set forth in the said Resolution of directors and written consent of the Advisory Committee. (See B "Written Consent" in these minutes.)

Upon motion duly made, seconded and carried, it was Resolved:

1. That said Resolution of the directors and written consent of the Advisory Committee be filed herewith as a part hereof.

2. That pursuant to the said Resolution and written consent, we, as Trustees, enter into a contract with representative stockholders of The Louisville National Bank & Trust Company, to include themselves and others who may unite with them to an amount of not less than 80% of all of such stockholders, as follows:

Louisville, Kentucky, Feb. 8,1929.

"THIS AGREEMENT, executed in as many duplicate copies as may be found convenient, between the undersigned stockholders of The Louisville National Bank and Trust Company, a corporation organized under the National Banking Law, parties of the first part; and the Trustees of the stockholders of the National Bank of Kentucky and The Louisville Trust Company, under an Agreement dated April 22, 1927, who are acting under the written consent of the Advisory Committee of the National Bank of Kentucky and The Louisville Trust Company, parties of the second part:

WITNESSETH

WHEREAS, the terms of a proposed consolidation between the Louisville National Bank and Trust Company and the Louisville Trust Company were heretofore approved by their respective Boards of Directors on January 15 and January 16, 1929; and

WHEREAS, the second parties were duly authorized, on the day of February, 1929, by written consent of said Advisory Committee, to purchase the entire stock of The Louisville National Bank and Trust Company (7,500 shares) upon the terms, price and conditions of purchase set forth in said written consent and in said resolutions, to wit:

1. That the name of the institution shall be the Louisville Trust Company;

2. That the said Trustees shall issue to the shareholders of The Louisville National Bank and Trust Company, pro rata, 7,500 Trustees Participation Shares in return and in exchange for 7,500 shares of the stock of The Louisville National Bank and Trust Company, being its entire capital stock, carrying with it all the stock of the Louisville National Company.

3. That Judge John Stites shall be Chairman of the Board of Directors of the consolidated institution; that Mr. Richard Bean shall be President and chief executive officer thereof, and Mr. Nicholas H. Dosker executive Vice President thereof; and

WHEREAS, the first parties approve the consolidation of said banking institutions, and are willing to accept the said terms, price and conditions of purchase of their shares in The Louisville National Bank and Trust Company,

NOW, THEREFORE, the premises considered, the undersigned, being the owners of the shares of stock of The Louisville National Bank and Trust Company to the amounts set opposite their respective names below, hereby agree to surrender their certificates of stock, properly endorsed in blank to The Louisville National Bank and Trust Company, as Escrow Agent, receiving therefor ad interim certificates of said Company; and consent that when certificates, aggregating not less than 80% of all the stock of the said Bank, shall have been deposited hereunder by the owners, the certificates of the undersigned may be delivered to the Trustees in accordance with the terms and conditions above set forth.

It is understood and agreed that the second parties will offer to purchase all of the stock of The Louisville National Bank and Trust Company according to said terms, price and conditions of purchase, and that unless at least 80% thereof is deposited, properly endorsed, with the Escrow Agent by March 15, 1929, this Agreement shall not become effective unless the said Trustees extend the time, as they may do in their discretion; and upon a failure of said plan to become effective, the stock deposited hereunder shall be returned, without expense, to the depositors thereof or their assigns.

IN WITNESS WHEREOF, this contract is executed by the undersigned the year and day above written. "

It was further moved, seconded and carried, that pursuant to the foregoing Resolution, the foregoing contract be signed by the Trustees and certified by their Secretary.

Said Contract after signatures to duplicate copies was so certified by the Assistant Secretary.

Exhibit 8

1MFG0

A. - MINUTES AND RESOLUTION

Louisville, Kentucky,
January 16, 1929.

At the special called meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

Charles H. Bohmer, James B. Brown, R. Lee Callahan, Anthony J. Carroll, Samuel W. Coons, Allen P. Dodd, Stuart E. Duncan, Joseph H. Durham, James Garnett, Angereau Gray, James J. Hayes, T. Kennedy Helm, Baylor O. Hickman, Clarence C. Hieatt, Saunders P. Jones, Walter I. Kohn, S. Clay Lyons, Charles C. Mengel, Thomas J. Minary, Edward J. O'Brien, Jr., Henry D. Ormsby, Huston Quin, Arthur M. Rutledge, William S. Speed, John Stites, Henry Vogt.

The following directors were absent - John S. Akers, Henry J. Angermeier, Oscar E. Bloch, George M. Clark, Milburn P. Kelley, Brainard Lemon, John B. Pirtle, Richard S. Reynolds, William Short.

President Brown explained in detail to the Board the negotiations had between him and the representatives of the Louisville National Bank and Trust Company and laid before the Board a proposition submitted by the Louisville National Bank and Trust Company setting forth the terms upon which they were willing to agree to the consolidation of that institution with the Louisville Trust Company, and which proposition had been approved by the Board of Directors of the Louisville National Bank and Trust Company. Said proposition was in substance as follows:

1. That the name of the combined institution should be the Louisville Trust Company.

2. That the Louisville Trust Company shall cause to be issued to the shareholders of the Louisville National Bank and Trust Company pro-rata seventy-five hundred (7500) shares of the Trustees' Participation Certificates in return and exchange for seventy-five hundred (7500) shares of the Louisville National Bank and Trust Company stock, being its entire capital stock, carrying with it all the stock of the Louisville National Company, which the shareholders of the Louisville National Bank and Trust Company contribute and which stock, so contributed, shall be delivered to the Louisville Trust Company.

3. That Judge John Stites should be Chairman of the Board of Directors of the consolidated institution, Mr. Richard Bean should be President and Chief Executive Officer and Mr. Nicholas H. Dosker, Executive Vice-President.

President Brown recommended the acceptance of the proposition so submitted. Mr. Stuart Duncan moved that said proposition be accepted and said motion being seconded by Mr. Saunders P. Jones, it was suggested that a call of the roll be had on the motion. Thereupon, Mr. Jones, Secretary of the meeting, called the roll of the Directors present resulting as follows: There was

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cast in favor of the motion twenty-four (24) votes and no votes against. Judge John Stites and Judge Huston Quin, the other two directors present, stated that they would prefer not to vote either for or against the proposition. President Brown announced that twenty-four votes had been cast in favor of the adoption of the motion and no vote against the same and that the motion was carried.

There being no further business on motion the meeting adjourned.

James Brown
President.

C.F. Jones
Secretary.

To the Trustees of the Stockholders of
the National Bank of Kentucky and The Louisville Trust Company:

This is to certify that the foregoing is a true and correct copy of the minutes of the joint meeting of the Directors of the National Bank of Kentucky and The Louisville Trust Company, held January 16, 1929.

C.F. Jones
Secretary of Directors of Natl. Bank of Kentucky.

Edgar B. Hawes
Secretary of Directors of The Louisville Trust Company.

B. - WRITTEN CONSENT.

To the Trustees of the Stockholders of the
National Bank of Kentucky and
The Louisville Trust Company,
Under Agreement dated April 22, 1927.

Gentlemen:

The undersigned, constituting a majority of the Advisory Committee, under Article II of the Trust Agreement dated April 22, 1927, in order to consummate the consolidation of The Louisville National Bank & Trust Company and The Louisville Trust Company, in accordance with an agreement approved by their Boards of Directors, by resolutions dated January 15, and January 16, 1929, respectively, hereby give their written consent that the Trustees under said Trust Agreement may purchase 7500 shares of stock of The Louisville National Bank and Trust Company (being the entire capital stock of said Bank and all the stock of The Louisville National Company) upon the terms, price and conditions of purchase set forth in the aforementioned resolution of January 16, a copy of which is hereto attached and made a part hereof.

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It is contemplated that The Louisville National Bank and Trust Company will immediately issue to its stockholders a request for deposit of their shares with said Bank as Escrow Agent, with authority in said Agent to deliver the shares so deposited to said Trustees in accordance with said terms, price and conditions of purchase above referred to. Whenever certificates for shares aggregating not less than 80% of said capital stock of said The Louisville National Bank and Trust Company shall have been thus deposited with it as Escrow Agent, the said Trustees are hereby authorized to accept delivery of said shares and of all shares thereafter deposited, not in excess of 7500 and issue in exchange therefor an equal number of Trustees' Participation Shares.

When the Trustees shall have thus acquired 80% or more of the capital stock of The Louisville National Bank & Trust Company, they are authorized to take such action in behalf of the stockholders represented by them as may be deemed legally necessary to bring about the conversion of said institution into a State institution and to merge said Company with The Louisville Trust Company when the capital stock of the latter has been increased and delivered to the Trustees for the purpose of issuing against the same Trustees' Participation Certificates to the present stockholders of The Louisville National Bank and Trust Company on the basis of share for share, or selling in the market any Trustees' Participation Certificates not so taken.

And we further consent to and approve of an amendment of the Charter of The Louisville Trust Company to be executed by its President and a majority of its Directors increasing the capital stock of The Louisville Trust Company from $1,000,000.00 to $1,750,000.00, and upon such increased capital stock of $750,000.00 to issue Trustees' Participation Certificates to the selling stockholders of The Louisville National Bank & Trust Company pro rata in full payment of the capital stock so issued by it; and to further amend said Charter or Articles of Incorporation to include the power of commercial banking and otherwise as may be for the declared purpose deemed advisable.

The foregoing action being taken pursuant to the terms of the Trust Agreement known as Article 3, Section 4, Section 6 (c) and Section 7 (a).

Signed
C.C. Hieatt
J.S. Akers
J.J. Hayes
Baylor O. Hickman
James Garnett
Charles H. Bohner
Henry J. Angermeier
Angereau Gray
H.D. Ormsby
John Stites
Huston Quin
James B. Brown
C.C. Mengel

Geo. M. Clark
Anthony J. Carroll
William Short
S.W. Coons
Milburn P. Kelley
Walter S. Kohn
Arthur M. Rutledge
Allen P. Dodd
T.J. Minery
R.L. Callahan
E.J. O'Brien, Jr.
T.K. Helm

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This being all the business before the meeting, same upon motion adjourned.

Secretary

Chairman

LMFC

Exhibit 8

Louisville, Kentucky, February 15, 1929.

The Trustees met on this date with the following present, to wit: Messrs, Bohmer, Dodd, Duncan, Minary and Quin Mr. Akers was also present.

The minutes of the meetings of January 4, 1929 and February 8, 1929, were approved after reading.

The Secretary reported the receipt of the following certificates of stock in the name of the Trustees under Stockholders' Agreement of April 22, 1927, namely:

Natl. Bank of Ky. shares received-36396-340 outstanding 3264

National Bank of Kentucky.

No. A 3445 for 12 shares (Duffy)
A 3446 for 6 shares (Stucky)
A 3447 for 18 shares (Strater)
Total 36 shares

Added to the total of 36360 shares (reported January 5, 1929) makes 36396 shares, plus the 340 qualifying shares, a grand total of 36736 shares, leaving outstanding as of this date, 3264 shares.

The Lou. Tr. Co. shares received 9580-340 outstanding 80

The Louisville Trust Company.

No. 3412 for 8 shares (Clark)
3413 for 30 shares (Stucky)
3414 for 20 shares (Wahking)
total 58 shares

Added to the total of 9522 shards (reported January 5, 1929) makes 9580 shares, plus the 340 qualifying shares, a grand total of 9920 shares, leaving outstanding as of this date, 80 shares.

This being all the business before the meeting, same upon motion adjourned.

Secretary

Chairman

Louisville, Kentucky, March 8, 1929.

The Trustees met on this date with the following present: Messrs. Bohmer, Duncan, Minary and Quin. Mr. Akers was also present.

The minutes of the meeting of February 15, 1929, were read and approved.

The Secretary reported the receipt of the following certificates of stock in the name of the Trustees Under Stockholders' Agreement of April 28, 1927, to wit.

Nat. Bank of Ky. shares received 38340 outstanding 1307

National Bank of Kentucky
No. A 3448 for 1 share (Script)
No. A 3449 for 1956 " S (Brown)
1957 shares

Added to the total of 38396 shares (reported February 15, 1929) makes 38353 shares, plus the 340 qualifying shares, a grand total of 38693 shares, leaving outstanding as of this date 1307 shares.

The Chairman presented the following written Consent and approval of the Advisory Committee:

Consent of Advisory Committee to reduction of par value of stock under Art. VIII of Trust Agreement.

"To the Trustees of the Stockholders of the National Bank of Kentucky and The Louisville Trust Company, Under Trust Agreement dated April 28, 1927.

Gentlemen:

The undersigned, constituting a majority of the Advisory Committee under Article III of the above Trust Agreement, hereby consent to and recommend that under Article VIII of said Trust Agreement the Trustees take appropriate action to reduce the par value of the Trustees' Participation Certificates therein provided for from One Hundred ($100.00) Dollars per share to Ten ($10.00) Dollars per share par value.

Witness our hands this 2nd day of March, 1929.

Signed:

James B. Brown
E.J. Angermeier
J.S. Akers
C.C. Hieatt
A.J. Carroll
Oscar E. Bloch
Arthur V. Rutledge
S.C. Lyon
William Short
James Garnett
T. Kennedy Helm
Henry D. Ormsby

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MFC

John Stites
Angeresu Gray
Huston Quin
Allen P. Dodd
Arthur M. Rutledge
Charles H. Bohmer
Walter I. Kohn

J.J. Hayes
Milburn P. Kelley
Geo. M. Clark
T.J. Minary
S.E. Duncan
R.L. Callahan
William S. Speed

Motion to make reduction in par value of shares from $100.00 to $10.00.

Upon motion made, seconded and carried, it was unanimously Resolved: That, acting pursuant to Article VIII, Section (1), of the Trust Agreement, it is now considered wise to change the par value of the shares of Trustees' Participation Certificates from a par of One Hundred ($100.00) Dollars per share to a par of Ten ($10.00) Dollars per share, of such outstanding certificates, and such change is now made, ordered and directed, and all outstanding certificates are hereby called in for exchange on the basis of receiving ten (10) shares for each share of such Trustees' Participation Certificates now outstanding. That the stockholders be presently notified of such action and that no dividends will be paid upon the outstanding certificates after that payable April 1, 1929, until such exchange has been made.

Changes ordered in stock certificates account change in par value.

Upon motion made, seconded and unanimously carried, it was Resolved: That the Secretary or Assistant Secretary arrange at once for securing new permanent certificates in the exact form of the present certificate, except the line reading, "Present authorized issue $5,000,000.00," will be eliminated and the two places on said certificate where the par value of the shares is fixed at $100.00 shall be changed to read $10.00 par value per share, and advise the stockholders of record of this action and request that they send in their certificates for such exchange.

This being all the business before the meeting, same upon motion adjourned.

J.S. Stites
Asst Secretary

Chas. H. Bohmer
Chairman

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Louisville, Kentucky,
March 15, 1929.

The Trustees met on this date with the following members present, to wit: Messrs. Bohmer, Dodd, Minary and Quin. Mr. Akers acting as Secretary of the meeting.

The minutes of the meeting of March 8, 1929, were read and approved.

Consent by Advisory Committee to reduce par value of shares to $10.

The Chairman presented the consent of a majority of the Advisory Committee to the reduction of the par value of the Trustees Certificate to $10.00. Said consent being copied in full herein for the purpose of a permanent record.

"To the Trustees of the Stockholders of the National Bank of Kentucky and The Louisville Trust Company, Under Trust Agreement dated April 22, 1927.

"Gentlemen:

"The undersigned, constituting a majority of the Advisory Committee under Article III of the above Trust Agreement, hereby consent to and recommend that under Article VIII of said Trust Agreement the Trustees take appropriate action to reduce the par value of the Trustees' Participation Certificates therein provided for from One Hundred ($100.00) Dollars per share to Ten ($10.00) Dollars per share par value.

"Witness our hands this 2nd day of March, 1929.

"James B. Brown
H.J. Angermeier
J.S. Akers
C.C. Hieatt
A.J. Carroll
Oscar E. Bloch
Arthur M. Rutledge
S.C. Lyon
William Short
James Garnett
T. Kennedy Helm
Henry D. Ormsby
John Stites
Angeream Gray
Ruston Quin
Allen P. Dodd
Charles H. Bohmer
Walter I. Kohn
J.J. Hayes
Milburn P. Kelley
Geo. M. Clark
T.J. Minary
S.E. Duncan
R.L. Callahan
William S. Speed"

Consent to Amendment to Articles of Incorporation of The Louisville Trust Co.

There was also presented to the meeting a draft of a proposed Amendment to the Articles of Incorporation of The Louisville Trust Company. Said proposed Amendment was approved by a majority of the Trustees, those favoring and consenting to said Amendment being Messrs. Bohmer, Dodd and Minary.

For the purpose of record said Amendment is copied in full here-

with and made a part of these minutes.

"AMENDMENT TO ARTICLES OF INCORPORATION OF THE LOUISVILLE TRUST COMPANY OF LOUISVILLE, KENTUCKY.

"KNOW ALL MEN BY THESE PRESENTS:

"That pursuant to consent in writing of the holders and owners of more than two-thirds (2/3) of all its authorized and outstanding capital stock, the undersigned duly elected, qualified and acting directors, and constituting out of of the institution, hereby further amend its charter as amended, so that when amended the sections re - ferred to will read as follows:

(1) "SECTION TWO: The capital stock of said Company shall consist of Seventeen Thousand Five Hundred (17,500) shares of the par value of One Hundred ($100.00) Dollars each, with the privilege to increase the same as is provided by law. The stockholders at the annual or any special meeting may elect not less than twenty (20) nor more than fifty (50) directors who shall serve until the next annual election, and until their successors are duly elected and qualified. The regular annual meeting and election of directors shall be on the second Tuesday of January of each year.

"Directors shall have power and authority to exercise in the name, and in behalf of the Company all the rights and privileges conferred upon Trust Companies and combined Banks and Trust Companies under laws of the Commonwealth of Kentucky.

"Except as hereinabove set forth Section Two of the original charter is hereby repealed.

(2) "SECTION FOUR: The directors may elect from their number a chairman of the board of directors, and at the first meeting of the board after their election shall elect a President, an Executive Vice President and such other Vice Presidents as may be provided for in the by-laws. The board may also elect a Secretary, and a Treasurer and such other officers as the business may require. All of said officers shall be elected to serve for a period of one (1) year and until their successors shall be elected and qualified, but any officer or employee may be removed at any time by the board of directors for cause. The board may also elect such other officers and employees as the business of the Company may require or it may delegate to one or more of the senior officers of the Company the power to employ and discharge minor officers, superintendents; agents and/or employees of the Company and fix their compensation from time to time. The board shall fix the compensation of all officers of the Company elected by it, and may require from any or all of said officers bond for the faithful discharge of their duties. No person shall be eligible as director who is not a stockholder to the amount of ten (10) shares. The board of directors are authorized to specify in the by-laws the number of directors which are necessary to constitute

a quorum for any meeting of the board.

(8) "SECTION EIGHT: The said corporation shall have and may exercise all the powers conferred by the laws of Kentucky upon Trust Companies, combined Banks and Trust Companies, and commercial and savings banks, and the enumeration of the powers hereinafter specified shall not be taken to be a limitation upon the general powers heretofore stated.

"It may be appointed and act as guardian of infants, as executor, administrator or curator of estates of decedents, as committee of persons of unsound mind, as receiver, assignee or trustee for persons or estates, whether appointed by deed or by last will and testament by any Court within this Commonwealth, or in any other manner not inconsistent with law; and it may act as agent or attorney for the transaction of any business for any persons or corporations, or in the management of estates, or the collection of rents, accounts, interest, dividends, notes, bonds, securities for money and debts, and demands of every kind, character and description, and receive and hold in trust, estates real and personal, including notes, bonds, obligations and accounts of estates and individuals, or companies and corporations, private or public, in this State or elsewhere, as permitted by law; it may act as agent or attorney in the leasing, conveying and management of real and personal estates, and receiving and collecting rents and other moneys; it may receive on deposit and for safe-keeping, gold, silver, jewelry, money and other personal property of every kind, and shall have a lien upon all personal property deposited with it for its charges; it may purchase, own, maintain and operate a safety vault, containing any number of compartments or boxes, and may rent such compartments or boxes to such persons and for such sums of money, and for such times as may be agreed upon between it and such persons; and may act as trustee under deeds of trust or mortgages, making certificates of such trust upon the bonds secured thereby, and in receiving and investing sinking funds under such deeds of trust or mortgages; and may act as agent for transferring or registering the transfer of certificates of stock, bonds, or other obligations for any corporation or municipality, State or public authority, and may receive and manage any sinking fund therefor, and may accept and execute and guarantee all trusts of every description not inconsistent with the laws of this State as may be committed to it by any person or persons, or by any corporation, public or private, or by any order of Court of this or any other State; and may transact the business above described through corporate or individual agents selected by it; and it may exercise such powers as may be necessary to carry on the business of banking by discounting and negotiating notes, drafts, bills of exchange andother evidences of debt, and purchasing and selling bonds, receiving deposits and allowing interest thereon, buying and selling exchange, coin and bullion, and lending money on personal or real security, as provided by law; and it may accept for payment at a future date drafts or bills of exchange drawn upon it by its customers, and issue letters of credit authorizing the holders thereof to draw drafts upon it or its correspondents at sight or on time not exceeding one year, and may also accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, growing out of transactions involving the importation and exportation of goods, and it may discount acceptances which are based

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upon the importation or exportation of goods, and which have a maturity at time of discount of not more than three months, and are endorsed by at least one other bank or trust company; and it may also receive moneys on deposit and pay interest thereon; and it may pledge such portion of its assets as may be required by law as collateral security on Government deposits.

"The original Section Eight of the Company's charter is repealed so far as inconsistent with the foregoing powers of this provision; and Section Nine of the original charter is amended by striking therefrom the following words:

> "but nothing herein shall be construed to permit such Company to discount paper, or to engage in the business of banking,"

and Section Six of the amendment of 1886 is repealed so far as inconsistent with the foregoing.

(4) "SECTION TWELVE of the original charter of 1884 is hereby repealed.

"IN TESTIMONY WHEREOF this amendment is signed and acknowledged by more than a majority of its directors this___ day of March, 1929."

This being all the business before the meeting, same upon motion adjourned.

Henry Lloyd
Chairman

Secretary

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Louisville, Kentucky, April 30, 1929.

The Trustees met on this day, all the Trustees, to wit: Messrs. Vogt, Bohmer, Dodd, Duncan, Minary and Quin, and the Assistant Secretary were present.

The minutes of the meeting of March 15, 1929, after reading, were approved.

Report of delivery by stockholders of certificates representing 7350 shares of stock in Lou. Natl. Bank & Tr. Co. and receipt of Ctf. No. 667 for 7350 shares payable to Trustees.

The Secretary reported that pursuant to the resolutions and contract of February 7, 1929, and executed February 8, 1929, between the Trustees and certain stockholders of The Louisville National Bank and Trust Company, the said stockholders owning seven thousand three hundred and fifty (7350) shares of the par value of One Hundred ($100.00) Dollars each out of the total authorized capital stock of said Bank of seven thousand five hundred (7500) shares, had delivered their certificates, properly endorsed, to The Louisville National Bank and Trust Company as Escrow Agent, which has issued to the Trustees its certificate No. 667 as a National bank for an equal number of shares, to wit: seven thousand three hundred and fifty (7350), to be exchanged for certificates for seventy-three thousand five hundred (73,500) participation shares of the par value of Ten ($10.00) Dollars, when and as instructions are hereafter given as to the names, addresses and number of shares to be embodied in each of said several certificates; and upon motion duly made, seconded and carried, the report was received and approved and the action then taken ratified.

Mr. C.H. Bohmer designated a proxy to represent Trustees and vote their stock at meeting of stockholders of Lou. Natl. Bank & Tr. Co. to be held this day for purpose of dissolution of said Lou. Natl. Bank & Tr. Co. and transfer of its assets to State Institution.

Attention was called to the fact that pursuant to the plans heretofore outlined a meeting of the stockholders of The Louisville National Bank and Trust Company will be held pursuant to notice at its office in Louisville, Kentucky, at 10:30 A.M., April 30, 1929, and that it is desirable that the Trustees attend the said meeting or appoint a proxy to attend said meeting of the stockholders and to vote the stock of said bank standing in the names of the Trustees.

Upon motion duly made, seconded and carried, it was resolved that Mr. Charles H. Bohmer be and is hereby designated the proxy of the Trustees at said meeting of the stockholders of The Louisville National Bank and Trust Company to vote the said stock standing of record in the name of and owned by the Trustees in favor of the dissolution of the said Louisville National Bank and Trust Company, and for the transfer of all its assets, good will, rights and interest, to a banking corporation organized under the laws of Kentucky by a majority of the directors under the name of The Louisville Bank and Trust Company, pursuant to Section 589 Carroll's Kentucky Statutes.

It was further moved, seconded and carried, that the Secretary, or the Assistant Secretary, be and is hereby authorized for and on behalf of said Trustees, first, to execute the written consent hereby given of the Trustees as owners of

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Authorization of Secy. or Asst. Secy. to execute written consent of Trustees to directors to organize State Bank & Trust Co. and to accept or waive notice.

seven thousand three hundred and fifty (7350) shares of stock of The Louisville National Bank and Trust Company, to the directors of said Company, to organize, under the laws of the State of Kentucky, a State bank and Trust company with a capital of Seven Hundred and Fifty Thousand ($750,000.00) Dollars; and secondly, hereby authorize the Secretary, Assistant Secretary, or proxy, to accept or waive any notice, or the form of notice, that may be required for the taking of any of the action contemplated at said special meeting, or any adjournment thereof, of the stockholders of The Louisville National Bank & Trust Company, waiver and notice follow.

Form of acceptance by Trustees of notice of stockholders' meeting of Lou. Natl. Bank & Trust Co. tobe held this day re dissolution of Lou. Natl. Bank & Trust Co.

We, the undersigned stockholders of The Louisville National Bank and Trust Company (a National banking association), organized under the Act of Congress, hereby acknowledge receipt and accept the notice heretofore given as fully sufficient, and further hereby expressly waive notice of the meeting of the stockholders to be held this date, called for the purpose of considering and voting upon the dissolution of and liquidating the Louisville National Bank & Trust Company, in accordance with law, and of the taking of such other or further action at said meeting as may properly or incidentally come before it.

The following certificates of stock payable to the Trustees Under Stockholders' Agreement of April 22, 1927, were presented by the Secretary.

Natl. Bank of Ky. shares received 38361-340 outstanding 1299

National Bank of Kentucky
Certificate No. A 3450 for 8 shares (Tucker)
The previous total (March 8, 1929) of 38353 shares, plus the above 8 shares, makes a total of 38361 shares.

Add the 340 qualifying shares, makes 38701 shares in all, leaving outstanding as of this date, 1299 shares.

The Lou. Trust Co. shares received 9609-340 outstanding 51

The Louisville Trust Company
Certificate No. 3417 for 29 shares (West 9)
(Atherton 10)
(Reynolds 10)

The previous total (February 15, 1929) of 9580 shares, plus the above 29 shares, makes a total of 9609 shares. Add the 340 qualifying shares, makes 9949 shares in all, leaving outstanding as of this date 51 shares.

Ctf. of Lou. Natl. Bank & Tr. Co. for 7350 shares

The Secretary presented Certificate No. 667 of The Louisville National Bank & Trust Company for 7350 shares of stock payable to The Trustees Under Stockholders' Agreement of April 22, 1927.

This represents all the stock in said company

excepting only the qualifying shares of the 15 directors.

Qualifying shares of Directors in Lou. Natl. Bank & Tr. Co. 15 of 10 shares each

The Secretary also presented the qualifying shares of the fifteen directors in The Louisville National Bank and Trust Company. Said certificates issued by The Louisville National Bank & Trust Company being as follows:

Certificate No. 668 to Richard Bean
669 to George O. Boomer
670 to William Black
671 to Nicholas H. Dosker
672 to C. Oscar Ewing
673 to Walter H. Girdler
674 to Ben J. Metcalfe
675 to J. William Miller
676 to David C. Morton
677 to Ben Robertson
678 to Sam H. Stone
679 to E. Leland Taylor
680 to Horace A. Taylor
681 to Robert F. Vaughan
682 to E. Weinstock

Interim Receipt for 10 shares in name of Geo O. Boomer

With the foregoing qualifying shares was presented Interim Receipt No. 462 for 10 shares payable to George O. Boomer and issued by The Louisville National Bank & Trust Co. Same was placed with the above as a matter of record.

Discussion of issuing $10.00 par certificates for script certificates.

Mr. Akers mentioned the matter of issuing new $10.00 par certificates in lieu of script certificates, but no action was taken on the matter. The view was expressed that every possible effort be made to have the holders of Script Certificates either buy or sell and convert their holdings into whole shares.

There being no further business to be transacted, the meeting on motion adjourned.

J S Akers
Asst Secretary

Henry Vogt
Chairman

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Louisville, Kentucky
May 17, 1929

The Trustees met on this day, with the following Trustees present: Messrs. Vogt, Bohmer, Dodd, Duncan and Minary. Mr. John S. Akers, the Assistant Secretary, was also present.

The minutes of the meeting of April 30, 1929, after reading, were approved.

Resignation of Mr. Huston Quin, as a Trustee and also as Secretary for the Trustees.

The resignation of Mr. Huston Quin, as a Trustee and also as Secretary for the Trustees, dated May 17, 1929, and addressed to Mr. Henry Vogt, Chairman, was read and on motion, duly made and seconded, said resignation was accepted, with regret.

Written consent of Trustees for the merging of The Louisville Trust Company and The Louisville Bank and Trust Company.

Upon motion duly made and seconded, it was resolved, that the Chairman or Vice-Chairman and the Secretary or Assistant Secretary be and are hereby authorized and requested to execute the original consent of the Trustees as the holders of ninety-six hundred nine (9609) shares of the capital stock of The Louisville Trust Company out of its outstanding stock of ten thousand (10,000) shares; and, further, the written consent of the Trustees as the holders of seven thousand three hundred and fifty (7350) shares out of the seventy-five hundred (7500) shares of outstanding capital stock of The Louisville Bank and Trust Company to the merging of the said two institutions under articles of consolidation as hereinafter set out.

The following certificates and papers were presented by the Assistant Secretary:

Waiver of notice signed by stockholders of The Louisville Trust Co.

Three waivers of notice of and consent to the consolidation with The Louisville Bank and Trust Company signed by the following stockholders of The Louisville Trust Company: (Jeannie M. Patterson)
(Henry Fleischner)
(Mrs. Leo Wolf)

Qualifying shares of Directors of The Louisville Trust Co.

Fourteen certificates of stock of The Louisville Trust Company, for ten (10) shares each, being the qualifying shares of those named, to wit:

No. 3418 to Pen J. Metcalfe
3419 to William Black
3420 to Nicholas H. Dosker
3421 to Ben Robertson
3422 to George O. Boomer
3423 to Horace A. Taylor
3424 to E. Leland Taylor
3425 to E. Weinstock
3426 to David C. Morton
3427 to Richard Bean
3428 to C. Oscar Ewing

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Certificate No.3429 to Walter H. Girdler
3430 to J. Wm. Miller
3431 to Cam H. Stone

Interim Receipts for 10 shares each in name of Ben J. Metcalfe and Robert F. Vaughan

With the foregoing qualifying shares were presented Interim Receipts No. 98 for ten shares payable to Ben J. Metcalfe and No. 341 for ten shares payable to Robert F. Vaughan, issued by The Louisville National Bank and Trust Company. Same was placed with the above as a matter of record.

Script Ctf. for 2/10 share National Bank of Kentucky.

Script Certificate No.227 for two-tenths (2/10) share capital stock, National Bank of Kentucky, issued to "The Trustees Under Stockholders' Agreement of April 22, 1927". These script certificates are held from time to time until converted into a full share.

There being no further business to be transacted, the meeting on motion adjourned.

Assistant Secretary

Chairman

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Louisville, Kentucky,
May 31, 1929

A meeting of the Trustees was held at 4:00 P. M. this date and there were present:

Messrs. Henry Vogt, Chairman, Thomas J. Minary, Stuart E. Duncan, Chas. H. Bohmer and Allen P. Dodd.

Mr. John S. Akers, the Assistant Secretary, was also present.

Appointment Ben J. Metcalfe as Trustee, succeeding Huston Quin, resigned.

The Chairman presented a writing, signed by more than two-thirds of the persons who are now directors of The Louisville Trust Company, selecting and designating Mr. Ben J. Metcalfe as Trustee in succession to Judge Huston Quin, resigned, and the original consents are filed herewith as a part hereof. Mr. Metcalfe being present, appeared and accepted the appointment and assumed his duties.

Appointment John S.Akers as Secretary, succeeding Huston Quin, resigned, and Ben J. Metcalfe as Ass't.Secy to succeed John S.Akers.

Thereupon it was moved, seconded and unanimously carried, that John S. Akers be, and he was elected as Secretary, in succession to Judge Huston Quin, resigned, and Ben J. Metcalfe was elected as Assistant Secretary, succeeding John S. Akers.

Authorization for reissuance fractional rights for new par value of $10 each on basis equal par values.

The Chairman presented a resolution of the directors of The Louisville Trust Company and the National Bank of Kentucky authorizing and requesting the Trustees to issue their Trustees' Participation Certificates of the new par value of $10.00 each for outstanding fractional rights of the old stockholders of The Louisville Trust Company and the National Bank of Kentucky on the basis of equal par values. And upon motion made, seconded and carried, the Secretaries and Officers were authorized to proceed accordingly in making such transfers.

There being no further business to be transacted, the meeting on motion adjourned.

J S Akers
Secretary

Chairman

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Louisville, Kentucky,
July 12 1929

A meeting of the Trustees was held at 4:P.M. this date and there were present: Messrs. Vogt, Minary, [redacted], Bohmer, [redacted] and Metcalfe. Mr. John S. Akers, the Secretary, was also present.

Removal of Box in Vault of the old building and rental of Box in new bldg.

The Secretary reported that, on June 10th he, together with Messrs. Dodd and Metcalfe, removed Box No. 2687 from the Vault of the old building of The Louisville Trust Company, located on the corner of Fifth and Market Streets, to the Vault in the new building of The Louisville Trust Company, located at 421 West Market Street, and rented Box No. 1658, depositing therein the contents of Box No. 2687. At the same time, the contents were checked and verified by the members herein designated.

Qualifying shares Atherton, Reynolds and Quin, resigned.

Messrs. John M. Atherton, Richard S. Reynolds and Huston Quin, having heretofore resigned as Directors in the affiliated companies, and said resignations being accepted, the following Qualifying shares of each were withdrawn:

	Nat'l Bank of Ky	The Lou Trust Co.
John M. Atherton	A3087 - 10 Shares	
Richard S.Reynolds	A3072 - 10 Shares	
Huston Quin	A3089 - 10 Shares	3378 - 10 Shares

Messrs. Atherton and Reynold's qualifying shares in The Louisville Trust Company were previously withdrawn, having been reported in Minutes of the Trustees under date of April 30th, 1929.

The following certificates of stock payable to The Trustees Under Stockholders' Agreement of April 22, 1927 were presented by the Secretary:

Natl. Bank of Ky. shares received - 38391-2/10 - 330 outstanding 1278-8/10 shares.

National Bank of Kentucky
No.A3451 for 10 shares (Quin qualifying shares reissued)
No.A3452 for 20 shares (Atherton and Reynolds, as above)

Added to the total of 38361 shares(reported in Minutes April 30th,1929) plus the 2/10 share (reported May 17th) makes a total of 38391-2/10 shares, plus the 330 Qualifying Shares, makes 38721-2/10 shares in all, leaving outstanding, as of this date, 1278-8/10 shares.

The Lou Trust Co. shares received - 16980-490,outstanding 30 shares.

The Louisville Trust Company
No.3434 for 10 shares (Quin qualifying shares reissued)
No.3436 for 12 shares (Swinney - 8; Wolf - 4)
No.3437 for 9 shares (Patterson - 9)

R. R. Boswell was made Director in lieu of Quin,resigned. Add the 21 shares set forth in Certificates 3436-37 to the previous total of 9609 (reported April 30th, 1929) makes 9630 shares, plus the 7350 shares re-issued from deposited stock Louisville National Bank and Trust

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Company, makes 16,980 shares, which, together with the 490 Qualifying shares, makes a total of 17,470 shares in all, leaving outstanding as of this date 30 shares.

For the purpose of record there is submitted herewith a list of those holding stock in the National Bank of Kentucky and The Louisville Trust Company (excepting the qualifying shares of the Directors), who have not presented their stock for conversion into Trustees Permanent Certificates:

List of outstanding stock in National Bank of Kentucky.

National Bank of Kentucky	
James B. Brown	50 Shares
Noble C. Butler	3 Shares
Edwin W. Poe	2 Shares
Charles G.Strater, Trustee	10 Shares
C.E.Vaughn, Admr. of -William N.Vaughn,dec'd.	3 Shares
Wakefield & Co	750 Shares
Total.....	818 Shares

List of outstanding stock in The Louisville Trust Company

The Louisville Trust Company	
Henry Fleischner	5 Shares
Charles G. Strater	25 Shares
Total.....	30 Shares

This being all business before the meeting, same, on motion adjourned.

J R Atkins Secretary

Henry Fleischner Chairman

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Louisville, Kentucky,
July 12th, 1929

At a special meeting of the Trustees, held this date, the following members were present:

Messrs. Henry Vogt, Thomas J. Minary, Chas. H. Bohmer and Ben Metcalfe. Mr. John S. Akers, Secretary, was also present.

Power of Attorney to Commissioner of Internal Revenue at Washington, D. C.

On Motion duly seconded and unanimously carried the following resolution was adopted:

RESOLVED, That Charles H. Bohmer, Vice-Chairman and John S. Akers, Secretary for the Trustees, be, and they are, hereby authorized to execute on behalf of the Trustees, and deliver to the Commissioner of Internal Revenue, at Washington, D. C., the following Power of Attorney:

"Louisville, Kentucky
July 12, 1929

Commissioner of Internal Revenue
Washington, D. C.

Sir:

The Trustees, under Trust Agreement dated April 22,1927, executed by the stockholders of the National Bank of Kentucky and The Louisville Trust Company, in accordance with a resolution adopted at a meeting of said Trustees this 12th day of July,1929, hereby appoint and constitute the law firm of Miller and Chevalier, 922 Southern Building, Washington, D. C., as attorneys at law and in fact for the purpose of obtaining a ruling, as to whether the Trust, created by the said Trust Agreement, is an "association", within the meaning of the Revenue Act of 1928, as applied to the provisions relating to stamp taxes and income taxes, levied under the said Act, with powers of revocation and substitution.

You are hereby authorized and requested to discuss with the above named firm, and in particular with Robert N. Miller, S. Lyman Barber, J. R. Sherrod, Ward Loveless, F. O. Graves, J. C. Ristine and Homer Hendricks, any matter pertaining to the above subject, the same as you would with the undersigned.

Respectfully,

Trustees, under Trust Agreement
dated April 22, 1927, between the
National Bank of Kentucky and
The Louisville Trust Company

By CHARLES H. BOHMER
VICE-CHAIRMAN"

ATTEST:

JOHN S. AKERS
SECRETARY

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"STATE OF KENTUCKY |
|
COUNTY OF JEFFERSON |

I, _____ a Notary Public in and for the State and County, aforesaid, do hereby certify that the foregoing instrument was this day produced to me in my said office and was acknowledged by Charles H. Bohmer, Vice-Chairman, and attested by John S. Akers, Secretary, who stated that they were authorized by a resolution of the said Trustees to execute the foregoing instrument for and on behalf of the said Trustees, and they acknowledge, and each of them acknowledges, same to be the act and deed of said Trustees for the purposes therein set out.

My commission expires:

Witness my hand and notarial seal this 12th day of July, 1929.

_____
Notary Public, Jefferson Co., Ky"

Motion of Trustees and Consent Advisory Committee to file Articles of Incorporation THE BANCOKENTUCKY CO. and form of letter to be sent holders Trustees' Participation shares to exchange the same for stock in The BancoKentucky Co., when organized.

Upon motion duly made, seconded, and carried, it was RESOLVED, That the Trustees at the request and with the consent of the Advisory Committee, do hereby approve and authorize the Chairman or Vice-Chairman and the Secretary or Assistant Secretary of the Trustees, together with the proper officers of the National Bank of Kentucky and The Louisville Trust Company, to cause to be filed the attached copy of Articles of Incorporation of The BancoKentucky Company, and to approve and send to the holders of Trustees' Participation Certificates the attached copy of the recommendation to the holders of Trustees' Participation Certificates to exchange the same for stock in The BancoKentucky Company, when organized, in accordance with and subject to the conditions of the plan of reorganization therein set forth:

ATTACHED HERETO -
(a) Articles of Incorporation
(b) Consent and Request Advisory Committee
(c) Copy recommendation holders of Trustees' Participation Certificates

This being all business to be transacted, the meeting, on motion adjourned.

J S Akers
SECRETARY

Henry Voigt
CHAIRMAN

Exhibit 8

CERTIFICATE OF INCORPORATION

OF

THE BANCOKENTUCKY COMPANY.

FIRST: The name of this corporation is THE BANCOKENTUCKY COMPANY.

SECOND: Its principal office in the State of Delaware is to be located in the City of Dover, in the County of Kent, in the State of Delaware. The name of its resident agent is the United States Corporation Company, whose address is No. 19-21 Dover Green in said city.

THIRD: The nature of the business, or objects or purposes proposed to be transacted, promoted or carried out are:

"The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume

the whole or any part of the obligations or liabilities of any person, firm or corporation.

The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.

The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge, deed of trust or otherwise. The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety therefor and to become joint maker, endorser or accepter of any such obligations and to charge fees and commissions for such services.

The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

In general, the corporation shall have full power to carry on any other business in connection with the foregoing whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

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The foregoing clauses shall be construed both as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

FOURTH: The total authorized capital stock of this corporation is Two Million (2,000,000) shares of common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Twenty Million ($20,000,000) Dollars and being a total authorized capital stock of Twenty Million ($20,000,000) Dollars.

FIFTH: The number of shares with which this corporation shall commence business is sixty (60) shares of common stock, each share being of the par value of Ten Dollars.

SIXTH: The names and places of residence of the subscribers to the capital stock and the number of shares subscribed for by each of them are as follows:

NAME	RESIDENCE	NO. OF SHARES COMMON STOCK
_____	DOVER, DELAWARE	20
_____	DOVER, DELAWARE	20
_____	DOVER, DELAWARE	20

SEVENTH: This corporation is tohave perpetual existence.

EIGHTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

NINTH: Subject to the provisions of the "General Corporation Law" the number of Directors of the corporation shall be determined as provided in the By-Laws.

TENTH: In furtherance, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To make and alter the By-Laws of this corporation, to fix the amount to be reserved as working capital over and above its

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capital stock paid in, to authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.

From time to time to determine whether and to what extent, and at which times and places, and under what conditions and regulations, the accounts and books of this corporation (other than the stock ledger), or any of them, shall be open to inspection of stockholders; and no stockholder shall have any right of inspecting any account, book or document of this corporation except as conferred by statute, unless authorized by a resolution of the stockholders or directors.

If the by-laws so provide, to designate two or more of its number to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the by-laws of this corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs of this corporation, and have power to authorize the seal of this corporation to be affixed to all papers which may require it.

Pursuant to the affirmative vote of the holders of at least a majority of the stock issued and outstanding, having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of at least a majority of the holders of the voting stock issued and outstanding, the Board of Directors shall have power and authority at any meeting to sell, lease or exchange all of the property and assets of this corporation, including its good will and its corporate franchises, upon such terms and conditions as its Board of Directors deem expedient and for the best interests of the corporation.

This corporation may in its By-Laws confer powers upon its directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by the statute.

Both stockholders and directors shall have power, if the By-Laws so provide, to hold their meetings, and to have one or more offices within or without the State of Delaware, and to keep the books

Exhibit 8

of this corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the Board of Directors.

ELEVENTH: This corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

WE, THE UNDERSIGNED, being each of the original subscribers to the capital stock hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the General Corporation Law of the State of Delaware, being Chapter 65 of the Revised Code of Delaware, and the acts amendatory thereof and supplemental thereto, do make and file this certificate, hereby declaring and certifying that the facts herein stated are true, and do respectively agree to take the number of shares of stock hereinbefore set forth, and accordingly have hereunto set our hands and seals this the day of A.D., 1929.

_____ SEAL

In the presence of _____ SEAL

_____ SEAL

STATE OF DELAWARE
: SS
COUNTY OF KENT

BE IT REMEMBERED, that on this day of 1929, personally came before me, a Notary Public for the State of Delaware, County of Kent and , parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledged the said certificate to be the deed and act of the signers respectively and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

_____ Notary Public.

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Louisville, Ky., July 12, 1928.

We, the undersigned, constituting a majority of the Advisory Committee of both the National Bank of Kentucky and The Louisville Trust Company, hereby consent to and request that the Trustees, under the Trust Agreement of April 22, 1927, cause to be organized The Banco Kentucky Company, under the charter approved by us and hereto attached, under the laws of the State of Delaware, and having a capital stock of Twenty Million ($20,000,000.00) Dollars, divided into shares of Ten ($10.00) Dollars par value, and we hereby further approve the submitted form of a letter to the holders of Trustees' Participation Certificates as hereto attached, and request the Trustees to cause the organization of such Company and the submission of the proposed plan to the Trustees Certificate Holders, to the end of a reorganization of the allied interests.

Richard Bean
Thomas A. Taylor
Henry Vogt
Ed Mengel
William P. Kelly
David E. Morton
Jno. Sherr
James Breed
R. L. Calhoun
E. Lelande Taylor

Exhibit 8

Louisville, Ky., July 12, 1929.

We, the undersigned, constituting a majority of the Advisory Committee of both the National Bank of Kentucky and The Louisville Trust Company, hereby consent to and request that the Trustees, under the Trust Agreement of April 22, 1927, cause to be organized The BancoKentucky Company, under the charter approved by us and hereto attached, under the laws of the State of Delaware, and having a capital stock of Twenty Million ($20,000,000.00) Dollars, divided into shares of Ten ($10.00) Dollars par value, and we hereby further approve the submitted form of a letter to the holders of Trustees' Participation Certificates as hereto attached, and request the Trustees to cause the organization of such Company and the submission of the proposed plan to the Trustees Certificate Holders, to the end of a reorganization of the allied interests.

Wm. J. Mitchell
H. D. Ormsby
J. J. Kinnaird
W. J. Carpenter
Charles Bohmer

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OFFICE OF TRUSTEES.

Louisville, Ky.,
July 1929.

Reorganization Plan
For
National Bank of Kentucky and The Louisville Trust Company
In connection with
The BancoKentucky Company.

To the Holders of Trustees' Participation Shares,
National Bank of Kentucky and The Louisville Trust Company:

Your Officers and Directors have been studying the rapidly changing conditions in the banking business in America, with a view to preparing the two banking institutions under their management, to meet these changed conditions, and to take early advantage of new opportunities presented thereby.

The conclusion unanimously reached, as a result of these deliberations, is that the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the assets of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections.

Such a reorganization is in line with the trend of business and finance in this country; and there can be little doubt that the assets of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilising influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities, frequently presented in the course

of business of the two banks, but not available to them, because of the restrictions upon their powers and activities.

The following is the Plan of Reorganization agreed upon by the Officers and Directors of the two banks, and approved by formal Resolutions of the Trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

1. There has been organized under the laws of the State of Delaware, a corporation known as The BancoKentucky Company, with an authorized capital of 2,000,000 shares, having a par value of Ten ($10.00) Dollars each. The stock will be exchanged or sold, in accordance with this Plan, on the basis of Twenty-five ($25.00) Dollars per share, which will give the Company a capital of Twenty Million ($20,000,000.00) Dollars, and a surplus of Thirty Million ($30,000,000.00) Dollars, or a total capital and surplus of Fifty Million ($50,000,000.00) Dollars. No stock will be sold by the Company at less than Twenty-five ($25.00) Dollars per share.

2. The corporation is given broad charter powers, including the right to acquire stocks, bonds and other securities of other corporations, and evidences of indebtedness created or issued by other corporations; the power to underwrite securities and take part in syndicate management, and to charge fees and commissions for its services in connection with the reorganization or refinancing of other corporations; the power to issue bonds and to guarantee the obligations of others and to become surety, guarantor and endorser thereof. The foregoing is merely a brief summary of the broad powers given the corporation; complete details of these powers appear in the Certificate of Incorporation of the Company, copies of which may be examined at the offices of the two banks by any one interested.

3. It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees Participation Shareholders, and that it be managed and operated by the Boards of Directors and the officers of the two banks. The BancoKentucky Company, therefore, offers to the Trustees Participation Shareholders of the National Bank of Kentucky and The Louisville Trust Company, through the Trustees as agents in the transaction, its entire capital stock, on the bases and subject to the terms and conditions hereinafter set out:

It is an essential part of this Plan that:

(a) On or before September 19, 1929, the holders of the Trustees Participation Shares must deposit their Certificates with the Trustees for exchange into the shares of The BancoKentucky Company; and for each Participation Share thus deposited, the Trustees will cause to be issued to the holder thereof, Two (2) shares of the stock of the new corporation. In addition thereto the depositing shareholder will have the right to subscribe for as many additional shares of the stock of The BancoKentucky Company as he may desire at the price of Twenty-five ($25.00) Dollars per share subject to allotment ratably if over-subscribed. Trustees Participation Shareholders who fail to deposit their shares on or before September 19, 1929, will be deemed to have waived their rights to thus exchange their shares and subscribe for stock in the new Company, unless the Trustees shall extend the time for deposit and subscription (as they may do in their discretion), in which event the Trustees Participation Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time.

(b) The entire Plan of Reorganization, and the deposit and subscription privileges and rights hereinabove set out,

Exhibit 8

are all, and each of them is, conditioned expressly upon the acquisition by the Trustees Participation Shareholders, either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of The BancoKentucky Company; and further conditioned upon the acquisition by The BancoKentucky Company of at least a majority of the Trustees Participation Shares issued and outstanding as of September 19, 1969.

8. It is the unanimous recommendation of your Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees Participation Shareholders immediately deposit their shares under this Reorganization Plan, and that they exercise their right to subscribe to the additional shares of stock of The BancoKentucky Company.

There is enclosed herewith a subscription form covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees, together with your Certificate or Certificates for Trustees Participation Shares, endorsed in blank and witnessed. There will be issued to you an Interim Receipt for the shares deposited which, when the Plan has become effective as above set forth, may be presented for exchange for the permanent certificates of the BancoKentucky Company, in accordance with the Plan of Reorganization.

_____

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Exhibit B

Louisville, Ky., July 1929.

Subscription to Shares
of
The BancoKentucky Company
(Under the Reorganization Plan as outlined in the
letter of the Trustees, dated July 1929.)

To the Trustees of

National Bank of Kentucky
and
The Louisville Trust Company:

1. I hereby deposit with you Trustees' Participation Certificates for an aggregate of Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 1929, if, when and as said Plan shall become effective as therein provided.

Signature of Stockholder.

Address.

- -

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for additional shares of the BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

Signature of Stockholder.

Address.

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CONSENT OF ADVISORY COMMITTEE

Louisville, Kentucky

To the Trustees of the Stockholders of the
National Bank of Kentucky and
The Louisville Trust Company
under Agreement dated April 22, 1927.

Gentlemen:

It having been determined by unanimous vote of the Board of Directors of the National Bank of Kentucky and The Louisville Trust Company, at their regular meeting on September 27, 1929, that it is to the best interest of the National Bank of Kentucky to surrender its National Charter and become incorporated as a State Bank, pursuant to Section 589 of Carroll's Kentucky Statutes, the undersigned, constituting a majority of the Advisory Committee under Clause II of the Trust Agreement dated April 22, 1927, in order to consummate the denationalization of said Bank and to organize its successor under the laws of Kentucky, do hereby consent in writing that the Trustees under said Trust Agreement may adopt any and all resolutions which may be legally required to place the National Bank of Kentucky in voluntary liquidation under the provisions of Sections 5220 and 5221 of the United States Revised Statutes; and they may likewise waive any and all notices required by law to be given prior to the adoption of said resolution or resolutions.

Following the incorporation of said State Bank, it is contemplated that a contract will be executed by the State Bank and the National Bank, whereby the former will acquire all the assets, rights and franchises of the latter, and that the former corporation will issue its authorized capital stock, consisting of forty thousand (40,000) shares of the par value of $100.00 each, against the assets thus received. The Trustees are hereby authorized to become a party to

Exhibit 8

this Agreement for the purpose of accepting and receiving a certificate for the thirty ~~nine~~ eight thousand ~~nine~~ seven hundred and ~~seventy~~ sixty six ~~(39,976)~~ 38726 shares of said stock, for the account of the indivisible trust estate created under said Trust Agreement, which they are authorized to substitute for a like number of shares, now held by them, of the National Bank of Kentucky. The Trustees are thereupon authorized to forthwith cancel the certificates evidencing the thirty ~~nine~~ eight thousand ~~nine~~ seven hundred and ~~seventy~~ sixty six ~~(39,976)~~ 38726 shares of the stock of the National Bank of Kentucky, and to hold thirty ~~nine~~ eight thousand ~~nine~~ seven hundred and ~~seventy~~ sixty six ~~(39,976)~~ 38726 shares of the stock of the State Bank in lieu thereof as part of said indivisible trust estate, subject to all the terms and conditions of said Trust Agreement, and for the uses and purposes therein defined, and with like powers in relation to the management and control thereof.

The Trustees are hereby authorized generally to do and perform all acts and things which may be necessary and which are required of them as such to consummate the objects and purposes hereinabove set forth.

The foregoing action being taken pursuant to Article 3 - Sections 4 and 8 of said Trust Agreement.

Exhibit 8

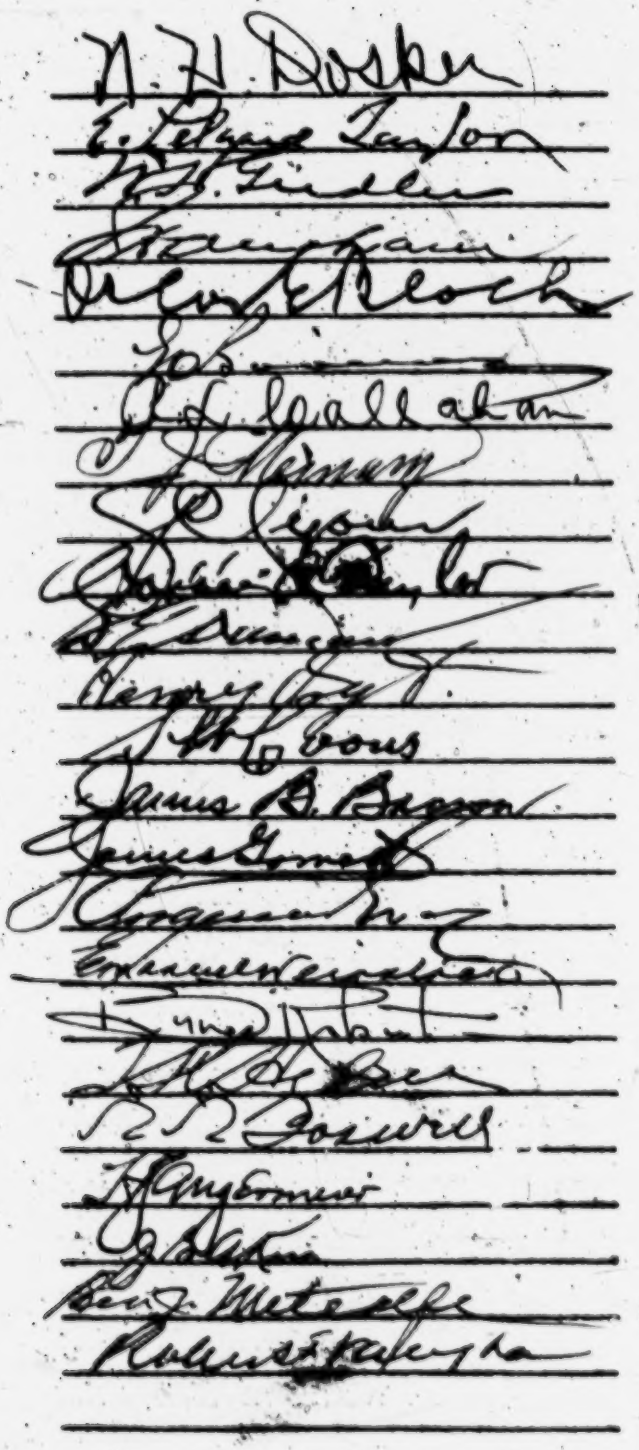

Exhibit 8

WAIVER OF NOTICE.

Louisville, Kentucky
Oct. 7th, 1929.

We, the undersigned stockholders of the National Bank of Kentucky, hereby waive notice of the stockholders' meeting of said Bank, to be held on the ____ day of October, 1929, for the purpose of considering and voting upon a resolution authorizing the placing of said Bank in voluntary liquidation, in accordance with Sections 5220 and 5221 of the United States Revised Statutes.

Witness the hands of the stockholders who names are subscribed below, together with the number of shares, respectively, held by each.

Trustees under the Agreement of Stockholders of the National Bank of Kentucky, dated April 22, 1927.

By Henry Voyt
Chairman. ____

The following lines are for signatures of the Directors who hold qualifying shares.

James Garnett	10 Shares
Wm Atkinson	"
James Hayes	"
Henry Engelmeier	"
J. D. Jones	"
Geo. Stites	"
[illegible]	"
H. S. Duncan	"
William Shoor	"
Henry Voyt	"
[illegible]	"
Arthur M. Robertson	"
Oscar E. Beach	"
Walter S. Cohen	"
Anthony J. Carroll	"

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	10 Shares
Joseph Wm Cook	.
R. Lee Walker	.
Milburn P. Kelly	.
[illegible]	.
William [illegible]	.
C. G. Sims	.
J. H. Loomis	.
Thomas Dr Sims	.
Jesse S. Reed	.
Charles E. Mingo	.
Saunders Stovall	.
Edward J. O'Brien Jr	.
Wm. Clark	.
Edwd H. Bellamann	.
John B. Pirtle	.
Henry D. Orr	.
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	.

The following lines are for signatures of the Directors who hold qualifying shares.

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Exhibit 3

Copy of resolution adopted by Directors of the National Bank of Kentucky on May 3,1929:-

"It was moved, seconded and unanimously carried that the stockholders, Trustees, be and are hereby requested to issue Trustees' Participation Certificates reduced to $10.00 per share par for the fractional share rights of former stock owners of rights of equal par value, and that this resolution be certified to said Trustees as a recommendation for and approval of such actions by the Trustees.

Exhibit 8

Louisville, Ky., May 31st 1928.

The undersigned constituting a majority of the persons who are now directors of The Louisville Trust Company, being informed of the resignation of Euston Quin as a Trustee under the Trust Agreement of April 22, 1927, and the acceptance of such resignation, hereby choose and elect, and by this writing certify to the remaining Trustees, our choice of Ben J Mudd Jr to fill such vacancy.

A L Shallcross
Allen O Hall
Wm Dyer
John B Pirtle
Henry Vogt
Richard Bean
David G Mottow
Geo M Clark
Ex-officio
Milburn P Kelley
J M Black
Horace A Taylor
E. Leland Taylor
S. W Coons.
J H Dosker
James Gorrell
Chas H Schauer.

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Exhibit

Louisville, Ky., May 31st 1929.

The undersigned constituting a majority of the persons who are now directors of The Louisville Trust Company, being informed of the resignation of Huston Quin as a Trustee under the Trust Agreement of April 22, 1927, and the acceptance of such resignation, hereby choose and elect, and by this writing certify to the remaining Trustees, our choice of Ben J. Metcalfe to fill such vacancy.

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WAIVER OF NOTICE

Louisville, Kentucky
October 15, 1929

We, the undersigned, stockholders of National Bank of Kentucky, hereby waive notice of a meeting to be held this day for the purpose of extending the time within which the liquidation of National Bank of Kentucky shall become effective, and hereby consent that a resolution may be adopted rescinding the former resolution of October 7, 1929 to the extent that the time, within which liquidation shall become effective, shall be extended from October 15, 1929 to November 15, 1929.

Witness the hands of the stockholders whose names are subscribed below, together with the number of shares, respectively, held by each.

Trustees under the Agreement of Stockholders of National Bank of Kentucky, dated April 22, 1927.

By Henry Vogt — CHAIRMAN — 39,675.2 Shares

The following lines are for the signatures of the Directors who hold qualifying shares

[signature]	10 Shares
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"

Exhibit 8

The following lines are for the signatures of the Directors who hold qualifying shares

[signature]	10 Shares
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"
[signature]	"

Exhibit 8

Louisville, Kentucky
October 7th, 1929

A meeting of the Trustees was held at the office of the National Bank of Kentucky this date at the hour of 3:00 P.M., and the following were present:

Henry Vogt, Chairman, Thomas J. Minary, Stuart E. Duncan and Ben Metcalfe. Mr. John S. Akers, Secretary, was also present.

The Minutes of the meeting of July 12th were read and approved.

CONSENT OF THE ADVISORY COMMITTEE TO THE LIQUIDATION OF THE NATIONAL BANK OF KENTUCKY.

Mr. Akers, Secretary, presented a written consent, signed by a majority of the Directors of the National Bank of Kentucky and The Louisville Trust Company composing the Advisory Committee under the Trust Agreement, by the terms of which the Trustees were authorized, among other things, to adopt any and all resolutions required to place the National Bank of Kentucky in voluntary liquidation, under the provisions of Sections 5220 and 5221 of the United States Revised Statutes; and further authorizing them to waive any and all notices, required by law to be given prior to the meeting at which such resolutions would be adopted. A copy of this consent is filed herewith and made a part of these minutes.

(a) Consent of Advisory Committee attached.

On motion duly seconded and unanimously carried, a resolution was adopted approving the voluntary liquidation of The National Bank of Kentucky, in accordance with the terms of said written consent, and authorizing Henry Vogt, as Chairman and John S. Akers, as Secretary of the Trustees, to cast the vote of the Trustees favorably upon the resolution of liquidation to be presented this day at a meeting of the stockholders of The National Bank of Kentucky; and, further, to execute written waiver of notice of the stockholders meeting, on behalf of the Trustees.

(b) Copy of Waiver attached hereto.

There being no further business, the meeting adjourned.

Henry Vogt
CHAIRMAN

J S Akers
SECRETARY

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Exhibit 8

Louisville, Kentucky

October 11th, 1929

A meeting of the Trustees for the stockholders of the National Bank of Kentucky was held in the Directors' room, this date, at the hour of 3:00 P.M. Those present and voting were:

Henry Vogt, Chairman, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd and Ben Metcalfe. The Secretary, Mr. John S. Akers, was also present.

The minutes of the Meeting of October 7th, after reading, were approved.

Authorization for contract between The National Bank of Kentucky, The Bank of Kentucky and The Trustees.

On motion duly seconded and carried, a resolution was adopted authorizing Henry Vogt, as Chairman, (or in his absence the Vice-Chairman) and Mr. John S. Akers, Secretary, to execute a contract between The National Bank of Kentucky, The Bank of Kentucky and The Trustees, copy of which is hereinafter set forth:

AGREEMENT

"AGREEMENT made and entered into this 11th day of October, 1929, between THE NATIONAL BANK OF KENTUCKY, a banking association organized under the laws of the United States, party of the first part; THE BANK OF KENTUCKY, a corporation organized under the laws of the State of Kentucky, party of the second part; and HENRY VOGT, STUART E. DUNCAN, T. J. MINARY, ALLEN DODD , CHARLES H. BOHMER, AND BEN J. METCALFE, Trustees under the Agreement between the stockholders of the National Bank of Kentucky and The Louisville Trust Company, dated April 22, 1927, parties of the third part.

WITNESSETH:

WHEREAS, by resolution, concurred in by more than two-thirds of its outstanding stock, at a meeting held at Louisville, Kentucky, on October 7, 1929, first party has been authorized to dissolve under Sections 5220 and 5221 of the United States Revised Statutes, and

WHEREAS, second party has been organized under the laws of the Commonwealth of Kentucky (Section 589, Carroll's Kentucky Statutes), for the purpose of acquiring all the assets and assuming all the liabilities (except circulation) of the first party to the end that first party may be converted into a State Bank, pursuant to the provisions of said laws, and

WHEREAS, third parties are the owners and holders of 39406 shares, out of 40,000 shares issued and outstanding, of first party's capital stock, holding same as Trustees under the Agreement aforesaid, and having been duly authorized under the terms of said Agreement to enter into this contract for the purposes hereinafter set forth,

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Exhibit 8

NOW, THEREFORE, the premises considered, and for other good and valuable considerations, the first party hereby bargains, sells, conveys and transfers to the second party all of its assets of every kind, character and description, and agrees to execute and deliver to second party, upon demand, proper deeds, conveyances, bills of sale, assignments and or other instruments evidencing such transfer and sale as may be appropriate or necessary to vest second party with legal title thereto.

IN CONSIDERATION WHEREOF, second party hereby assumes and agrees to discharge and satisfy all obligations and liabilities of ffrst party, whatsoever, excepting that second party does not assume or agree to discharge the outstanding circulation of first party, but it is agreed that first party shall, as provided by the Acts of Congress, deposit within six months from date of liquidation with the Comptroller of Currency, lawful money of the United States sufficient in amount to retire and discharge said circulation.

2. First party now has outstanding 40,000 shares of its capital stock, par value $100.00 each, of which 18406 shares are held by third parties as Trustees under said Trust Agreement, 320 shares are held by the present Directors of the Bank as required by law (thirty-two Directors holding 10 shares each), and the remaining 1274 shares are held by five individual stockholders. It is agreed that all of said outstanding shares shall be called in for cancellation and retirement, and, in lieu thereof, second party shall issue its entire capital stock, consisting of 40,000 shares, to the above-named holders of first party's shares, ratably, upon surrender of the old certificates for cancellation.

3. Third parties shall substitute the certificates, evidencing second party's stock, for the certificates of first party, in the indivisible trust estate created under said Agreement, and thereafter, the said certificates of second party's stock shall be held by third parties subject to the terms and conditions of said Trust Agreement, and for the uses and purposes therein set forth, with full powers in relation to the management and control thereof, as in the first instance given in said Agreement in respect of the shares of the National Bank of Kentucky.

IN TESTIMONY WHEREOF, first party has caused this agreement to be executed by James B. Brown, President, attested by C. F. Jones, Cashier, thereunto duly authorized by the Board of Directors of first party by resolution dated October 11th 1929; and second party has caused this agreement to be executed by James B Brown President attested by C.F. Jones Cashier thereunto duly authorized by the Board of Directors of second party by resolution dated October 1929; and third parties have caused this instrument to be executed by Henry Vogt, Chairman of the Trustees, and attested by John S. Akers, Secretary, thereunto duly authorized at a meeting of the Trustees held on October 11th 1929, pursuant to consent given by the Advisory Committee under date of October 4, 1929 - all done at Louisville, Jefferson County, Kentucky, this 11th day of October, 1929.

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NATIONAL BANK OF KENTUCKY

By _____ PRESIDENT

Attest:

_____ CASHIER

THE BANK OF KENTUCKY

By _____ PRESIDENT

Attest:

_____ CASHIER

THE TRUSTEES UNDER TRUST AGREEMENT
DATED APRIL 22, 1927

By Henry Vogt CHAIRMAN

Attest:

J.B. Atkins SECRETARY

I hereby certify, under the authority of the Board of Directors of the National Bank of Kentucky, that the foregoing is a true and correct copy of the contract entered into between the National Bank of Kentucky, The Bank of Kentucky, and the Trustees under Trust Agreement of April 22, 1927, on the _____ day of October, 1929.

_____ CASHIER

Subscribed and sworn to before me by C. F. Jones, this _____ day of October, 1929.

My commission expires:

_____ NOTARY PUBLIC, JEFFERSON COUNTY, KY

There being no further business to be transacted, on motion, the meeting adjourned.

Henry Voyt
CHAIRMAN

J B Allen
SECRETARY

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Louisville, Kentucky
October 15th, 1929

A meeting of the Trustees was held on this date at the office of The National Bank of Kentucky at the hour of 3:00 P. M. and the following Trustees were present:

Henry Vogt, Chairman, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd and Ben Metcalfe. Mr. Akers, the Secretary, was also present.

The minutes of the meeting of October 11th, after reading, were approved.

Explanation by Secretary of extension of liquidation date from Oct. 15th to Nov. 15th, 1929.

Mr. Akers, Secretary, stated that under the terms of the resolution adopted by the stockholders on October 7, 1929, the effective date of liquidation of the National Bank of Kentucky had been fixed therein at the close of business on October 15, 1929; that it had been discovered since said meeting that certain details in connection with the liquidation could not be accomplished within the time specified (that is, by close of business on October 15, 1929) and that, therefore, it was necessary to extend the time of the effective date of the liquidation to November 15, 1929; that the Comptroller of the Currency had been notified of this fact and had given his approval of the change in the date; that a meeting of the stockholders of the National Bank of Kentucky had been called for the purpose of rescinding the former resolution and re-adopting same in identical terms except that the effective date would be changed from October 15, 1929 to November 15, 1929.

Consent of Advisory Committee to liquidate National Bank of Kentucky effective Nov. 15, 1929

On motion duly seconded and unanimously carried, a resolution was adopted approving the rescinding of the resolution of liquidation of October 7, 1929 and the adoption of another resolution identical in terms, except that the effective date of liquidation would be changed from October 15, 1929 to November 15, 1929, and authorizing Henry Vogt, as Chairman, and John S. Akers, as Secretary of the Trustees, to cast the vote of the Trustees favorably upon the resolution of liquidation to be presented this day at a meeting of the stockholders of the National Bank of Kentucky; and further to execute written waiver of notice of the stockholders meeting on behalf of the Trustees.

(a) Copy of Waiver attached hereto:

There being no further business, on motion the meeting adjourned.

Henry Vogt
CHAIRMAN

J S Akers
SECRETARY

Louisville, Ky.,

October 25th,1929

At a meeting of the Trustees held this date, the following were present:

Henry Vogt, Chairman, Thomas J. Minary, Allen P. Dodd and Ben J. Metcalfe. Mr. Akers, the Secretary, was also present.

The minutes of the meeting of October 15th, after reading, were approved.

WITHDRAWAL OF BRAINARD LEMON, DECEASED, QUALIFYING SHARES.

Messrs. Allen P. Dodd and Ben J. Metcalfe, the Trustees, together with the Secretary, John S. Akers, repaired to the Safety Vault of The Louisville Trust Company, and opened Box No.1658, and, for the purpose of cancellation and reissuance, withdrew the following qualifying shares of Brainard Lemon, deceased Director:

National Bank of Kentucky

Ctf. No. A-3068 - 10 Shares

The Louisville Trust Company

Ctf. No, 3372 - 10 Shares

The withdrawal of the above ten shares in each Company reduces the total to 320 qualifying shares in the NATIONAL BANK OF KENTUCKY and 480 qualifying shares in THE LOUISVILLE TRUST COMPANY.

Nat'l Bank of Kentucky shares rec'd - 39130 plus 320; outstanding 550.

The following certificates of stock, aggregating 739 shares, payable to The Trustees Under Stockholders' Agreement of April 22, 1927, were presented by the Secretary:

NATIONAL BANK OF KENTUCKY

No A3453	-	4 shares	(C.E.Vaughn,Admr et al)
No A3454	-	10 shares	(Brainard Lemon -qualifying shares)
No A3455	-	16 shares	(Charles G. Strater, Trustee)
No A3456	-	3 shares	(Edwin W. Poe)
No A3457	-	4 shares	(Noble C. Butler)
No A3458	-	700 shares	(Wakefield & Co)
No A3459	-	2 shares	(Script of Vaughn,Poe, Butler and fraction 2/10 heretofore rec'd)

The total 38,391-2/10 shares, reported in minutes of July 12th, less the fraction of 2/10, which, together with other fractions above itemized and converted into full share, added to the 739 shares reported above, makes 39,130, plus 320 qualifying, makes 39,450 shares in all, leaving outstanding, as of this date, 550 shares.

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THE LOUISVILLE TRUST COMPANY

LOU TRUST CO
SHARES REC'D
17015 plus
480; OUTSTAND-
ING 5 SHARES.

No.3439 - 10 shares (Brainard Lemon -qualifying shares)
No.3440 - 25 shares (Charles G. Strater, Trustee)

Add the 35 shares above to the previous total of 16,980, makes 17,015 shares, plus 480 qualifying, makes 17,495 shares in all, leaving outstanding, as of this date, 5 shares.

ADJOURNMENT OF MEETING

There being no further business to be transacted, on motion, the meeting adjourned.

CHAIRMAN

SECRETARY

Exhibit 8

THIRD ANNUAL MEETING OF HOLDERS OF TRUSTEES' PARTICIPATION CERTIFICATES

Louisville, Kentucky, January 6th, 1930

The third annual meeting of the registered holders of Trustees' Participation Certificates was held this date in the Director's Room of The Louisville Trust Company, and notation of said meeting is made as a matter of record.

The following were present representing the parties in interest in accordance with the Trust Agreement of April 22, 1927:

THE TRUSTEES - by Ben J. Metcalfe

Mr. John S. Akers, Secretary of the Trustees, was also present.

The meeting was held at 2:30 P. M., due notice of which had been sent to all holders of Trustees' Participation Certificates.

The meeting adjourned at 3 o'clock P. M.

John S. Akers

JOHN S. AKERS
SECRETARY

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Louisville, Kentucky.

November 8th, 1929

A meeting of the Trustees was held on this date at the office of The National Bank of Kentucky at the hour of 3:00 P. M. and the following Trustees were present:

Henry Vogt, Chairman; Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Charles H. Bohmer and Ben J. Metcalfe. Mr. Akers, Secretary, was also present.

The minutes of October 15th, after reading, were approved.

FURTHER EXTENSION OF LIQUIDATION DATE.

Mr. Akers, Secretary, stated that under the terms of the resolution adopted by the stockholders on October 7, 1929, the effective date of liquidation of the National Bank of Kentucky had been fixed therein at the close of business November 15, 1929; that it had been discovered since said meeting that certain details in connection with the liquidation could not be accomplished within the time specified (that is, by close of business November 15, 1929) and that, therefore, it was necessary to extend the time of the effective date of the liquidation to December 28th, 1929; that the Comptroller of the Currency had been notified of this fact and had given his approval of the change in the date; that a meeting of the stockholders of the National Bank of Kentucky had been called for the purpose of rescinding the former resolution and re-adopting same in identical terms except that the effective date would be changed from November 15, 1929 to December 28, 1929.

Consent of Advisory Committee to liquidate National Bank of Kentucky effective Dec. 28, 1929.

On motion duly seconded and unanimously carried, a resolution was adopted approving the rescinding of the resolution of liquidation of October 7, 1929 and the adoption of another resolution idential in terms, except that the effective date of liquidation would be changed from November 15, 1929 to December 28, 1929, and authorizing Henry Vogt, as Chairman, and John S. Akers, as Secretary of the Trustees, to cast the vote of the Trustees favorably upon the resolution of liquidation to be presented this date at a meeting of the stockholders of the National Bank of Kentucky; and further to execute written waiver of notice of the stockholders meeting on behalf of the Trustees.

(a) See copy of Waiver attached opposite page 65.

There being no further business, on motion the meeting adjourned.

CHAIRMAN

SECRETARY

Exhibit 8

Louisville, Kentucky

December 20th, 1929

A meeting of the Trustees was held on this date at the office of The National Bank of Kentucky at the hour of 3:00 P. M. and the following Trustees were present:

Henry Vogt, Chairman; Thomas J. Minary, Charles H. Bohmer and Ben J. Metcalfe. Mr. John S. Akers, Secretary, was also present.

The minutes of the meeting of November 8th, after reading, were approved.

FURTHER EXTENSION OF LIQUIDATING DATE:

Mr. Akers, Secretary, stated that under the terms of the resolution adopted by the stockholders on October 7, 1929, the effective date of liquidation of The National Bank of Kentucky had been fixed therein at the close of business December 28th, 1929; that it had been discovered since said meeting that certain details in connection with the liquidation could not be accomplished within the time specified (that is, by close of business on December 28th, 1929) and that, therefore, it was necessary to extend the time of the effective date of the liquiation to March 29th, 1930; that the Comptroller of the Currency had been notified of this fact and had given his approval of the change in the date; that a meeting of the stockholders of the National Bank of Kentucky had been called for the purpose of rescinding the former resolution and re-adopting same in identical terms except that the effective date would be changed from December 28th, 1929 to March 29th, 1930.

CONSENT OF ADVISORY COMMITTEE TO LIQUIDATE NATIONAL BANK OF KY. EFFECTIVE MARCH 29TH, 1930.

On motion duly seconded and unanimously carried, a resolution was adopted approving the rescinding of the resolution of liquidation of October 7, 1929 and the adoption of another resolution identical in terms, except that the effective date of liquidation would be changed from December 28, 1929 to March 29th, 1930 and authorizing Henry Vogt, as Chairman, and John S. Akers, as Secretary of the Trustees, to cast the vote of the Trustees favorably upon the resolution of liquidation to be presented this day at a meeting of the stockholders of the National Bank of Kentucky; and further to execute written waiver of notice of the stockholders meeting on behalf of the Trustees.

(a) See copy of Waiver attached opposite page 65.

There being no further business, on motion, the meeting adjourned.

CHAIRMAN

SECRETARY

Exhibit . 8

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Louisville, Kentucky

February 1st, 1930

A meeting of the Trustees was held on this date at the office of The Louisville Trust Company at the hour of 11:30 A. M. and the following Trustees were present::

Charles H. Bohmer, Allen P. Dodd, Stuart E. Duncan and Ben J. Metcalfe. Mr. John S. Akers, Secretary, was also present.

RESOLUTION AMENDING AGREEMENT UNIFYING STOCK OF THE LOUISVILLE NATIONAL CO WITH STOCK OF THE LOUISVILLE TRUST COMPANY.

On motion, duly seconded and carried, the following Resolution was unanimously adopted::

That Henry Vogt, as Chairman be, and he is, hereby authorized to execute the contract hereto attached between the Louisville Trust Company of the First part, oscar E. Bloch, Geo. O. Boomer and Robert F. Vaughan, of the Second part, The Trustees of the National Bank of Kentucky and The Louisville Trust Company of the Third part, and The Louisville National Company of the Fourth part, which agreement is an amendment to a former agreement dated November 15, 1927, between the Old Louisville National Bank and Trust Company and others, copy of which is made a part of this agreement, this day authorized to be signed. The effect of the agreement hereby authorized being to unify the stock of the Louisville National Company with the stock of the Louisville Trust Company, so that each share of the Trust Company shall carry with it a ratable portion of the stock of The Louisville National Company.

(a) Copy of Agreement attached hereto:

Be it further Resolved that Oscar E. Bloch, George O. Boomer and Robert F. Vaughan, as Trustees under said agreement be, and they are hereby authorized to cause to be issued out of three certificates of stock of the Louisville National Company three qualifying shares for each Director of The Louisville Trust Company, the qualifying shares thus issued to be endorsed in blank by the persons to whom issued and lodge with said Trustees.

The Trustees are further authorized from time to time to make proportionate transfer of these qualifying shares to those persons who shall succeed in office the present Board of Directors of The Louisville Trust Company.

There being no further business, on motion, the meeting adjourned.

CHAIRMAN

SECRETARY

Exhibit 8

AMENDMENT TO THE AGREEMENT OF NOVEMBER 15, 1987
UNIFYING SHARES OF THE LOUISVILLE NATIONAL COMPANY
WITH SHARES OF THE LOUISVILLE TRUST COMPANY

THIS AGREEMENT made and entered into this 1st day of February, 1988, between THE LOUISVILLE TRUST COMPANY, successor to The Louisville Bank & Trust Company which in turn succeeded The Louisville National Bank & Trust Company, (hereinafter called the TRUST COMPANY) party of the first part; OSCAR H. BLOCH, GEORGE O. BOOMER and ROBERT F. VAUGHAN, their successors in trust (hereinafter called the TRUSTEES), parties of the second part; HENRY VOGT, STUART H. DUNCAN, CHARLES H. [illegible], ALLEN P. DODD, THOMAS J. KINART, and BEN J. METCALFE, Trustees for the stockholders of the National Bank of Kentucky and The Louisville Trust Company under agreement dated April 22, 1987, transferees and successors of the stockholders of The Louisville National Bank & Trust Company, (hereinafter called the BANK TRUSTEES) parties of the third part; and THE LOUISVILLE NATIONAL COMPANY, a corporation organized under the laws of the State of Kentucky, (hereinafter called the COMPANY) party of the fourth part,

W I T N E S S E T H :

WHEREAS, on November 15, 1987 an agreement was entered into between The Louisville National Bank & Trust Company of the first part, Ben J. Metcalfe, George O. Boomer, Robert F. Vaughan of the second part; William W. Crawford, David C. Morton, and other stockholders of The Louisville National Bank of the third part, and The Louisville National Company of the fourth part, under the terms of which the shares of the COMPANY were unified with the shares of The Louisville National Bank & Trust Company, and for the purposes of such unification the certificates evidencing the shares of the COMPANY were issued to and lodged with said Ben J. Metcalfe, George O. Boomer and Robert F. Vaughan as trustees, and have been continuously since and are now in the custody of said trustees, and

Exhibit 8

WHEREAS, on the ____ day of _____, 1929, third parties acquired all of the stock of The Louisville National Bank & Trust Company and thereafter said Bank surrendered its national charter and became incorporated under the laws of the State of Kentucky as The Louisville Bank & Trust Company, which Bank was thereafter merged and consolidated with first party hereto, whereby first party succeeded to all rights, franchises and assets of The Louisville National Bank & Trust Company including its rights and obligations under the contract of November 15, 1927 as aforesaid, and in turn the third parties hereto succeeded to all of the rights of the third parties to said agreement ~~by virtue of the purchase of the shares of~~ as transferred said third parties in said The Louisville National Bank & Trust Company, and

WHEREAS, it is now desired by all the parties to this AGREEMENT that the shares of the COMPANY be unified with the shares of the first party, and thus make effective the said consolidation in relation to the COMPANY and the administration of its affairs,

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES, And by agreement of all parties in interest and their legal successors and assigns, the contract of November 15, 1927 is hereby amended in the following particulars:

1. Ben J. Metcalfe having resigned as trustee, Oscar R. Bloch is hereby designated and appointed as his successor in trust, so that the TRUSTEES under this AGREEMENT from henceforth (until further change by resignation or by removal of any one or more of the TRUSTEES) shall be Oscar R. Bloch, George O. Beemer and Robert F. Vaughan.

2. Each shareholder of the TRUST COMPANY shall be entitled to a beneficial interest in all of the shares of the capital stock of the COMPANY from time to time held by the TRUSTEES, ratably with all other stockholders of the TRUST COMPANY who have a beneficial interest in the shares of the capital stock of the COMPANY, in proportion to the number of shares of the capital stock of the TRUST COMPANY held by each such shareholder and represented by certificates of the stock of the TRUST COMPANY bearing endorsement

as hereinafter provided. Said beneficial interests shall not be transferable separately, but only by the transfer of the shares of stock of the TRUST COMPANY held by the BANK TRUSTEES and represented by certificates containing reference to this AGREEMENT; and every sale or transfer of the stock of the TRUST COMPANY shall include the beneficial interest in the capital stock of the COMPANY; PROVIDED, HOWEVER, the TRUSTEES may transfer from their holdings from time to time not exceeding three shares to each Director for the purpose of qualifying him as such, the certificates for the qualifying shares to be endorsed respectively by the Directors to whom they are issued and held by the TRUSTEES along with the other stock of the COMPANY held in their names.

5. There shall be incorporated in all certificates of stock of the COMPANY at any time held by the TRUSTEES herein the following:

> "The shares of stock of THE LOUISVILLE NATIONAL COMPANY represented by the within certificate, are held by the TRUSTEES therein named and their successors in trust, according to the terms of a certain agreement dated November 15, 1927, as amended February 1, 1930, between THE LOUISVILLE TRUST COMPANY, party of the first part, OSCAR W. BLOCH, GEORGE O. BOOMER, ROBERT F. VAUGHAN (as TRUSTEES), parties of the second part, HENRY VOGT, STUART R. DUNCAN, CHARLES H. BOERER, ALLEN P. DODD, THOMAS J. MINARY, and BEN J. METCALFE, Trustees for the stockholders of the NATIONAL BANK OF KENTUCKY and THE LOUISVILLE TRUST COMPANY, parties of the third part, and THE LOUISVILLE NATIONAL COMPANY, party of the fourth part, for the benefit according to their respective interests of the registered holders of the certificates for shares of the capital stock of THE LOUISVILLE TRUST COMPANY."

4. All dividends declared upon the capital stock of the COMPANY and all distribution of the capital thereof, received by the TRUSTEES shall be paid to the BANK TRUSTEES, or to the TRUST COMPANY for their account, or in such manner as they may direct. In any event, payment by the TRUSTEES in accordance with the direction of the BANK TRUSTEES shall relieve the former of any further liability with respect thereto.

5. The TRUSTEES from time to time, upon written consent of the BANK TRUSTEES may subscribe for, acquire, receive and hold additional shares of the capital stock of the COMPANY, and they shall cause the certificates representing all additional shares acquired and held by them to be endorsed as provided in Clause 3 above. Any such increase in stock shall be held subject to the terms of this AGREEMENT. Upon written consent of the BANK

Exhibit 8

TRUSTEES and of the Directors of the TRUST COMPANY or a majority of each of said bodies, the TRUSTEES may vote in favor of or consent to any increase, decrease or classification of the capital stock, or amendment or alteration of the certificate of incorporation of the COMPANY, which they may from time to time deem advisable, and which may be permitted by law.

8. The number of TRUSTEES herein shall not be less than three. Any trustee may at any time resign. Whenever any vacancy in the number of TRUSTEES shall occur, it shall be filled by the appointment, by an instrument in writing signed by the remaining TRUSTEES or TRUSTEE, of any person (a Director of the TRUST COMPANY) selected by them or him. The Board of Directors of the TRUST COMPANY or a majority thereof may at any time by a writing signed by the majority of them and filed with the TRUSTEES, remove any of the TRUSTEES herein named or their successors in office.

9. This AGREEMENT may be at any time amended or modified by the written consent of the TRUSTEES, concurred in by the written consent of the BANK TRUSTEES or a majority thereof.

10. The agreement of November 15, 1927, is to the extent herein indicated, amended and modified; but in all other respects, the said agreement shall remain in full force and effect as modified and amended herein.

IN THE EVENT WHEREOF, THE LOUISVILLE TRUST COMPANY has caused this instrument to be executed by its President or by one of its Vice-Presidents; THE LOUISVILLE NATIONAL COMPANY has caused it to be executed by its PRESIDENT or one of its Vice-Presidents; and the parties of the third part have caused this instrument to be executed on their behalf by HENRY VOGT, Chairman; and the parties of the second part have hereunto set their hands this 1st day of February, 1930.

THE LOUISVILLE TRUST COMPANY
By _____

THE LOUISVILLE NATIONAL COMPANY
By _____

TRUSTEES FOR STOCKHOLDERS OF
NATIONAL BANK OF KENTUCKY and
THE LOUISVILLE TRUST COMPANY
By _____

_____

_____

_____
Trustees

Exhibit 8

THIS AGREEMENT, made and entered into as of November 15, 1927, between THE LOUISVILLE NATIONAL BANK & TRUST COMPANY, (hereinafter called the BANK), party of the first part; BEN J. METCALFE, GEORGE O. BOOMER and ROBERT F. VAUGHAN and their successors in trust (Hereinafter called the TRUSTEES), parties of the second part; and WILLIAM W. CRAWFORD, DAVID C. MORTON and all other owners and holders of the shares of the BANK uniting in this agreement by affixing their signatures hereto or to a counterpart hereof or by depositing their stock as hereinafter provided (hereinafter called BANK STOCKHOLDERS) parties of the third part; and the LOUISVILLE NATIONAL COMPANY, a corporation organized under the laws of the State of Kentucky (hereinafter called the COMPANY), party of the fourth part;

W I T N E S S E T H:

WHEREAS, the BANK, pursuant to the plan of reorganization authorized at the shareholders meeting on July 18, 1927, has sold twenty-five hundred (2500) additional shares of its stock at a premium sufficient to provide for the authorized capital of the COMPANY in the sum of One Hundred and Fifty Thousand Dollars ($150,000.00); and

WHEREAS, the COMPANY has been organized under the laws of the State of Kentucky, as a part of said plan of reorganization, to take over the Bond Department, to conduct a mortgage finance business and such other business within its charter powers as its Board of Directors may from time to time determine;

NOW, THEREFORE, and to consummate said plan of reorganization and to provide the capital for the COMPANY, the parties have agreed this day, as follows:

(1) Each shareholder of the BANK becoming a party to this agreement by either of the methods hereinafter referred to shall be entitled to a beneficial interest in all of the shares of the capital stock of the COMPANY from time to time held by the TRUSTEES under this agreement, ratably with all other shareholders of the BANK who have a beneficial interest in such shares of the capital stock of the COMPANY in proportion to the number of shares of the capital stock of the BANK held by each such shareholder and represented by certificates of the stock of the BANK bearing endorsement as hereinafter provided. The beneficial interests of the BANK

Exhibit 8

STOCKHOLDERS therein shall not be transferable separately, but only by the transfer of the shares of stock of the BANK held by said BANK STOCKHOLDERS respectively, and represented by certificates containing reference to this agreement; and every sale or transfer of the stock of the BANK by any present or future BANK STOCKHOLDER or his assigns, shall include the beneficial interest of such BANK STOCKHOLDER and his assigns in the capital stock of the COMPANY, at the time held by the TRUSTEES or their successors under this agreement. Provided, however, the TRUSTEES may transfer from their holdings from time to time not exceeding three (3) shares to each director of the COMPANY for the purpose of qualifying him as such, the certificates for such qualifying shares to be endorsed respectively by the directors to whom they are issued and held by the TRUSTEES along with the other stock of the COMPANY held in their names.

(2) In order to facilitate participation by the BANK STOCKHOLDERS in the privilege specified in the foregoing article, the BANK agrees, upon deposit by the BANK STOCKHOLDERS of their old certificates of the stock of the BANK for cancellation and for reissue under the terms of this agreement, to declare a special dividend in the sum of $150,000.00, of which $75,000.00 will be payable December 28th, 1927, and the balance January 3, 1928. The said dividend (and each installment thereof) shall be paid to the COMPANY for the account of the BANK STOCKHOLDERS of record as of December 20, 1927, and all BANK STOCKHOLDERS becoming parties hereto in either of the methods hereinafter provided hereby expressly authorize, direct and empower the officers and directors of the BANK to pay said dividend (and each installment thereof) directly to the COMPANY, thus providing the capital of the COMPANY in accordance with the general plan of reorganization above referred to, whereupon the COMPANY agrees that it will issue a certificate or certificates for its said capital stock to the TRUSTEES which will be held by them and their successors in office for the benefit of the BANK STOCKHOLDERS, under the terms of this agreement.

(3) A copy of this agreement has been mailed to all BANK STOCKHOLDERS at their respective addresses, together with a request for the deposit of their certificates of the stock of the BANK for cancellation and reissue in new certificates

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which contain reference to this agreement. The Bank STOCKHOLDERS shall become parties to this agreement by affixing their signatures hereto, or to a counterpart hereof, or by depositing their old certificates of the stock of the BANK for such cancellation and reissue. Deposit of shares under this agreement shall constitute the depositor a party hereto as effectually and as fully as though his signature was affixed hereto or to a counterpart hereof.

(4) There shall be incorporated in all certificates of stock of the COMPANY at any time held by the TRUSTEES hereunder the following:

> "The shares of stock of THE LOUISVILLE NATIONAL COMPANY represented by the within certificate, are held by the TRUSTEES therein named and their successors in trust, according to the terms of a certain agreement dated November 15, 1927, between THE LOUISVILLE NATIONAL BANK & TRUST COMPANY, party of the first part, BEN J. METCALFE, GEORGE O. BOOMER and ROBERT F. VAUGHAN (as Trustees) parties of the second part, and WILLIAM W. CRAWFORD, DAVID C. MORTON and such owners and holders of the shares of the BANK as may unite in said agreement by affixing their signatures thereto or to a counterpart thereof, or by depositing their stock as therein provided, parties of the third part, and THE LOUISVILLE NATIONAL COMPANY, party of the fourth part, for the benefit, according to their respective interest, of the registered holders of certificates for shares of the capital stock of THE LOUISVILLE NATIONAL BANK & TRUST COMPANY."

(5) All dividends declared upon the capital stock of the COMPANY, and all distributions of capital thereof, received by the TRUSTEES, may be paid by the TRUSTEES to the BANK STOCKHOLDERS according to their respective interests, or to the BANK for their account; and the BANK in such case shall thereupon distribute such dividends among those entitled to receive same. Payment by the TRUSTEES to the BANK shall relieve them from all further liability with respect thereto.

(6) The TRUSTEES, from time to time, upon written consent of the directors of the BANK or majority thereof, may subscribe for, acquire, receive and hold additional shares of the capital stock of the COMPANY, and they shall cause the certificates representing all additional shares acquired and held by them to be endorsed as provided in Clause Four hereof and no BANK STOCKHOLDER shall, by virtue of his beneficial interest in the stock of the COMPANY held by the TRUSTEES, or otherwise, have any right of preemption in respect to any additional or increased stock of the COMPANY, whether or not the same shall be issued for money, but any and all such rights shall belong exclusively to the TRUSTEES, who may exercise or waive the same

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in their discretion, or transfer or cause same to be transferred to the BANK STOCKHOLDERS upon such terms and conditions as they may in their discretion deem advisable. The TRUSTEES may, from time to time, upon written consent of the directors of the BANK or a majority thereof, vote in favor of, or consent to, any increase, decrease or classification of the capital stock, or amendment or alteration of the certificate of incorporation of the COMPANY, which they may, from time to time, deem advisable and which may be permitted by law.

(7) The number of TRUSTEES hereunder shall not be less than three. Any TRUSTEE may, at any time, resign. Whenever any vacancy in the number of the TRUSTEES shall occur, it shall be filled by the appointment, by an instrument in writing signed by the remaining TRUSTEES or TRUSTEE, of any person (a stockholder of the BANK), selected by them or him. The Board of Directors of the BANK, or a majority thereof, may at any time by a writing signed by a majority of them and filed with the TRUSTEES remove any of the TRUSTEES , or any of them, herein designated or their successors.

(8) The TRUSTEES may adopt rules for the conduct of their own meetings, keeping such record of their official action as may be deemed by them to be proper or necessary.

(9) No TRUSTEE shall be liable for the acts of any other TRUSTEE, but shall be liable only for his own wilful misconduct. The TRUSTEES may act by a majority, either at a meeting or by writing with or without a meeting; they may vote in person or by proxy upon any and all subjects; and they may appoint agents and attorneys-in-fact and invest them with such powers as they deem proper.

(10) The term "TRUSTEES" used in this agreement shall include the TRUSTEES herein specifically named and their successors appointed or elected in the manner herein provided; and all the powers herein conferred by the TRUSTEES specifically named, shall be vested in, given to, and exercised by their successors duly appointed and elected.

(11) This agreement may at any time be amended or modified by the written consent of the TRUSTEES and of two-thirds (2/3) in interest of the shareholders of the BANK.

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(12) The trust herein created shall continue until the death of the last survivor of the BANK STOCKHOLDERS who become parties to this agreement by either of the methods hereinabove provided, and for the further period of twenty-one (21) years after the death of such last survivor, unless sooner terminated, as it may be, by vote of the owners of not less than two-thirds (2/3) in amount of the stock of the BANK, such vote to be taken at a special meeting called for that purpose, of which notice shall be given in writing thirty (30) days in advance of such meeting.

IN WITNESS WHEREOF, the LOUISVILLE NATIONAL BANK & TRUST COMPANY has caused this instrument to be executed by one of its Vice-Presidents; THE LOUISVILLE NATIONAL COMPANY has caused it to be executed by one of its Vice-Presidents; and the parties of the second and third parts have hereunto set their hands the day and year first above written.

THE LOUISVILLE NATIONAL BANK & TRUST COMPANY,

By N. H. DOSKER, Vice-President.

THE LOUISVILLE NATIONAL COMPANY,

By JOHN V. COLLIS, Vice-President.

BEN J. METCALFE

GEORGE O. BOOMER

ROBERT F. VAUGHAN

Trustees.

(Here follow the names of numerous stockholders of the Bank, parties of the third part.)

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Louisville, Kentucky,

March 15th, 1930.

The following Trustees, together with Secretary John S. Akers, met at the office of The Louisville Trust Company on this date:

Messrs. Allen P. Dodd and Ben J. Metcalfe.

Secretary Akers reported the resignation of Clarence C. Hieatt as a Director in The Louisville Trust Company, effective March 28th, 1930.

Mr. Hieatt's qualifying shares were ordered withdrawn from the Trustees box; whereupon, Messrs. Dodd, Metcalfe and Secretary John S. Akers repaired to the safety box and withdrew, for cancellation, Certificate No. 3368 for ten (10) shares capital stock The Louisville Trust Company in name Clarence C. Hieatt.

There being no further business, the meeting -

On motion, adjourned.

_____
Chairman

_____
Secretary

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MFG.

Louisville, Kentucky

March 21, 1930.

At a meeting of the Trustees held on this date at the office of The Louisville Trust Company at the hour of 4:00 P. M. o'clock, the following Trustees were present::

Henry Vogt, Chairman; Thomas J. Minary, Stuart E. Duncan and Ben J. Metcalfe. Mr. John S. Akers, Secretary, was also present.

APPROVAL OF PREVIOUS MINUTES.

The Minutes of the meetings of February first and March fifteenth, after reading, were approved.

STOCKHOLDERS OPINION RE: LIQUIDATION NATL BK KY

The Secretary, Mr. Akers, reported that under the terms of the resolution adopted by the stockholders on December 20th, 1929, the effective date of liquidation of the National Bank of Kentucky had been fixed therein at the close of business March 29, 1930; that it had been discovered since said meeting it is the unanimous opinion of all the stockholders and directors of the National Bank of Kentucky that the plan formerly agreed upon to surrender the national charter of this Bank and convert same into a state bank, under the laws of the Commonwealth of Kentucky, shall be now abandoned, and that said banking association should remain and continue to be a member of the national system.

MOTION FAVORABLY RESCINDING RESOLUTION TO LIQUIDATE NATIONAL BANK OF KENTUCKY

On motion duly seconded and unanimously carried, Henry Vogt as Chairman of the Trustees and John S. Akers as Secretary of the Trustees were authorized to cast the vote of the Trustees favorably rescinding resolution of December 20th, 1929 in its entirety, to the end that the National Bank of Kentucky shall remain a member of the national banking system; and, further, to execute written waiver of the stockholders meeting on behalf of the Trustees.

(a) Original Waiver of Notice attached hereto.

There being no further business to come before the meeting, on motion -

The same adjourned.

CHAIRMAN

SECRETARY

Exhibit 8

Louisville, Kentucky

May 23, 1930

The following Trustees, together with Secretary John S. Akers, met at the office of The Louisville Trust Company on this date::

Henry Vogt, Stuart E. Duncan, Thomas J. Minary and Ben J. Metcalfe.

Reporting Lost Certificate Trustees' Participation Shares:

Secretary Akers reported the loss of Certificate No. 1604 for two hundred forty (240) shares(Trustees' Participation) registered in the name of CALVIN M.FACKLER, dated September 20th, 1929.

This certificate in question was mailed to Mr. Fackler at 850 West Lexington Street, Lexington, Kentucky, by The Louisville Trust Company, who later discovered the address incorrect. The letter containing the certificate was returned to The Louisville Trust Company and was subsequently lost by them.

Discussion Idemnifying Bond:

The matter of idemnifying bond was discussed and the question of accepting the guarantee of The Louisville Trust Company, in lieu of corporate surety, was raised. The Trustees present could reach no decision in the matter and it was then agreed that the matter be referred to Allen Dodd, absentee Trustee and attorney.

There being no further business, on motion,

The meeting adjourned.

CHAIRMAN

SECRETARY

Exhibit 8

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Louisville, Ky.,
June 18th, 1930

A called meeting of the Trustees was held at the office of The Louisville Trust Company, this date and the following were present:

Charles H. Bohmer, Stuart E. Duncan, T. J. Minary and Ben J. Metcalfe.

Mr. Bohmer presided as Chairman at the meeting and Mr. Metcalfe acted as Secretary.

ISSUANCE OF DUPLICATE CTF IN LIEU LOST CTF:

The Trustees unanimously adopted a resolution authorizing the Louisville Trust Company, Transfer Agents, to issue a duplicate of certificate No. 1604 for two hundred forty (240) shares (Trustees Participation) registered in the name of CALVIN M. FACKLER, dated September 20th, 1929, under the guarantee of The Louisville Trust Company to hold harmless the Trustees from loss or damage that might occur by reason of the lost certificate and the issuing of a duplicate thereof.

Guarantee of Louisville Trust Co:

For the purpose of record, said guarantee, approved by the Trustees, and signed by the President and Secretary of The Louisville Trust Company, is copied in full herewith and made a part of these minutes::

"Mr. John S. Akers,
Secretary of the Trustees,
Louisville, Ky.

Dear Sir:-

On September 20, 1929, we mailed Interim Receipt No.1604 for Two hundred forty (240) shares (Trustees Participation), and registered in the name of Calvin M. Fackler to him at 850 West Lexington Street, Lexington, Kentucky, but this was not his address and the certificate and the letter came back to us, containing the certificate, and was subsequently lost.

In view of the foregoing, we desire that the Trustees cause to be issued in lieu of certificate No. 1604 for 240 shares, a duplicate thereof, in the name of Calvin M. Fackler and, to that end we now do hereby agree that if the Trustees will issue the duplicate certificate in lieu of said certificate No. 1604 aforesaid and as herein directed, we will save harmless the Trustees from any loss or damage that may be occasioned by reason of the lost certificate and the issuing of the duplicate herein requested.

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Very truly yours,

(Signed) RICHARD HEAH
PRESIDENT

(Signed)
JOHN J. WICKSTEAD
ASS'T. SECY"

Adjourn meeting: There being no further business, on motion,

The meeting adjourned.

CHAIRMAN

SECRETARY

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Louisville, Ky

August 1, 1930

The following Trustees, Messrs. Stuart E. Duncan and Allen P. Dodd, together with Secretary John S. Akers, repaired to the safety vault of The Louisville Trust Company and deposited in safety box of the Trustees the following certificates of stock in name -

"THE TRUSTEES UNDER STOCKHOLDERS' AGREEMENT OF APRIL 22,1927"

NATIONAL BANK OF KENTUCKY

Certificate No. A 3460 - 10 Shares
(representing Qualifying Shares of Director Wm.Short, reissued)

Certificate No. A 3462 - 120 Shares
(representing the following Qualifying Shares of Directors,reissued)
Oscar E. Bloch
Charles H. Bohmer
Allen P. Dodd
James Garnett
Angoream Gray
T. Kennedy Helm
Clarence C. Hieatt
Milburn P. Kelley
Walter I. Kohn
John B. Pirtle
Arthur Rutledge
John S. Stites

Certificate No. A 3463 - 550 Shares
(representing 500 shares in name Wakefield & Company)
50 shares in name James B. Brown)

Natl Bank of Ky shares read -39,810 plus 190; total 40,000

The total shares heretofore reported, 39,130, plus the 680 shares above listed, makes a total of 39,810 shares; plus 190 Directors Qualifying Shares, makes a total of 40,000 shares; Authorized and Outstanding capital stock of the National Bank of Kentucky.

THE LOUISVILLE TRUST COMPANY:

Certificate No. 3441 - 10 shares (Qualifying Shares WM.SHORT reissued)
Certificate No. 3442 - 10 shares (Qualifying Shares S.CLAY LYONS reissued)
Certificate No. 3443 -130 shares (Qualifying Shares following Directors:)
James J. Hayes
H.J.Angermeier
H.D.Ormsby
S.E.Duncan
John S. Akers
A. J. Carroll
C.C.Mengel
T.J.Minary
Joseph H. Durham
Saunders P. Jones, Jr.

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R. Lee Callahan
George M. Clark
Bayler O. Hickman()

Certificate No. 3444 - 10 shares (Qualifying Shrs E.J.O'BRIEN reissued)
Certificate No. 3446 - 30 shares (Qualifying Shares William S.Speed, Henry Vogt and Samuel S. Coons reissued)
Certificate No. 3447 - 20 shares (Qualifying Shares Milburn P. Kelley and William Black, reissued)

Louisville Trust Co shares rec'd 17,015 plus 270; total 17,495; outstanding 5 shares.

Add the two hundred ten (210) shares above mentioned to the previous total of 17,015 shares, plus two hundred seventy (270) Directors Qualifying Shares, makes a total of 17,495 shares, leaving outstanding, as of this date, 5 shares The Louisville Trust Company capital stock.

ALSO:

NATIONAL BANK OF KENTUCKY

Certificate No. A 3461 for ten (10) shares in name CHARLES F. JONES, representing Qualifying Shares Charles F. Jones in lieu of Qualifying Shares S. Clay Lyons, resigned.

(Signed) J. S. AKERS

(Signed) S. E. DUNCAN

(Signed) ALLEN P. DODD

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A special meeting of the Trustees of the Louisville Trust Company and National Bank of Kentucky was held on Monday, November 24, 1930, at 11:00 o'clock A. M. with the following trustees present to-wit:

Messrs. Henry Vogt, Stuart E. Duncan, Ben J. Metcalfe, Allen P. Dodd, and T. J. Minary,

Mr. Charles Bohmer being absent, with Mr. Henry Vogt, Chairman, presiding.

It was moved by Mr. Dodd, and seconded by Mr. Duncan, that a special meeting of the holders of the Trustees Participation Certificates be and the same is called by the Trustees to be held on Friday, the 26th day of December, 1930, at the Directors Room of the Louisville Trust Company at Fifth and Market Streets, Louisville, Kentucky, at 10:00 o'clock A. M., and that the secretary be and he is directed to send by registered mail to the holders of the Trustees Participation Receipts the following notice of said meeting:

"Louisville, Ky., Nov. 24th, 1930.

To the Holders of Trustees' Participation Certificates of the National Bank of Kentucky and The Louisville Trust Company:

Under the Trust Agreement dated April 22, 1927, notice is hereby given of a called special meeting of the holders of Trustees' Participation Certificates of the National Bank of Kentucky and The Louisville Trust Company, to be held in the Directors' Room of the old Louisville Trust Company building, Fifth and Market Streets, City of Louisville, on December 26th, 1930, at 10:00 o'clock A. M.

The purpose of this meeting is to consider and vote upon the question of dissolving and terminating the Trust Agreement and restoring to the holders of Trustees' Participation Certificates their shares of stock in The Louisville Trust Company and their shares of stock in the National Bank of Kentucky, to the end that the reorganization of The Louisville Trust Company may proceed independently of the settlement of the affairs of the National Bank of Kentucky.

By order of the Trustees.

Trustees of Stockholders of National Bank of Kentucky and The Louisville Trust Company.

Henry Vogt
Chas. H. Bohmer
Allen P. Dodd
Ben J. Metcalfe
S. E. Duncan
T. J. Minary "

There being no further business to come before the meeting,

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on motion seconded and carried, the meeting was adjourned.

Henry Voigt
T J Mooney
Geo Rossiter
Wm Dietz
O E Duncan
Chas A Bohmer

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The called joint meeting of the Trustees of The Louisville Trust Company and the National Bank of Kentucky and the holders of the Trustees' Participation Certificates of the National Bank of Kentucky and The Louisville Trust Company was held on Friday, December 26, 1930, with the following trustees present:

Henry Vogt, T. J. Minary, Ben J. Metcalfe, Allen P. Dodd, S. E. Duncan and Charles H. Bohmer, and John S. Akers, secretary,

with Mr. Henry Vogt, chairman of the trustees, presiding.

The minutes of the special meeting of the Trustees held on November 24, 1930, were read, approved and signed by each of the trustees.

The chairman of the meeting then, in order to state the purposes of the meeting, had the secretary read the call for the meeting dated November 24, 1930, and copied in the minutes of November 24, 1930.

The next order of business was the call of the roll of the holders of the Trustees' Participation Certificates. On the call the following holders of the Trustees' Participation Certificates, holding the number of shares set opposite their names, answered present:

Name	Number of Shares.
American Life & Accident Insurance Company of Kentucky, by B. F. Ewing, atty.,	1200
BancoKentucky Company by Joseph Laurent, Attorney in fact and Receiver,	540,384
Fred W. Bonte, in person	100
Jennie M. Grainger, by Lee P. Miller, Fidelity & Columbia Trust Company,	690
Miss Hattie B. Henn, in person,	5
Thomas S. Jones, in person	700
Margaret W. Long and George M. Cushing, Trustee, by Greenberry Simmons,	150
Miss Jennie L. Robbins, in person	4,840
Mrs. Hattie B. Speed, in person,	2,840
Wakefield & Co., by Marcus Greer,	1,700
George C. and E. H. Watson, Trustees for Eleanor Watson, by George C. Watson,	270
State Board of Education of the Commonwealth of Kentucky, by Supt. Bell and Mr. Cammack,	7,760
Total shares present -	560,639

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There being present in person, by proxy or by representation 560,639 shares out of a total of 570,450, the chairman announced that a quorum was present and proceeded with the purposes of the meeting.

After a statement by Mr. T. Kennedy Helm explaining the purpose of the call of the meeting was made, showing the imperative necessity for the dissolution of the trust in order that the National Bank of Kentucky or the Louisville Trust Company, either one or the other, might be reopened and the necessity for the separation of the stock in order to afford the reopening of either of said institutions if the opportunity presented itself, and after discussions by various of the stockholders present, going into detail as to the effect of the dissolution of the trust, on motion of Fred W. Bonte, seconded by Mrs. Hattie B. Speed, the following resolution was offered:

BE IT RESOLVED:

That the Trust Agreement of April 22, 1927, between the holders of the stock in the National Bank of Kentucky and The Louisville Trust Company, as amended, be and is hereby terminated and the interest in said trust of the holders of the Participation Trustees' Shares be distributed to such holders of Participating Trustees' Shares:

Provided, however, that such termination and/or distribution shall be without prejudice to any right or rights of the holders of such Participating Trustees' Shares against the trustees or either of them, and/or the directors of The Louisville Trust Company, and/or the directors of the National Bank of Kentucky, and/or either of them.

On motion seconded and carried, the vote on said resolution was taken upon the call of the roll of those present. On the call of the roll the following stock was voted for said resolution:

BancoKentucky Company, Joseph Laurent, proxy and receiver,	540,384	shares
Fred W. Bonte,	100	"
Miss Jennie L. Robbins,	4,840	"
Mrs. Hattie B. Speed,	2,840	"
Wakefield & Company,	1,700	"
George C. and E. H. Watson, by George C. Watson,	270	"
Total	550,134	"

There were no votes cast against said resolution. The following shareholders were recorded as not voting, at their request:

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American Life & Accident Insurance Company, by B. P. Ewing,	1,200 shares
Jennie M. Grainger, by Lee P. Miller, Fidelity & Columbia Trust Company,	690 "
Miss Hattie B. Henn,	5 "
Thomas S. Jones,	700 "
Margaret W. Long and George M. Cushing, Trustee, by Greenberry Simmons, attorney,	150 "
State Board of Education of Commonwealth of Kentucky, by Messrs. Bell and Cammack,	7,760 "
Total -	10,505 "

The holders and owners of more than two-thirds of the issued and outstanding participating trustees' shares having voted for said resolution, the chairman declared the same as carried and the trust agreement dissolved.

There being no further business to come before the meeting, on motion duly seconded the meeting was adjourned.

John S. Atkins
Secretary

Henry Vogt

Allen Dow

Chas. S. Johnson

T. J. Kenary

Geo. J. Metcalfe

E. Duncan

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A special meeting of the Trustees of the Louisville Trust Company and the National Bank of Kentucky was held on Wednesday, June 3rd, 1931, at 4:00 o'clock P. M. with the following Trustees present to-wit:

Messrs. Ben J. Metcalfe, Stuart E. Duncan, Allen P. Dodd, Thomas J. Minary, and Charles H. Bohmer,

Mr. Vogt having been notified of the proposed meeting but necessarily out of town and, therefore, absent. Accordingly, Mr. Charles H. Bohmer presided at the meeting.

Attention of the Trustees was called to the fact that in action No. 208,402, styled The BancoKentucky Company by Joseph Laurent, its Receiver, vs. Henry Vogt, et al, the trustees, a judgment was entered by the Hon. Lafon Allen, Judge of the Jefferson Circuit Court, Chancery Branch, Second Division, which said judgment so entered was in words and figures as follows:

"This action coming on to be heard upon the petition of the plaintiffs and the answer of the defendants seeking a declaration of rights respecting the distribution of the shares of corporate stock (hereinafter described) held in trust by the defendants for the benefit of plaintiffs and others, and the court being advised, ordered and adjudged as follows:

1. The defendants as Trustees under a trust agreement with reference to stock in the National Bank of Kentucky and the Louisville Trust Company, dated April 22, 1927, now hold 39,820 shares of the capital stock of the National Bank of Kentucky, par value $100 each, and 17,235 shares of the capital stock of the Louisville Trust Company, par value $100 each, in indivisible trust for the use and benefit of the plaintiff and other holders and owners of Trustees Participation Certificates representing in all 570,550 Trustees Participation shares issued by said trustees pursuant to the provisions of said trust agreement.

2. That said trust was dissolved on December 26, 1930, by resolution duly adopted at a meeting of the owners of said Trustees Participation Certificates, and it then became the duty of the defendants to distribute said trust estate by transferring to the respective holders and owners of said Trustees Participation Certificates 69.792305% of a share of National Bank of Kentucky stock and 30.207695% of a share of Louisville Trust Company stock for each 10 Trustees Participation shares so owned.

3. It further appearing to the court that the plaintiffs herein are now and were at the time of the dissolution of said trust the owners of 540,484 Trustees Participation shares and held the certificates therefor, it is now ordered

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that the defendants transfer and deliver to the plaintiff, Joseph S. Laurent, Receiver of the BancoKentucky Company, 37721.624 shares of the capital stock of the National Bank of Kentucky and 16326.77 shares of the capital stock of the Louisville Trust Company upon the surrender to said defendants by said plaintiff of the Trustees Participation Certificates for the aforesaid Trustees Participation shares held by plaintiff.

Upon the surrender of said Trustees Participation Certificates same shall be cancelled by defendants.

4. This action is referred to the Commissioner of this court with directions to cause notice to be sent to each of the holders of Trustees Participation shares, as shown by the list thereof herein filed by defendants, and said Commissioner shall notify said holders to present and file with said Commissioner within days from this date their said certificates, with any claims they may have, to a distribution of the aforesaid trust estate in the proportions above set out.

5. This judgment may be executed immediately as to distribution to plaintiff and the action is retained for such orders as may be necessary to complete the distribution to other certificate holders in above proportions."

It appearing from said judgment that the Jefferson Circuit Court had ordered the Trustees to deliver to the BancoKentucky Company its pro rata part of the stock of the Louisville Trust Company and National Bank of Kentucky due it as the holder of 540,484 Trustees Participating Receipts out of a total of 570,550 shares issued and outstanding, and in obedience to said judgment and in order to do and perform the duties and obligations placed upon said Trustees by the said judgment and to dissolve said trust in accordance with the resolution of Participating Trustees' Receipt-holders adopted at their meeting held on December 26, 1930, on motion duly seconded the following resolution was offered and unanimously adopted:

RESOLVED By the Trustees of the Louisville Trust Company and National Bank of Kentucky that the 39,820 shares of the capital stock of the National Bank of Kentucky owned and held by the Trustees as a part of said trust estate be surrendered by the Trustees to the National Bank of Kentucky for transfer as hereinafter set forth, and that the 17,235 shares of capital stock of the Louisville Trust Company held by the Trustees be surrendered to the Louisville Trust Company for transfer as hereinafter set forth, which said stocks make up the total of the trust estate held by the Trustees under the trust agreement dated April 22, 1927.

BE IT FURTHER RESOLVED that in obedience to said judgment of said Jefferson Circuit Court, as aforesaid, the National Bank of Kentucky and the Louisville Trust Company be and each of them are now authorized. that is to say, the National

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Bank of Kentucky to cancel the 39,820 shares of capital stock standing in the name of the Trustees on its books, and the Louisville Trust Company to cancel the 17,235 shares of its capital stock standing in the name of the Trustees on its books, and in lieu thereof the said National Bank of Kentucky and Louisville Trust Company, by and through their respective constituted authorities, will issue stock to the following named individuals in the following amounts to-wit:

Name	Participating Receipts owned	Nat'l Bank of Ky.	Louisville Trust Co.
Mrs. Nancy A. Allen	18	1.256	.544
American Life & Accident Insurance Co.,	1200	83.751	36.252
The BancoKentucky Co.,	540484	37721.624	16326.770
Dr.Archibald H. Barkley	270	18.844	8.154
John McFarland Bergland	90	6.281	2.718
Fred W. Bonte	100	6.979	3.021
Mrs. Louise M. Carter	222	15.494	6.706
Richard T. Chiles	32	2.233	.966
Laura B. Clemmer	50	3.490	1.510
Clara W. Cochrane	190	13.261	5.739
Mrs. Anna M. Collins	30	2.094	.906
S. T. Dancy	80	5.583	2.417
Mrs. Lucy W. Deering	240	16.750	7.251
Louis Dudley	50	3.490	1.510
T. H. Dudley	480	33.500	14.502
Josephine V. Dulworth	30	2.094	.906
Fisherville Christian Church Board of Trustees u/w J. O. Fraxier,	110	7.677	3.323
Mrs. Fanny B. Graham	350	24.427	10.573
Jeannie M. Grainger	690	48.157	20.843
Mrs. Bettie Brooks Graves	10	.698	.302
Harvey M. Graybill	25	1.745	.755
Miss Hattie B. Henn,	5	.349	.151
Mrs. Ethel O. Hill	260	18.146	7.854
Miss Mary J. Hunt	30	2.094	.906
Annie O. Jones,	80	5.583	2.417
M. Belle Jones	80	5.583	2.417
Thomas S. Jones	700	48.855	21.145
Margaret W. Long & George M. Cushing, Trustee under deed dated Dec. 31, 1927, for the benefit of Margaret W. Long,	150	10.469	4.531
Miss Jane McKibben	112	7.817	3.383
Mrs. Effie Miller	20	1.396	.604
Anna Bell Monroe	190	13.261	5.739
Mrs. Nannie I. Oatts	140	9.771	4.229
Edward C. O'Rear	10	.698	.302
Nettie J. Quin	80	5.583	2.417
Mrs. Emma Robbins	320	22.333	9.668

Exhibit 8

Name	Participating Receipts owned	Nat'l Bank of Ky.	Louisville Trust Co.
Miss Jenny L. Robbins	4840	337.797	146.205
William J. Rubel	240	16.750	7.251
Security Trust Co. Trustee of	560	39.084	16.916
Virginia Bowman Cecil	50	3.490	1.510
Security Trust Co. Trustee Elizabeth F. Gill Fund,	90	6.281	2.719
Security Trust Co. Trustee Virginia L. Hodge u/w of H. L. Lovell	1360	94.917	41.082
Security Trust Co. Trustee u/w of James K. Patterson,	1170	81.657	35.343
Security Trust Co. Trustee of Miss A.E.Taylor u/w Mrs. Sam Taylor,	240	16.750	7.251
Security Trust Co. Trustee of Mary L. Sayre u/w H. L. Lovell	570	39.782	17.218
Mrs. Kate Solger	70	4.885	2.115
Mrs. Mattie B. Spaulding	70	4.885	2.115
Mrs. Hattie B. Speed	2840	198.210	85.790
Christine E. Stoll	70	4.885	2.115
Alma P. Straus	60	4.187	1.812
Samuel H. Straus	200	13.958	6.042
Mrs. Susanna P.L. Sutphen	50	3.490	1.510
Bennette R. Tandy	160	11.167	4.834
Florence O'Bannon Turner	20	1.396	.604
C. E. Vaughn Admr. of Wm.H. Vaughn, dec'd.,	48	3.350	1.450
Ralph E. Vaughn	30	2.094	.906
Wakefield & Co.,	1700	118.647	51.353
Isaac N. Wakefield	40	2.792	1.208
Elvira V. Ward	60	4.187	1.812
Mrs. Vira W. Ward	114	7.956	3.444
Geo. C. & E. H. Watson, Trustees for Eleanor Watson,	270	18.844	8.154
Mrs. Leo Wolf,	40	2.792	1.208
Mrs. Pearl R. Burford	90	6.281	2.719
Martha D. Cheney	780	54.438	23.562
Mattie A. Clark	10	.698	.302
Miss Fannie Holliday	20	1.396	.604
The State Board of Education of the Commonwealth of Kentucky,	7760	541.588	234.415

BE IT FURTHER RESOLVED that John S. Akers be and he is now authorized to endorse the said certificates calling for said shares of stock in the National Bank of Kentucky and Louisville Trust Company by signing the names of all of the trustees thereto by himself as secretary of the trustees, and that the said National Bank of Kentucky and Louisville Trust Company are authorized to accept said endorsement of said John S. Akers when made as aforesaid, and they now ratify, confirm and approve his endorsement thereon to the

Exhibit 8

same extent as if done in their own proper persons.

BE IT FURTHER RESOLVED that the National Bank of Kentucky, by and through its constituted authorities, and the Louisville Trust Company, by and through its constituted authorities, when and as each of them cancel and issue the said stock as is hereinabove set forth in this resolution and directed, shall deliver the said certificates issued in the names of said individuals and corporations to Allen P. Dodd, attorney for the Trustees, to be handled as in the next resolution provided.

BE IT FURTHER RESOLVED that Allen P. Dodd, as attorney for the Trustees, be and he is now authorized to have a proper order entered in said action #208402 pending in the Jefferson Circuit Court, placing in the custody of said court or its Receiver each and all of said certificates for the capital stock of the National Bank of Kentucky and Louisville Trust Company, when procured by him, for distribution among the owners and holders of said Participating Trustees' Receipts in accordance with the terms and provisions of the judgment entered in said action as aforesaid.

There being no further business to come before the meeting, on motion duly seconded, it was adjourned.

Thos. W. Bohannon
J. D. Mooney
Stuart C. Gilman
Jos. J. Mottaz
Allen P. Dodd
Trustees.

I, John S. Akers, do certify that the foregoing is a true and correct copy of the resolutions of the Trustees of the National Bank of Kentucky and Louisville Trust Company adopted at a meeting held with a quorum present on the 3rd day of June, 1931, as the same appears on the minutes of said trustees.

IN TESTIMONY WHEREOF, witness my signature this 3rd day of June, 1931.

John S. Akers
Secretary of the Board of Trustees.

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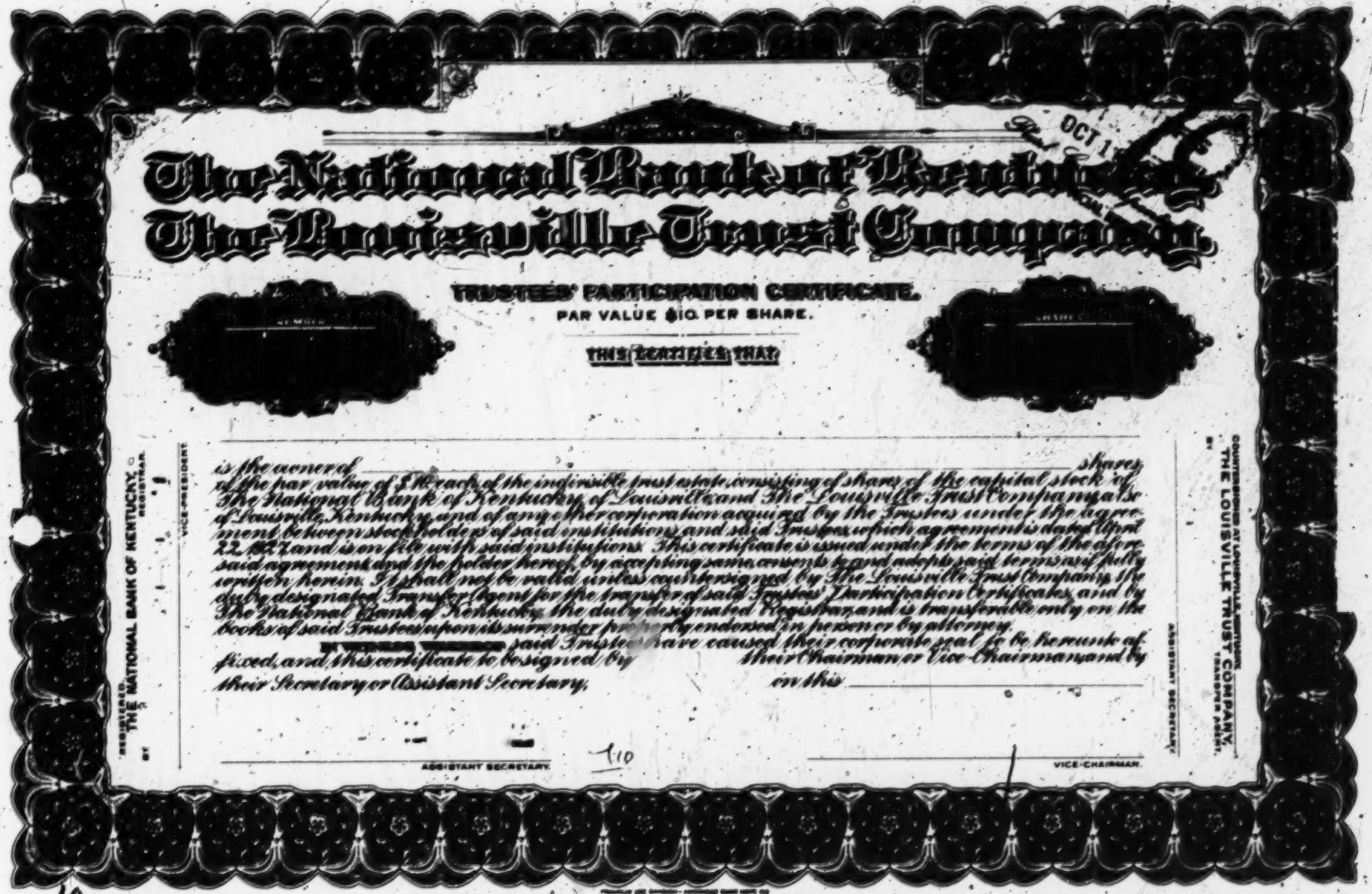

The National Bank of Kentucky
The Louisville Trust Company

OCT 1

TRUSTEES' PARTICIPATION CERTIFICATE.

PAR VALUE $10 PER SHARE.

THIS CERTIFIES THAT

is the owner of _____ shares of the par value of $10 each of the indivisible trust estate, consisting of shares of the capital stock of The National Bank of Kentucky, of Louisville, and The Louisville Trust Company, also of Louisville, Kentucky, and of any other corporation acquired by the Trustees under the agreement between stockholders of said institutions and said Trustees, which agreement is dated April 22, 1927, and is on file with said institutions. This certificate is issued under the terms of the aforesaid agreement, and the holder hereof, by accepting same, assents to and adopts said terms as if fully written herein. It shall not be valid, unless countersigned by The Louisville Trust Company, the duly designated Transfer Agent for the transfer of said Trustees' Participation Certificates, and by The National Bank of Kentucky, the duly designated Registrar, and is transferable only on the books of said Trustees upon its surrender properly endorsed in person or by attorney.

IN WITNESS WHEREOF, said Trustees have caused their corporate seal to be hereunto affixed, and this certificate to be signed by their Chairman or Vice-Chairman, and by their Secretary or Assistant Secretary, on this _____

REGISTERED
THE NATIONAL BANK OF KENTUCKY,
REGISTRAR.
BY _____
VICE-PRESIDENT

COUNTERSIGNED AT LOUISVILLE, KENTUCKY
THE LOUISVILLE TRUST COMPANY,
TRANSFER AGENT.
BY _____
ASSISTANT SECRETARY

_____
ASSISTANT SECRETARY

_____
VICE-CHAIRMAN

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Exhibit 10

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10

Exhibit 10

For Value received, ___ hereby sell, assign and transfer unto

_____

_____

_____

_____ Shares

of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____

_____ Attorney

to transfer the said stock on the books of the within named Trustees with full power of substitution in the premises.

Dated _____ 19__

_____

In Presence of _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

ADDRESS ALL COMMUNICATIONS TO THE COMPANY

THE LOUISVILLE TRUST COMPANY
LOUISVILLE, KY.

March 19th, 1927.

MEMBER FEDERAL RESERVE SYSTEM

HUSTON QUIN
VICE PRESIDENT

Comptroller of Currency,
Washington, D. C.

Dear Sir:-

Have you available a list of names of trust companies that have been involved in unification within the last few years?

We have under consideration, the question of unification with the National Bank of Kentucky, of this city, and would like to get in communication with other banks or trust companies that have passed through this experience.

Any information you can let us have about this matter will be appreciated.

Very truly yours,

H.C.

Vice President.

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Exhibited - 2

March 22, 1927.

Mr. Anston Mix,
Vice President, Louisville Trust Company,
Louisville, Ky.

Dear Sir:

Receipt is acknowledged of your letter of March 21, requesting a list of banks and trust companies that have consolidated within the last few years, and in reply you are advised that this office has no list available of national bank that have merged with state banks.

If the Louisville Trust Company desires to consolidate with the National Bank of Kentucky of Louisville as proposed the consolidation can be effected under the Act of February 25, 1927. You are advised, however, that under the rules of this office it will be necessary for an examination to be made of the Trust Company prior to approval of the proposed consolidation.

Before this examination is made it will be necessary for the Trust Company to forward a letter to this office consenting to the examination and agreeing to pay the expense thereof. The expense of the examination will be the per diem of the Examiner and assistants, if necessary, together with the actual expense incurred for travel and subsistence.

Respectfully,

Deputy Comptroller.

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ADDRESS ALL COMMUNICATIONS TO THE COMPANY

THE LOUISVILLE TRUST COMPANY
LOUISVILLE, KY.

March 25th, 1927.

MEMBER FEDERAL RESERVE SYSTEM

HUSTON QUIN
VICE PRESIDENT

Mr. [illegible] W. Starns, Deputy Comptroller,
[illegible] Department,
Washington, D. C.

Dear Sir:-

Your letter of the 22nd.

[illegible]tative plans between this institution [illegible] National Bank of Kentucky do not call for a merger but rather an affiliation or unification. Of course, if the plan is perfected, this Company will be very glad to comply with any requests from your Department.

What we are trying to get is the names of institutions that have passed through a similar experience, and we were hopeful that you might be able to give us some data along this line. If you know of any unifications, rather than mergers, that have taken place between trust companies and banking institutions, we would be glad if you would give us such information.

Very truly yours,

Huston Quin

HQ:S

Vice President.

Exhibit No. - 4

R P

April 7, 1927.

Mr. Huston Quin,
Vice President,
Louisville Trust Company,
Louisville, Kentucky.

Dear Sir:

Your letter of March 25 is received, stating that tentative plans between your Company and the National Bank of Kentucky do not call for a merger but rather an affiliation or unification; that if the plan is perfected your Company will be glad to comply with any requests of this office. You request to be advised of the names of institutions that have passed through a similar experience, and if this office knows of any unifications rather than mergers that have taken place between trust companies and banking institutions.

The question of your Company becoming affiliated or unified with the National Bank of Kentucky is a matter entirely between the two institutions.

If it is the intention of your bank to trustee the stock of one of the corporations, you are advised that the usual procedure followed in cases of this kind is to trustee the stock of the company having a state charter and place on the stock of the national bank a statement with respect to the transfer of the stock of the two associations. If, however, you contemplate trusteeing the stock of the national bank, you are advised that it would not be lawful to do so, as this would disqualify the directors of the national banks.

This office has no list available of national banks and other corporations which have become affiliated in the manner indicated.

Respectfully,

Deputy Comptroller.

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Exhibit 11 - 5

Louisville, Ky. April 1, 1927.

James B. Brown, Chairman

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky of Louisville held this day there were present -

Messrs. Charles C. Mengel, Anthony J. Carrell, John M. Atherton, Brainard Lemon, Joseph H. Durham, Baylor O. Hickman, Thomas J. Minary, Henry Vogt, Alex P. Humphrey, Saunders P. Jones, George M. Clark, Samuel W. Coons and James B. Brown

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of bank as of March 31st, overdrafts of $100.00 and over and maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Past due paper of $1000.00 and over read.

On motion of Mr. Alex P. Humphrey seconded by Mr. C. C. Mengel the following resolution was unanimously adopted :

BE IT RESOLVED : That the Board of Directors of the National Bank of Kentucky approves the plan of unification of the stock of the National Bank of Kentucky with the stock of the Louisville Trust Company on the basis of the National Bank of Kentucky's stockholders receiving four shares of the new securities or certificates to each one share received by the stockholders of the Louisville Trust Company and on the condition that the charter rights and powers of the two institutions be preserved.

The Board of Directors recommend to the stockholders the deposit of their stock under the plan of unification and the officers are hereby directed to carry into effect this resolution.

It was moved by Mr. John M. Atherton, seconded by Mr. C. C. Mengel and unanimously carried that the President appoint a committee of five, of which he shall be chairman, to represent our Board of Directors in working out the details of the unification of the stock of our bank with that of the Louisville Trust Company. Said committee to act in conjunction with a committee appointed by the Directors of the Louisville Trust Company.

THEREUPON : the President appointed as additional members of this committee Messrs. John M. Atherton, Alex P. Humphrey, Anthony J. Carrell and Henry J. Augermeier.

There being no further business on motion the meeting adjourned.

President.

Secretary.

Exhibit 11 - c

Louisville, Ky. April 22, 1927.

James B. Brown, Chairman.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky of Louisville held this day there were present -

Messrs. Anthony J. Carroll, Brainard Lewon, Joseph H. Durham, Baylor O. Hickman, H. Lee Callahan, Thomas J. Minary, George W. Clark, Henry Vogt, Samuel W. Coons, and James B. Brown.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of bank as of April 21st was read.

Loans taken during the past week were submitted to the Board and unanimously approved.

On motion of Mr. A. J. Carroll seconded by Mr. Henry Vogt the following resolution was unanimously adopted :

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NATIONAL BANK OF KENTUCKY AS FOLLOWS :

The present capital stock of this bank is Two Million Five Hundred Thousand ($2,500,000.00) Dollars; its surplus Two Million Five Hundred Thousand ($2,500,000.00) Dollars; undivided profits more than One Million Four Hundred Thousand ($1,400,000) Dollars. A stock dividend of sixty (60%) per cent on the stock of this bank can be declared, making the capital of this bank Four Million ($4,000,000) Dollars, and still leave largely more than twenty(20%) per cent of its capital as surplus. There is , therefore, now declared a stock dividend of sixty (60%) per cent upon the stock of this bank, to be issued to all stockholders of record on the 1st day of June, 1927, subject to the assent of the Controller of the Currency and to the authorization of the owners of two-thirds of the capital stock. A meeting of the stockholders, taking into consideration this resolution, is hereby called to be convened at the banking house at 12 M. on the 27th day of May, 1927, and the officers of the Bank are hereby directed to give notice thereof in the manner required by law.

IT IS FURTHER RESOLVED that the number of directors of this Bank shall be increased from nineteen to forty and to that end a meeting of the stockholders of this bank shall be called to convene at the banking house at 12 M.on the 27th day of May, 1927, for the purpose of authorizing the election of such additional directors and electing the same. The officers of this bank are hereby directed to give due notice of this meeting according to law.

The Committee composed of Messrs. James B. Brown, Alex P. Humphrey, A. J. Carroll, John M. Atherton, and H. J. Angermeier submitted a printed trust agreement setting forth the terms and conditions concerning the unification of the stock of the National Bank of Kentucky and the Louisville Trust Company under date of April 22, 1927, and recommended its approval and adoption by the Board of Directors. On motion of George W. Clark seconded by Henry Vogt the report was adopted and the agreement approved.

There being no further business on motion the meeting adjourned.

President. Secretary.

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Page 1

This Agreement, entered into this 22d day of April, 1927, between:

Such owners and holders of capital stock in THE NATIONAL BANK OF KENTUCKY, of Louisville, Kentucky, as now unite and such other owners and holders of that stock as may hereafter unite in this agreement by signing it or a counterpart thereof, or by depositing their stock as hereinafter provided, hereinafter referred to as "Bank Stockholders," as parties of the first part; and

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Such owners and holders of the capital stock of The Louisville Trust Company, of Louisville, Kentucky, as now unite and such other owners and holders of that stock as may hereafter unite in this agreement by signing it or a counterpart thereof, or by depositing their stock as hereinafter provided, hereinafter referred to as "Trust Company Stockholders," as parties of the second part; and

Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Edwin M. Drummond and Chas. H. Bohmer, hereinafter referred to as "Trustees," as parties of the third part;

WITNESSETH.

The undersigned owners and holders of the shares of capital stock of The National Bank of Kentucky of Louisville (organized under the National Banking Act), and owners and holders of the capital stock of The Louisville Trust Company (organized as a Trust Company under the laws of Kentucky), looking to the best interests of

2nd Page

the respective institutions as separate corporate entities, and of each stockholder therein, have determined that such interests require closer co-operation of such Bank and Trust Company, to be of greater service to their respective patrons, and in order to secure such co-operation have agreed upon the plan hereinafter set forth for creating a trust estate to consist of their respective shares of stock in the Bank and in the Trust Company.

I.

APPORTIONMENT OF INTERESTS BETWEEN THE TWO SETS OF STOCKHOLDERS.

At this time the Bank has a capital, surplus and undivided profits of more than $6,800,000, which will be represented by 40,000 shares of its stock when a contemplated stock dividend of 60% has been declared; and The Trust Company has a capital, surplus and undivided profits of more than $1,700,000, represented by 10,000 shares of its stock.

The combined net assets of the two institutions aggregate more than $8,500,000.

In apportioning between the Bank Stockholders and the Trust Company Stockholders the participation shares hereinafter provided for, which represent interests in the Trust Estate, presently consisting of the stocks of said two institutions deposited hereunder, such apportionment shall be made upon the following basis:

The total assets and business of the Bank shall be treated as worth 80% of the combined assets of the Bank and of the Trust Company, and the total assets and business of the Trust Company shall be treated as worth 20%

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of the combined assets and business of the Bank and of the Trust Company.

The rights of such stockholders in said respective institutions as become a party to this agreement shall be determined on said basis, namely, each shareholder shall receive one participation certificate for each share of stock.

II.

ADVISORY COMMITTEE.

There is hereby created an Advisory Committee, with such powers as are herein conferred, and which shall at all times be composed of the individuals who are the then directors of The Louisville Trust Company and of The National Bank of Kentucky.

In any action to be taken by the Trustees only on the approval of the Advisory Committee, such approval shall be evidenced by a writing filed with the Trustees and signed by a majority of the members from each institution on said Committee.

Said Committee shall have the right by a resolution adopted by them, respectively, to add to their number not more than three of the higher executive officers of each institution who are not already members of the Committee, and such action upon the part of the Advisory Committee, if taken, shall be evidenced by a writing filed with the Trustees.

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III.

TERMS OF TRUST.

The Trustees shall hold all assets which shall come into their hands hereunder as one indivisible Trust Estate, the proportionate interest of each shareholder therein being represented by the certificates issued by such Trustees, and the Trustees agree to hold such estate upon the following trust, terms and conditions:

(1) They shall reassign to each person who shall be at the time of signing this agreement a member of the board of directors of The National Bank of Kentucky, or of The Louisville Trust Company, who desires and is eligible a sufficient number of shares of stock in such Bank and Trust Company to qualify him as a director in both institutions.

(2) The Trustees may, out of the shares owned by them, sell and assign absolutely to any holder of a Trustees' Participation Certificate desiring to be elected a director of either of said institutions, the number of shares of stock necessary to legally qualify him for such office. These provisions shall apply to any other stock acquired by the Trustees.

(3) Upon request made in writing not more than 30 nor less than 15 days before any annual election of directors, by the holders of sufficient in amount of Trustees' Participation Certificates to insure his election they shall sell and transfer to a designated person the number of shares of stock necessary to legally qualify him for such office, upon his surrender of sufficient Trustees' Participation Certificates therefor.

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(4) In addition to the Trust Estate herein presently provided for, the Trustees shall have power to purchase all or part of the stock of any other corporation of similar character and engaged in a like or similar business, but only with the written consent of the Advisory Committee, as to terms, price and conditions of purchase, and any stock so purchased by the Trustees shall become and be a part of the Trust

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Estate above referred to, and the Trustees may issue Trustees' Participation Certificates in sufficient amount to pay for the stock so purchased by them. The Trustees may issue such new certificates direct to the holders of the stock so purchased by the Trustees in exchange or payment therefor, in whole or in part, or may sell such Trustees' Participation Certificates to the then holders of such Trustees' Participation Certificates in proportion to their then holding thereof, which right of purchase by such holders shall be assignable. If all the certificates so offered to existing certificate holders be not taken and paid for by them or their assigns within the time fixed by the Trustees in their offering of the same, it shall be the duty of the Trustees to offer for sale such certificates not taken or paid for to any other person or persons.

(5) No certificate shall be issued by the Trustees calling for a fraction of a share, but scrip may be issued for fractions of shares to those entitled thereto, and when scrip representing as much as one full share shall be presented to the Trustees, they shall issue a certificate in lieu of such scrip for as many full shares as said scrip shall call for in the aggregate. No dividends shall be paid on scrip, but when such scrip shall have been converted into

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Trustees' Participation Certificates, the rights represented thereby shall be entitled to receive their full share of dividends thereafter declared and theretofore declared during a period not to exceed five years before such conversion.

(6) The Trustees, with the written consent of the Advisory Committee, may sell any stock acquired under Subsection (4) of Article III and the proceeds of sale when collected shall be disposed of by the Trustees with the written consent of the Advisory Committee by:

(a) Either dividing the same among the holders of Trustees' Participation Certificates, in which event the Trustees shall have the right to correspondingly reduce pro rata the number of shares represented by outstanding Trustees' Participation Certificates; or

(b) Using the same in the purchase of stock of corporations engaging in like or similar business; or

(c) Adding to the capital or surplus or capital and surplus of any of the corporations the stock of which is owned by the Trustees.

(7) The Trustees, with the written consent of the Advisory Committee:

(a) Shall have the right to consent to and take any legal action appropriate for an increase or decrease in the capital stock of any corporation, the stock of which may become a part of the Trust Estate;

(b) In case of an increase in the capital stock of any such corporation, the proper proportionate part thereof to which the Trustees may be entitled, may be purchased by them and same shall be added to and become a part of the indivisible Trust Estate held by the Trustees under

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the same terms and conditions as are herein provided for the stock acquired hereunder;

(c) The Trustees shall thereupon issue additional Trustees' Participation Certificates equal to the par value of such increase of capital stock so purchased by them and shall offer the same pro rata to the then holders of out-

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standing Trustees' Participation Certificates at a price which will reimburse the Trustees for the purchase price so paid by them.

If any holder of Trustees' Participation Certificates declines or fails within a reasonable time to be fixed by the Trustees, to take his pro rata of such increased issue of certificates, and which right of purchase by such holder shall be assignable, the Trustees shall have the right to sell such certificates to any purchaser for a price not less than that at which the Trustees acquired such stock.

(d) In case either the Bank or Trust Company, or any other institution in which the Trustees shall own stock, shall reduce its outstanding capital stock in the manner provided by law so as to effect a distribution of corporate assets among stockholders, the Trustees shall dispose of said fund as a distribution pro rata among the holders of Trustees' Participation Certificates or, under the written direction of the Advisory Committee, for the benefit of the trust estate, in any other lawful manner.

(8) The Trustees shall have the right, and it shall be their duty subject only to the limitations herein prescribed, to exercise in the interest of the holders of Trustees' Participation Certificates, all of the powers of management and control over any corporation in which they shall hold stock, incident to the ownership of stock held by them hereunder, and their power shall include all

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rights as stockholders in connection with any corporate purposes or functions whatever and shall authorize them to exercise all voting rights and rights of ownership over such stock in the election of directors or in the discharge of any other corporate functions.

Provided, however, that the owner of record on the books of the Trustees of any Trustees' Participation Certificate, shall have the right by written directions to the Trustees given at least 5 days before the vote is to be cast, to instruct them how they shall vote in the corporate meetings such proportionate number of shares therein owned by the Trustees as the number of shares represented by the Trustees' Participation Certificate owned by such person giving such directions may bear to the total number of shares represented by outstanding Trustees' Participation Certificates and the Trustees shall vote such proportion of stock in accordance with such instruction.

(9) Dividends received by the Trustees on any stock held by them shall be distributed among the holders of Trustees' Participation Certificates; provided, however, that upon the written direction of the Advisory Committee, the Trustees may use any extra dividends, or part thereof, received by the Trustees, for the benefit of the trust estate, in any lawful manner.

(10) The Trustees shall deposit in the Bank or the Trust Company all funds which they receive with directions to such Bank or Trust Company as to the distribution thereof as hereinabove authorized and the making of such deposits and the giving of such directions shall relieve the Trustees of all further responsibility for such dividends. The Trustees shall out of the funds

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coming into their hands pay the expenses of the organization and conduct of the Trust.

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(11) The enumeration of powers herein shall not be held to be exclusive of other powers herein referred to or incidental to the powers herein mentioned.

IV.

MEETING OF TRUSTEES' PARTICIPATION CERTIFICATE HOLDERS.

(1) Annual meetings of the registered holders of the Trustees' Participation Certificates shall be held at the office of the Trust Company at Louisville, Kentucky, at 2:30 P. M. on the first Monday in January of each year, unless that be the first day of the year, and in which event it shall be held at the same place and hour upon the following day, at which time and place the Trustees or one or more of them, shall attend, and to which meeting the chief executive officers of all corporations in which the Trustees hold stock shall be requested to attend so as to give information as to the condition and progress of such corporation and to make to such meeting any report that may be proper.

(2) Such meeting may be adjourned to any other time and place in Louisville, Kentucky.

(3) The time and place of such annual meeting may be changed at any annual meeting by a vote of persons holding a majority in amount of the Trustees' Participation Certificates present at the meeting in person or by proxy.

(4) Special meetings of the holders of the Trustees' Participation Certificates may be called by the Trustees

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at any time and place in the city of Louisville, and such meetings shall be called upon the written request of the holders of one-third in amount of the Trustees' Participation Certificates.

(5) Notice of all meetings shall be given by the Trustees in writing mailed to the registered address of each certificate holder at least ten days before the meeting, and such notice shall state the purpose for which any special meeting is called; provided, however, that if a special or annual meeting is to consider the termination, dissolution or modification of this Trust, then at least 30 days' notice thereof shall be given in like manner.

(6) The right to vote at any meeting of Participation Certificate Holders shall be restricted to holders of such certificates of record at least 15 days before the annual meeting, and in case of a special meeting 15 days before the notice of such meeting is required to be mailed. Holders of Trustees' Participation Certificates may vote either in person or by proxy, and if by proxy by a writing attested by one person.

V.

APPOINTMENT OF TRUSTEES AND THEIR ORGANIZATION.

(1) Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Edwin M. Drummond, and Chas. H. Bohmer are hereby chosen as Trustees under this agreement, and they and their successors shall have all the rights, powers and duties herein set forth.

Henry Vogt, Thomas J. Minary, and Stuart E. Duncan, named above, are agreed upon as the Trustees rep-

resenting the Stockholders of The Bank, and Allen P. Dodd, Edwin M. Drummond, and Chas. H. Bohmer, named above, are agreed upon as the Trustees representing the Stockholders of The Trust Company. Provided: That, upon the written direction of the Advisory Committee, a corporation or corporations duly authorized to act in a fiducial capacity, may be designated as Trustee or Trustees in lieu of the individual Trustees herein provided for. In the event of such change the individual Trustees shall cease to act and the corporation or corporations, so designated, shall alone have and exercise all the powers herein conferred on the Trustees.

(2) Those persons upon the Advisory Committee who shall at the time constitute the Board of Directors of the Bank may at any time by a writing signed by a majority of them and filed with the Trustees, remove any of the Trustees designated by the Bank stockholders, and in like manner those persons upon the Advisory Committee who shall at the time constitute the Board of Directors of The Trust Company may at any time by a writing signed by a majority of them and filed with the Trustees, remove any of the Trustees designated by The Trust Company stockholders; provided, however, that such power shall not be exercised within sixty days prior to the annual meetings of the stockholders of the Bank or The Trust Company.

(3) Upon the death, removal, resignation or refusal to act of any Trustee, or if from any cause there shall be vacancy in the position of any Trustee, the successor of such Trustee shall be elected and certified to the acting Trustees by a writing signed by a majority of those persons who shall at the time constitute the Advisory Com-

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mittee for the respective institutions, as the case may be, to the end that there shall always be three Trustees appointed on behalf of the Bank Stockholders and three Trustees appointed on behalf of the Trust Company Stockholders unless a corporate Trustee or Trustees be appointed as above provided.

This power to fill vacancies shall not only apply to the original Trustees herein named, but to any successor, and shall be exercised as and when any vacancy may hereafter occur in the position of any Trustee herein designated as the representative Trustee of the stockholders of either the Bank or the Trust Company.

(4) The term "Trustee" whenever used in this agreement shall include successors duly appointed or elected and all estate hereby vested in and all the rights herein given to and the powers herein conferred upon any Trustee shall be vested in, given to and exercised by his successor duly appointed or elected, and such successor shall be substituted in all respects in place of the former Trustee without the necessity of any formal assignment or transfer to him.

(5) The majority of the Advisory Committee in exercising the powers in this article shall be determined in the same manner as prescribed in Article II.

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VI.

ORGANIZATION OF TRUSTEES.

(1) The Trustees shall organize by electing from their own number a Chairman and a Vice-Chairman; and by electing a Secretary and Assistant Secretary, neither of the two latter need be a Trustee.

(2) The Trustees shall keep such record of their official action as may be necessary, including a register of Trustees' Participation Certificates issued by them similar to the ordinary stock certificate book showing the name and mailing address of each certificate holder, and shall certify a copy thereof to each institution issuing stock to them.

(3) They shall adopt a seal and prescribe such regulations or by-laws as they may deem necessary, including regulations for the issuance of duplicate Trustees' Participation Certificates in case of loss or destruction of original certificates, and regulations governing the transfer of such certificates, and no Trustees' Participation Certificate shall be transferred except upon the surrender thereof duly endorsed, in person or by attorney, and all such transfers shall be made only upon the books of the Trustees.

(4) The seal of the Trustees shall be affixed to the Trustees' Participation Certificates and they shall be signed by the Chairman or Vice-Chairman of the Trustees and by their Secretary or Assistant Secretary.

(5) The Louisville Trust Company is hereby designated as Transfer Agent for the transfer of Trustees' Participation Certificates, and The National Bank of

Kentucky shall be the Registrar thereof, and no certificate issued by the Trustees shall be valid unless countersigned by the Transfer Agent and Registrar.

(6) A majority of the Trustees concurring shall have and exercise all the powers that could be exercised by the whole number of the Trustees.

VII.

ASSIGNMENT OF STOCK TO TRUSTEES.

The Bank Stockholders and Trust Company Stockholders who shall execute this agreement now or hereafter, or a counterpart hereof, or transfer their stock to the Trustees as herein provided for by that act, assign to the Trustees hereinbefore named, under the terms, conditions and limitations hereof, all of the shares of the capital stock owned or held by them at the time of such execution, either in the Bank or Trust Company, or in both.

Each assignment is made upon the terms, trusts and conditions herein stated.

Each assignment shall be made effectual by proper transfers upon the books of the Bank and the Trust Company, respectively, as provided by law and by the by-laws, rules or regulations of said institutions, respectively, governing such transfer.

The certificate or certificates issued by the Bank or by the Trust Company to the Trustees for the shares transferred to such Trustees hereunder, may be issued to them, as "The Trustees Under Stockholders' Agreement of April 22, 1927," without designating them by name.

It shall not be necessary to issue a new certificate to the Trustees in the event of a change in the personnel

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of the Trustees, but if desired by the Bank or by the Trust Company the names of the Trustees, or any changes therein may be indicated by a memorandum endorsed upon each certificate issued to the Trustees.

The Trustees and their Transfer Agent for the certificates issued by them shall certify to the Bank and Trust Company a copy of the Trustees' register of Trustees' Participation Certificate-Holders and their addresses and from time to time and as often as any change may be made in the holders of such certificates shall certify such change.

VIII.

TRUSTEES' PARTICIPATION CERTIFICATES.

(1) The shares for which such Trustees' Participation Certificates shall be issued shall be of the par value of $100 each, provided that if hereafter the Trustees shall consider it wise to change the par value of such shares, they shall have the power to do so, and to that end may call in all outstanding certificates and issue others in lieu thereof prescribing the changed par value of shares. After such call has been issued no dividends shall be paid on shares represented by such outstanding old certificates until they have been surrendered for exchange for new certificates in the revised form.

(2) The Trustees' Participation Certificates, subject to the aforesaid power of modification as to the par value of shares, shall be in form as follows:

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THE NATIONAL BANK OF KENTUCKY. THE LOUISVILLE TRUST CO.

Number of Certificate . . Number of Shares

TRUSTEES' PARTICIPATION CERTIFICATE.

Present authorized issue $5,000,000.00

PAR VALUE $100.00 PER SHARE.

. . . . . .

This certifies that is the owner of _____shares, of the par value of $100 each, of the indivisible trust estate, consisting of shares of the capital stock of The National Bank of Kentucky, of Louisville, and The Louisville Trust Company, also of Louisville, Kentucky, and of any other corporation acquired by the Trustees under the agreement between stockholders of said institutions and said Trustees, which agreement is dated April 22, 1927, and is on file with said institutions.

This certificate is issued under the terms of the aforesaid agreement, and the holder hereof, by accepting same, consents to and adopts said terms as if fully written herein. It shall not be valid unless countersigned by The Louisville Trust Company, the duly designated Transfer Agent for the transfer of said Trustees' Participation Certificates, and by The National Bank of Kentucky, the duly designated Registrar; and is transferable only on the books of said Trustees upon its surrender properly endorsed in person or by attorney

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In Witness Whereof said Trustees have caused their corporate seal to be hereunto affixed, and this certificate to be signed by their Chairman or Vice-Chairman, and by their Secretary or Assistant Secretary, on this ———

Assistant Secretary of said Trustees.

Vice-Chairman of said Trustees.

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Countersigned at Louisville, Kentucky, ———.

THE LOUISVILLE TRUST COMPANY,
Transfer Agent of said Trustees.

By———
Assistant Secretary.

THE NATIONAL BANK OF KENTUCKY,
Registrar.

By———
Assistant Cashier.

IX.

RESPONSIBILITY OF TRUSTEES.

(1) The Trustees shall not be responsible for any acts done by them as Trustees in good faith and in the exercise of an honest judgment. No Trustee shall be liable for the act or omission of another Trustee.

(2) They shall not be liable, except as Trustees to the extent of the Trust funds held by them, by reason of the ownership of stock in any corporation. They shall be indemnified against any such liability by each holder of Trustees' Participation Certificates to the extent hereinafter set forth.

(3) Each owner of a Trustees' Participation Certificate issued hereunder shall be subject to the same liability thereon as he would have been subject to in case he had been the owner of record of such proportionate part of the shares held by the Trustees in any corporation as the number of shares called for by his Trustee's Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Cer-

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tificates; and to such extent he shall indemnify and hold harmless the Trustees owning such stock from any loss or liability on account of being the holders or owners thereof. The measure of liability assumed hereunder shall be the same as that provided by law with reference to the holders of stock in any particular corporation in which the Trustees may hold stock as is provided by law with reference to the holders of such stock, and no more.

X.

TERMINATION OR MODIFICATION OF AGREEMENT.

1. The trust herein created shall continue until the death of the last survivor of all those persons who are now stockholders of either of said institutions who presently enter into this agreement, and for the further period of twenty-one years after the death of such last survivor, unless sooner terminated, as it may be, by a vote of the owners of not less than two-thirds in amount of the

Trustees' Participation Certificates, such vote to be taken at a special meeting called for that purpose, of which notice shall be given in writing thirty days in advance of such meeting as above provided.

2. By a vote of two-thirds had at a meeting called as above, this agreement may be modified, such modification being evidenced by the signatures of the owners of Trustees' Participation Certificates assenting thereto, in person or by proxy. Such written modification shall be lodged with the Trustees and a copy thereof lodged with The National Bank of Kentucky and The Louisville Trust Company.

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XI.

EFFECTIVE DATE OF AGREEMENT.

This agreement shall become effective only when it shall have been executed by the owners of not less than one-half in amount of the stock in The Louisville Trust Company and one-half in amount of the stock in The National Bank of Kentucky by signing this agreement or assigning their stock to the Trustees. It shall, however, remain open for one hundred and twenty days from the date hereof for additional stockholders to make themselves parties hereto by signing it or a counterpart hereof and which additional period may be further extended by a majority vote of the persons herein named as Trustees.

WITNESS the hands of the parties the day and year first above written.

Signatures of Stockholders.	Address.	Number of Shares Held In:	
		The National Bank of Kentucky.	The Louisville Trust Co.

Exhibit 11 - 6

PROXY

KNOW ALL MEN BY THESE PRESENTS that the undersigned has appointed and empowered and does hereby appoint and empower Andrew H. Morris or Fred G. Burdorf or either of them with full power of substitution in them or either of them, to represent him at a meeting of the stockholders of the National Bank of Kentucky, which has been convened by the Board of Directors of the said Bank to be held at the banking house in Louisville, Ky., at 12 M. on the 27th day of May, 1927, with full power to represent me upon any question that may come before the meeting, or any adjournments thereof, and especially to represent me upon the proposal to declare a stock dividend of sixty (60%) per cent upon the stock of the said National Bank of Kentucky, and also upon the proposition to increase the Board of Directors of this institution by providing for the election and electing twenty-one (21) additional members.

My said proxy is hereby authorized to represent me at said meeting and to vote upon the above subjects and any other that may come before said meeting.

As WITNESS MY HAND This_____day of May, 1927.

_____
Witness.

_____
Stockholder.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned has appointed and empowered and does hereby appoint and empower the Louisville Trust Company to transfer to the Trustees, under a Trust Agreement entered into between the stockholders of the National Bank of Kentucky and the Louisville Trust Company, dated April 22, 1927, _____ shares of my stock in the National Bank of Kentucky, represented by Certificates Nos. _____, and also to receive from the National Bank of Kentucky certificates of stock that shall be issued to me upon the declaration of the stock dividend of said National Bank of Kentucky mentioned in said agreement and transfer the same in the same manner as above directed as to the certificates above mentioned and to receive and receipt for me and in my name the trustees' participation certificates representing all of said shares of stock.

It is provided, however, that if the said Trust Agreement shall, under its terms, fail to become effective by August 1, 1927, this power of attorney shall cease to have any effect, and the said Louisville Trust Company shall return to me the certificates of stock now held by me and also those which it may receive upon the declaration of said stock dividend.

As WITNESS MY HAND this_____of May, 1927.

_____
Witness.

_____
Stockholder.

Exhibit 11 - 6

_____ 1927. No.

As the owner of shares of the capital stock of the National Bank of Kentucky, of Louisville, Kentucky, I hereby acknowledge receipt of the stockholders' agreement between the stockholders of the National Bank of Kentucky and the Louisville Trust Company, dated April 22, 1927.

Please accept this as my signature to that agreement and promise to comply with the terms thereof, as though a counterpart thereof had been duly signed by me.

Witness: Name _____

Address _____

IN LOUISVILLE

Louisville, Ky.,
April 22, 1927.

To the Stockholders of the National Bank of Kentucky:

The Board of Directors of the National Bank of Kentucky and the Board of Directors of the Louisville Trust Company have each unanimously resolved that it is to the interest of the stockholders of these two institutions to form a close alliance. The method adopted is set out in an agreement (a form in common use), a copy of which is inclosed, and which, we recommend you sign. It is everywhere recognized in the financial world that to bring together two such institutions is to very greatly benefit the stockholders of each.

The National Bank of Kentucky has at present net assets in all worth more than Six Million Eight Hundred Thousand ($6,800,000) Dollars.

The Louisville Trust Company has net assets in all worth more than One Million Seven Hundred Thousand ($1,700,000) Dollars.

It thus appears that the assets of the National Bank of Kentucky are in proportion to the assets of the Louisville Trust Company four to one, and this basis has been agreed on. It is proposed that the stockholders of each of these companies shall transfer to trustees their stock and that these trustees shall issue trustees' participation certificates of one share for each share of the stock of each of the companies. In other words, it is proposed to issue Five Million Dollars of participation certificates. In order to bring this about it is necessary that the National Bank of Kentucky, by the declaration of a stock dividend, shall increase its capital stock from Two Million Five Hundred Thousand ($2,500,000) Dollars to Four Million ($4,000,000) Dollars. The capital stock of the Louisville Trust Company is One Million ($1,000,000) Dollars. This will give to the combined trust a capital of Five Million ($5,000,000) Dollars and a surplus of Three Million Five Hundred Thousand ($3,500,000) Dollars. It is proposed to maintain the corporate identity of each of these institutions and as regular dividends are declared by the National Bank of Kentucky and the Louisville Trust Company that these dividends shall be paid to the trustees, who in turn shall divide them among the holders of the participation certificates as provided in the trust agreement. It is confidently believed that by the union of these two institutions the earnings of each will be increased, so that the dividends to the holders of the participation certificates will be greater than the stockholders of either of the institutions would receive if sharing in the earnings of one.

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In order to declare a stock dividend under the law notice must be given of a meeting for that purpose and there must be the assent of the holders of two-thirds of the capital stock of the National Bank of Kentucky. Such a meeting has been called to convene at the National Bank of Kentucky at 12 M. on the 27th day of May, 1927, which you are invited to attend or, not being able to attend, you are requested to sign the inclosed proxy. It will be observed from the instrument of trust that this cannot go into effect unless it receives the assent of fifty (50%) per cent of stock of each institution. It is important to the interests of both companies that this merger be brought about with expedition. We recommend therefore, that you send to the Louisville Trust Company, in the enclosed envelope, the agreement of trust signed by you and also the certificates of stock held by you in the National Bank of Kentucky, with the enclosed power of attorney, and the proxy above mentioned.

You will observe that this proxy is not only for the purpose of voting the stock dividend, but also for the election of twenty-one additional directors of the National Bank of Kentucky. It is a part of the plan for bringing together these institutions that the directors in both shall be the same. In order to elect the directors of the Louisville Trust Company into our board it is necessary that a resolution to that effect shall be passed by a stockholders meeting and at the same time the new directors be elected. A similar action will be taken by the Louisville Trust Company so as to include our directors in the board of that institution.

Very truly yours,

National Bank of Kentucky

James B. Brown

President.

Exhibit 11 - 7

National Bank of Kentucky, Louisville, Ky.

Friday May 27, 1927.

Upon this day, Friday, May 27, 1927, at 12 M., a meeting of the stockholders of the National Bank of Kentucky was convened at the office of the said Bank at Louisville, Kentucky, pursuant to call. On motion it was resolved that Henry T. Jefferson take the chair. Mr. Jefferson appointed Mr. Charles F. Jones as Secretary.

The Secretary then laid before the meeting the call for the meeting and stated that it had been duly published in the Herald-Post, a newspaper of general circulation in Louisville, Kentucky, said notice being as follows:

NOTICE

PLAINTIFF'S EXHIBIT No. 7 OCT 18 1938 Paul E. Gaffield

"By resolution of the Board of Directors of the National Bank of Kentucky, a meeting of the stockholders of that Company is hereby called to convene at its banking house at 12 m., May 27,1927, for the purpose of

(1) Approving the stock dividend of sixty (60%) per cent , declared by the Board of Directors of the stock of the Company, such resolution having been passed April 22, 1927.

(2) Taking into consideration the proposition to increase the Board of Directors of the Company by the addition of twenty-one (21) members, or such number not exceeding that as the stockholders may determine, and to elect the additional number of directors so determined upon.

By order of the Board.

JAS. B. BROWN, PRESIDENT

Attest:

CHARLES F. JONES, Cashier
April 22, 1927"

The Secretary also stated that a notice similar to the above had been mailed to each of the stockholders of the Bank , said notice having been sent in registered letter thirty days prior to this date.

On motion Henry T. Jefferson, E. A. Hewett and R. F. Warfield were appointed as judges to report the amount of stock present in person or by proxy and to canvass any votes that might be taken.

The Secretary also laid before the meeting a list of the stockholders of the Bank as of this day. The Chairman then called for those stockholders who were present in person and also for proxies. Said proxies having been handed to the judges, they reported that the amount of stock present in person and by duly executed proxies was 19,921 shares.

On motion it was resolved that, under the provisions of the Act of May 1, 1886, as amended, the stockholders hereby approve and declare that the capital stock of this bank be and it is hereby increased to Four Million ($4,000,000.00) Dollars, and that a sixty per cent (60%) stock dividend, amounting to One Million Five Hundred Thousand($1,500,000.00) Dollars, upon the present capital stock of Two Million Five Hundred Thousand($2,500,000.00) Dollars be and it is hereby declared, such dividend being taken out of the undivided profits of the Bank so that, after the issue of such new stock, the capital stock of the bank shall consist of Four Million ($4,000,000.00) Dollars, surplus Two Million($2,000,000.00) Dollars, and undivided profits $456,674.51 Dollars.

Said stock dividend shall be delivered to stockholders as registered at the close of business May 31, 1927. The chairman called for a vote by stock upon the foregoing resolution and thereupon the following stockholders, either in person or by proxy, voted aye:

THE TRUSTEES UNDER STOCKHOLDERS AGREEMENT OF APRIL 22, 1927 BY T. J.	17,317
MINARY	10
T. KENNEDY HELM	10
JOHN STITES	10
T. J. MINARY	10
ALEX P. HUMPHREY	8
A. J. KIRST	10
H. J. ABDERHALDEN	10
JOHN M. ATHERTON	10
OSCAR B. BLOCH	10

CHARLES H. BOHMER	10
JAMES B. BROWN	1,280
R. L. CALLAHAN	10
A. J. CARROLL	10
J. MATT CHILTON	100
GEORGE W. CLARK	10
SAMUEL W. COOKE	10
MARGARET B. COWAN	25
WILLIAM W. CRAWFORD	10
CAROLINE DARRACH	1
DE MOLAY COMMANDERY NO. 17 K. T.	8
ALLEN P. DODD	10
E. M. DRUMMOND	10
S. E. DUNCAN	10
J. H. DURHAM	10
LOUISE FABEL	1
JAMES GARNETT	10
ANGEREAU GRAY	10
BAYLOR O. HICKMAN	10
C. C. HIEATT	11
SAUNDERS P. JONES, JR.	10
MILBURN P. KELLY	10
LUCINA MEYER KIRST	8
WALTER I. KOHN	10
BRAINARD LEMON	10
S. C. LYONS	10
CHARLES MCVERRAN	5
C. C. MENGEL	10
E. J. O'BRIEN, JR.	10
Mrs. ROSA OPPENHEIMER	2
H. D. ORMSBY	10
JOHN B. PIRTLE	10
HUSTON QUIN	10
RICHARD S. REYNOLDS	30
ARTHUR M. RUTLEDGE	10
MRS CATHERINE SHERMAN	7
WM. SHORT	32
REBURN H. SLACK	1
WILLIAM S. SPEED	10
MATTIE L. TACHAU	25
HENRY VOGT	10
WAKEFIELD & CO.	750
TOTAL.....	19,921

The chairman then called for votes in the negative and no one offered so to vote. The chairman then declared that the above resolution, increasing the stock of the Bank from Two Million Five Hundred Thousand ($2,500,000.00) Dollars to Four Million ($4,000,000.00) Dollars, and declaring the stock dividend of sixty per cent(60%) upon the present capital stock of Two Million Five Hundred Thousand ($2,500,000.00) Dollars, had received the assent of more than two-thirds of the stockholders registered as of this day.

T. KENNEDY HELM then offered the following resolution :

RESOLVED that the number of the Board of Directors of this Bank shall be increased to the extent that such number shall not exceed forty. The chairman then called for a stock vote upon this resolution and the same affirmative vote was had upon this resolution as upon the resolution declaring the stock dividend.

The chairman called for negative votes, but none were offered. The chairman thereupon declared the resolution adopted. Thereupon the meeting proceeded to the election of Twenty One (21) directors. The following were nominated:

John S. Akers
Oscar E. Bloch
Charles H. Bohmer
William W. Crawford
Allen P. Dodd
Edwin M. Drummond
George L. Everbach
James Garnett
Angereau Gray
James J. Hayes
T. Kennedy Helm
Clarence C. Hieatt
Milburn P. Kelly
Walter I. Kohn
S. Clay Lyons
Henry D. Ormsby
John B. Pirtle
Huston Quin
Arthur M. Rutledge
William Short
John Stites.

The ballot was thereupon taken, and the judges reported that each of the persons above nominated had received 19,921 votes.

Thereupon the chairman announced that the said persons had been elected as directors of the Bank.

There being no further business to come before the meeting, it was moved and seconded that the meeting adjourn.

CHAIRMAN.

Henry S Jefferson

SECRETARY.

JUDGES OF ELECTION.

Deposit 2933
Other 1477
Demand 1956
Paid 1297
Drawn 160

Exhibit 12

DATE

NATIONAL BANK OF KENTUCKY

ASSETS

	FEB 11 1925	FEB 11 1925	FEB 11 1926	FEB 11 1926	FEB 11 1927	FEB 11 1927
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 6th St. 25301.364,96	64 [illegible] 2460 63	53 4560	29 [illegible] 66 18	23 [illegible] 96 08	4 [illegible] 11	
Bills Discounted, 4th St.	1 00 [illegible] 93		19 [illegible] 16		19 [illegible] 77	
Demand Loans, 6th St.	46 [illegible] 24		50 [illegible] 87		43 [illegible] 93	
Demand Loans, 4th St. 1 [illegible] 98	8 17 36 074		77 7 [illegible] 86	73 01 [illegible] 17	9 [illegible] 84	
Trade Acceptances	41 [illegible] 98		49 [illegible] 36		28 [illegible] 34	
Cash Drafts in Transit	760 [illegible] 27		70 [illegible] 99		7 [illegible] 94	
Special Loans	81 47 250	81 379 [illegible] 96	16 [illegible] 29	81 [illegible] 41	42 50	81 [illegible]
Due Acceptances						
Overdrafts, 6th St.	20 [illegible] 92		33 [illegible] 28		12 [illegible] 75	
Overdrafts, 4th St.	100 [illegible] 89	31 [illegible] 91	11 [illegible] 15	144 [illegible] 70	49 [illegible] 14	
Customers Liability Under Letters Credit	13 [illegible] 40		7 [illegible] 28		11 [illegible] 08	
Customers Liability Account Acceptances	11 39 [illegible] 53	22 [illegible] 73	14 [illegible] 72	23 547	31 [illegible] 67	
Due For Gold Redemption Fund		129000		125000		
U. S. Bonds to Secure Circulation	2500000		2500000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	265200	2765200	265200	2765200	265200	
U. S. Certificates of Indebtedness		13100		8000		
Liberty Loan Bonds		437 12 [illegible] 26		11 [illegible] 801		
Investment Bonds and Warrants	3779 [illegible] 82		8392 [illegible] 401		4080 [illegible] 13	
Federal Reserve Bank Stock	150000	4184 [illegible] 82	150000	4917 50401	150000	
Other Stocks	178000		178000		178000	
Banking House	35000	7320 [illegible] 08	35000	8971 [illegible] 02	35000	
Furniture and Fixtures	14 [illegible] 67		14 [illegible] 67		14 [illegible] 07	
Other Real Estate	16000	192 [illegible] 67	15 [illegible] 66	192 [illegible] 33	14 [illegible] 58	
Due From Federal Reserve Bank, Reserve	469 [illegible] 60		987 [illegible] 68		991 [illegible] 65	
Due From Central Reserve City Banks	931 [illegible] 75		1950 [illegible] 0		1830 [illegible] 03	
Due From Other Banks Subject to Check	403 [illegible] 82		492 [illegible] 86		447 [illegible] 41	
Cash on Hand	370 [illegible] 29		634 [illegible] 17		82 [illegible] 74	
Exchanges for Clearings	57 [illegible] 61	17 [illegible] 97	774 [illegible] 44	12 [illegible] 52	93 [illegible] 42	1 [illegible]
		18986		1292		1166
Letters in Transit	13 [illegible] 36		129 [illegible] 52		150 [illegible] 66	
Due From Federal Reserve Bank, Not Available	38 [illegible] 03		98 [illegible] 23		26 [illegible] 11	
Due From Banks Not Subject to Check	48 [illegible] 46		9 [illegible] 89		12 [illegible] 39	
Funds in Transit	223 [illegible] 80		44 [illegible] 84		39 [illegible] 94	
Cash Drafts in Transit	22 [illegible] 02		22 [illegible] 59		17 [illegible] 02	
Foreign Checks Held Over	476 [illegible] 04	82 [illegible] 01	389 [illegible] 19		85 [illegible] 34	48 [illegible]
Graham Pratt			1062	502 [illegible] 87	4074	
Accrued Interest Receivable, Demand Loans	8663 101		9856 931	12448	10168 132	
Accrued Interest Receivable, Banks and Warrants	77 [illegible] 22		120 [illegible] 84		107 [illegible] 52	
Accrued Interest Receivable, U. S. Certificates	9492		d		d	
Accrued Interest Receivable, Liberty Bonds	85 [illegible] 70		176 [illegible] 74		119 [illegible] 99	
Accrued Interest Receivable, U. S. Bonds	569 [illegible] 08	203 [illegible] 53	569 [illegible] 08	239 [illegible] 97	569 405	
	d					
Tax on Certificates of Deposit	36 [illegible] 31		30 [illegible] 47		82 [illegible] 88	
Checks Lost in Transit	211 [illegible] 00		84 [illegible] 25		12 119	
Cash Items	424 [illegible] 13	430 [illegible] 74	497 [illegible] 40	461 10912	248 [illegible] 62	
Petty Cash Fund	50		50		50	
Overages and Shortages				12986		
Do				17470		
TOTAL RESOURCES		62600 [illegible] 20		99 [illegible] 03 199		66 [illegible]

PLAINTIFF'S EXHIBIT No. 12
OCT 18 1928
Paul E. Reynolds
OFFICIAL REPORTER

Exhibit 18

DATE

LIABILITIES

NATIONAL BANK OF KENTUCKY

	FEB 11 1925	FEB 11 1925	FEB 11 1926	FEB 11 1926	FEB 11 1927	FEB 11 1927
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	2500000		2500000		2500000	
Surplus	2500000		2500000		2500000	
Undivided Profits	1296218 12	6296218 12	1194833 31	6194833 31	1403779 76	6403779 76
Dividends Unpaid		181742 10		132793 94		
Outstanding Notes Rediscounted		2500000		2434800		2472400
Acceptances Executed for Customers	113782 30		163502 72		317346 47	
Letters of Credit Issued	109660 40	224573	119628	23347	115470 58	432817 75
Individual Deposits, subject to Check	2143187727		2139504929	6199420922	2716985019	
Individual Deposits, Time Deposits	474821065		374812165		482597703	
Certified Checks	48482853		36747782		3605931	
Cashier's Checks	96154902		133722218		6785506	
Bankers' Checks	4897702		4917723		939242	
Dividends Unpaid	1551	6344833902	2411	5892347807	7716	32166179789
Certified and C.A.C.'s			33710		23905	
Certificates of Deposit, 60 Days	6261768947		4408299071	7707962365	5097540971	
Certificates of Deposit, 6 Mos.	2420859461		2966122037		2610421034	
Savings Deposits, 60 Days	1663139644	11183201110	1782181807	10804308027	1638142376	10483881300
Savings Deposits, 6 Mos.	2418.37.188	799823174	1999173974	2722073359	1084049852	
Postal Savings Deposits		8420424	7875878		3805867	
Due to Banks	5186449	13062767761	13187489946	13199014465	14076629112	14081769112
Cashier's Checks Outstanding, Certified Checks Outstanding		9499866	460619		9240	
Bank Drafts Outstanding		15361372230				
		10208				
Federal Reserve Bank Notes in Circulation		52891128492		48993667929		4900
						56741470311
Bills Rediscounted						
Bills Payable						
Participation Certificates		2000		2000		
Interest and Discount Collected and Not Earned	1578078 81		1655151 82		1447310 5	
Accrued Interest Payable on Time Deposits	24169		21043		43247	
Accrued Interest Payable on Savings Deposits	623243	2977250	593827	8333805 3	625826	20601229
Accrued Interest Payable on Certificates of Deposit	7938487		6131303	7791	5854052	
Taxes Accrued but not Due	1610960					
Reserved for Taxes		3492436 1		4375638 4		3048055 3
Items Held in Advance of Credit		812256		3496548 7		506198
Coupons and Dividends 11799		7754				14534 3
Unpurchased Bonds				200000		200000
Short	26430	Over	40990	Short	427140	
Branch	910		1014		825	
TOTAL LIABILITIES		6879220		9152562		8798091
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		62600449 20		59094031 88		66311812 96
	CURRENT EARNINGS		CURRENT EARNINGS	104	CURRENT EARNINGS	116
	Revenue	2710 3907	Revenue	2720 0682	Revenue	2462 4558
	Less Interest Cost	1105 1477	Less Interest Cost	1035 1988	Less Interest Cost	1099 7465
	Net Revenue	1605 2430	Net Revenue	1684 8694	Net Revenue	1362 7093
	Less Expenses	917 3210	Less Expenses	749 6122	Less Expenses	1102 0214
	Net Current Earnings	6879 220	Net Current Earnings	9152 562	Net Current Earnings	8798 091

PLAINTIFF'S EXHIBIT No. 12-A
OCT 18 1928
[illegible]
OFFICIAL REPORTER

12-A

12-A

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12 — ASSETS

	MAR 11 1925 DETAILED	1925 MAR 11 1925 CONDENSED	MAR 11 1926 DETAILED	1926 MAR 11 1926 CONDENSED	MAR 11 1927 DETAILED	1927 MAR 11 1927 CONDENSED
Bills Discounted, 6th St. 26952H4142	24983987.57	48444198.98	38424067.90		21881617.04	
Bills Discounted, 4th St.	972853.85		2020127.08		1971375.34	
Demand Loans, 6th St.	4779992.39		9881973.64		9889189.61	
Demand Loans, 4th St. 3564663.08	2746817.0	62789328.5	6939892.1		10719987.2	
Trade Acceptances	5229246.17		9449646.86		2849463.93	
Cash Drafts in Transit	899195		8101437		1033455.	
Special Loans	48000	32181943.82	2000	82219003.16	30824	81259749.09
Our Acceptances						
Overdrafts, 6th St.	850708		9871579		24997493	31237
Overdrafts, 4th St.	4 3007	4964305	1127244.4	15644048	6940466	
Customers Liability Under Letters Credit	2881110		2224482		1954708	3211
Customers Liability Account Acceptances	885338	3766448	1943628	21659.50	1364175	
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2500000		2500000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	265200	2765200	265200	2765200	265200	2765200
U. S. Certificates of Indebtedness		7100		2000		
Liberty Loan Bonds		34633746		11864680.1		11209830
Investment Bonds and Warrants	3180811.26	38058112.6	41799334.53	43043349.03	34244727.6	3749472
Federal Reserve Bank Stock	150000		150000		150000	
Other Stocks	178333		178000		478000	
		9741485.52		8458607.54		17
Banking House	35000		35000		35000	
Furniture and Fixtures	1423380.7		1423380.7		1423907	
Other Real Estate	15000	1929380.7	1881332	1929639.9	1493324	1930
Due From Federal Reserve Bank, Reserve	32421.5777		32409014.5		34918403.0	
Due From Central Reserve City Banks	2856.65271		1044124.29		1464761.50	
Due From Other Banks Subject to Check	8802.487.88		5204091.68		1886.3859	
Cash on Hand	3930.6921		3732746.8		5311.0965	
Exchanges for Clearings	4429.9899	15487.31996	7609.5205	11127.04505	6598.8976	7733.1
		16426		-11205		72
Letters in Transit	1978.3141		1308.5143		9259.3080	
Due From Federal Reserve Bank, Not Available	3176.59379		2442.70324		2459.36929	
Due From Banks Not Subject to Check	418.1985		612.9713		1734.8756	
Funds in Transit	2926.2583		2780.4470		2461.1763	
Cash Drafts in Transit	3734.8205		1440.71		1490.4574	
Foreign Checks Held Over	493.786		490.287		540.928	3953
Cashier Call Ck	.8827	5066.80148	3304	4456.99541	4074	
Accrued Interest Receivable, Demand Loans	1452.074		1021.2786		1266.6981	
Accrued Interest Receivable, Bonds and Warrants	827.1429		1191.2092		705.5465	
Accrued Interest Receivable, U. S. Certificates	11.8		0		0	
Accrued Interest Receivable, Liberty Bonds	790.2790		221.2764		1879.7946	
Accrued Interest Receivable, U. S. Bonds	986.048	276.30641	986.048	2492.3690	986.048	365
Tax on Certificates of Deposit	359.072		287.505		321.461	
Checks Lost in Transit	208.190		208.2		252.2	
Cash Items	428.141.66	4288.6398	430.21098	433.5705	2619.809	2948
Petty Cash Fund	50		50		50	
Overages and Shortages		55.774				
TOTAL RESOURCES		6355.8561.41		57439.21408		6178.034745

Exhibit 12

DATE

LIABILITIES

NATIONAL BANK OF KENTUCKY

	MAR 1 [illegible] 1925		MAR 1 1926		MAR 1 1926		MAR 1 1927		MAR 1 1927	
	DETAILED		CONDENSED		DETAILED		CONDENSED		DETAILED	CONDENSED
Capital Stock	2500000				2500000				2500000	
Surplus	2500000				2500000				2500000	
Undivided Profits	1243312 05		6290312 05		1197717 18		6197717 18		1401900 12	6401900 12
Contingent Reserve			131792 13				1329344			
Circulating Notes Outstanding			2500000				2456100			2500000
Acceptances Executed for Customers	885538				1943928				1304175	
Letters of Credit Issued	2891110		3766448		822422		2166950		1494708	3331992
1924										
1925										
Individual Deposits, 6th St. 29039.733.41	24416463 32		24056069 32		20736 82095		24		21965 43508	
Individual Deposits, 4th St.	462327009				39191 8997				5455513 93	
Certified Checks	[illegible]				3085136				9009656	
Cashier's Checks	9704467				4886297				4054741	
Express Checks	622997				57150				1242038	
Dividends Unpaid	1181		29959953 49		2066		24 19064210		7606	27857285 05
Matured Bonds					12115				13269	
Certificates of Deposit, 6th St. 6380.804.82	39416093 08		6943095 82		5479169 54				4974598 28	
Certificates of Deposit, 4th St.	2418 84407				963927 09				2584337 36	
Savings Deposits, 6th St.	1675 12430		-891278 52		1744844 84		97205 39 39		1654062 85	10359720 69
Savings Deposits, 4th St. 6449.527.26	774 89096		27022090		987 26805				1098 60589	
Postal Savings Deposits	827 4924				7923 388				5809 07	
Due to Banks 2460 6928	14870 82592				13634 91410		136443 21 54		13983 34779	13956 80633
Louisville Clearing House, Returned Check Account	626547		14877 09139		941744				348968	
Due to Southern National Bank										
Federal Reserve Bank Fiscal Agent			5374 98290				47855 31303			
										5188 97707
Bills Rediscounted										
Bills Payable										
Participation Receipts			2003				2000			
Interest and Discount Collected and Not Earned	1681 141				1991 3428				1500 2051	
Accrued Interest Payable on Government Deposits	40059				8459				59938	
Accrued Interest Payable on Savings Deposits	1042127		2707 23 20		1285 304		242 38292		1143817	2227 34 40
Accrued Interest Payable on Certificates of Deposit	731 6042				705 4041				606763 4	
[illegible] Bond Fund 5%	181 2336									
Reserved for Taxes			364 24361				487 56092			3249009
Notes Used in Advance of Credit			5007468				5221494			5416208
Overages and Shortages							44193			365
Appraisers Bonds							200000			200000
CNI	69510				361500		Ghost		206960	
Ghost	1022				1158				944	
TOTAL LIABILITIES			12893431				12043985			15475018
Net Current Earnings			6355856741				5743901408			6178034845
TOTAL LIABILITIES AND NET CURRENT EARNINGS										
	CURRENT EARNINGS				CURRENT EARNINGS				CURRENT EARNINGS	
Revenue			4737 57 57				4406 06711			4855 81689
Less Interest Cost			1996 31 65				1907 6803			2054117
Net Revenue			2741 25 90				2498 38941			2801 04572
Less Expenses			1451 9159				1293 98556			1282 95554
Net Current Earnings			1289 3431		Net Current Earnings		1204 39385		Net Current Earnings	1547 5018

Exhibit 12

DATE _____

NATIONAL BANK OF KENTUCKY

ASSETS

	APR 10 1928	APR 10 1928	APR 10 1926	APR 10 1926	APR 11 1927	APR 11 1927
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 6th Dt.	26570904428		24106432280		21217083985	
Bills Discounted, 4th Dt.	9526 28905		8049826774		8064852218	
Demand Loans, 6th Dt.	8018077552		4104166996		6111970499	
Demand Loans, 4th Dt.	993406497		781340027		1197187553	
Trade Acceptances	82694191		417942770		2646098 90	
Cash Drafts in Transit	62497859		41556943		9922286	30927636041
Special Loans	80000	34186682402	10728852	83584946952		
War Acceptances						
Overdrafts, 6th Dt.	828975		8873341		2065 8079	38878191
Overdrafts, 4th Dt.	40023	12994998	14409880	182345 11	9217119	
Customers Liability Under Letters Credit	3944929		2224422		1364175	2833983
Customers Liability Account Acceptances	1347041	8308490	1828734	17511186	1494708	
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2700000		2700000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	2652200	2765200	2652200	2765200	2652200	2765200
U. S. Certificates of Indebtedness		2000		2000		
Liberty Loan Bonds		4369468 01		11186968 01		11198 71891
Investment Stock and Warrants	82341822 11		84208858 84		3091 88615	
Federal Reserve Bank Stock	150000	3889182 11	150000	3750858 84	120000	3406 33615
Other Stocks	178000		178000		176000	
		6763320 12		7705028 98		17370 25491
Banking House	35000		35000		35000	
Furniture and Fixtures	142858 67		142858 67		142858 67	
Other Real Estate	15600	192980 67	10674 98	192939 63	14816 56	192 19773
Due From Federal Reserve Bank, Reserve	3074207804		3285809827		2338416 90	
Due From Central Reserve City Banks	109761058 8		1869 27771		1959218 73	
Due From Other Banks Subject to Check	489 47 5678		152 8 10474		411082 1062	
Gold on Hand	64056770		26492 7199		29 6 9 2409	
Exchanges for Clearings	78573 1485	9972 7632 7	46 8 2 5 0 4 2	6879 46263	54803 7980	8235 58924
		4774		2340		7109
Letters in Transit	57739953		19478 39778		7676 06 27	
Due From Federal Reserve Bank, Not Available	2405 49538		2037 8778 11		1894 23758	
Due From Banks Not Subject to Check	167 41916		9132 4660		8296 1776	
Funds in Transit	23957 4860		2619 9720		2345 0445	
Cash Drafts in Transit	21347 872		9567 7226		726 7868	
Postage Checks Held Over	973844		620 488	29758 8704	76 7917	30397 28193
Certificates of Deposit	8527	4802 16510	3304		4074	
Accrued Interest Receivable, Demand Loans	8166880		7424 880		8834 582	
Accrued Interest Receivable, Bonds and Warrants	9227578		9191 997		7401 5447	
Accrued Interest Receivable, U. S. Certificates	0		0		0	
Accrued Interest Receivable, Liberty Bonds	2847985		2303 472		473 3445	
Accrued Interest Receivable, U. S. Bonds	138880	2138 0923	13888 0	1895 8029	18277 68	2117 73342
Tax on Certificates of Deposit	329442		6827 97		3197 17	
Checks Lost in Transit	209640		2082		1850	
Cash Items	42189027	42738159	41247491	41866 6580	3276 2850	8593 9817
Petty Cash Fund	50		50		50	
Overages and Shortages						
TOTAL RESOURCES		66251 39388		58341 04415		60605 45319

Exhibit 12

DATE

LIABILITIES

NATIONAL BANK OF KENTUCKY

	APR 10 1925	APR 10 1925	APR 10 1926	APR 10 1926	APR 11 1927	APR 11 1927
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	2500000		2500000		2500000	
Surplus	2500000		2500000		2500000	
Undivided Profits	1326411693	6326411693	1249117702	6243117702	1499966068	6499366568
		131792130		132992994		
Contingent Reserve		2500000		2439100		2461500
Circulating Notes Outstanding					1494708	
Acceptances Executed for Customers	1395861	5340490	1922704	1781156	1864775	2889983
Letters of Credit Issued	3944629		2224452			
		5434426			20157205518	
92.57		12891			2036387792	
46.14 Individual Deposits, Sub. To.	20861441112		18204141822		6850943	
Individual Deposits, 4th St.	4212547762		3697758322		4428453	
Certified Checks	7830071		2412533		111470	
Cashier's Checks	41772346		3800923		19391	25626921153
Bonus Checks	5370		897728		2477	
Dividends Unpaid	16244	25914064461	21606	21993435823		
Christmas Club			13310			
			600449512		4212788503	
	4219833722		91995482		4682446934	
Certificates of Deposit, 6th St.	2362640875		1790739894	9836921152	1655802277	11592391796
Certificates of Deposit, 4th St.	1675882261	9147397469	1085904416		1083617105	
Savings Deposits, 6th St.	8004703		71684485		5778267	
Savings Deposits, 4th St.	8274924					
Postal Savings Deposits						
		5104514			13400318917	13407858996
24.79		4753519			754079	
03.98 Due to Banks	11353674422	11410634419	10812856882	10816853339		
Louisville Clearing House, Balanced Check Account	2499797		899796			
Due to Southern National Bank						154000
		20000		20300		
Federal Reserve Bank Fiscal Agent						50777172235
		46492325449		42670510173		
		85438				
Bills Rediscounted						
Bills Payable		12000		12000		
Participation Receipts						
	1725 86495		1698 51677		1476 59928	232341117
Interest and Discount Collected and Not Earned	59649		539727		97965	
Accrued Interest Payable on Government Deposits	145123.1	2895 52207	1819076	2497 36770	1726048	
Accrued Interest Payable on Savings Deposits	7927806		611 58901		664 41176	
Accrued Interest Payable on Certificates of Deposit	2028096					
" " " to Bkd Bond Ac						3366 82015
		26827051		4669 9676		67137746
Reserved for Taxes		8494362		3860 3985		
				628		781
Notes Used to Advance of Credit		32977				
				200000		200000
Mortgages and Mortgages						
Repurchase Bonds						
			889160	Other	101790	
Over	122100		1134		921	
Present	1021					
				33041191		42460574
TOTAL LIABILITIES		58358556		52441044615		60606453719
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		58613929298				
	CURRENT EARNINGS		CURRENT EARNINGS		CURRENT EARNINGS	
	Revenue	7999349	Revenue	6841904	Revenue	7047432
	Less Interest Cost	2493906	Less Interest Cost	2420218	Less Interest Cost	2644246
	Net Revenue	5506343	Net Revenue	4421686	Net Revenue	4403008
	Less Expenses	2704897	Less Expenses	1112923	Less Expenses	1424346
	Net Current Earnings	8235856	Net Current Earnings	3304191	Net Current Earnings	4246574

DATE _____

Exhibit 12

NATIONAL BANK OF KENTUCKY

ASSETS

	MAY 11 1925 1928 DETAILED	MAY 11 1925 CONDENSED	MAY 1 1926 1928 DETAILED	CONDENSED	MAY 1 1927 1927 DETAILED	MAY 11 19 CONDENSED
Bills Discounted, 5th St.	27286					
Bills Discounted, 4th St.	1011					
Demand Loans, 5th St.	4468					
Demand Loans, 4th St.	96					
Time Acceptances	4746					
Cash Drafts in Transit	69					
Special Loans	53	3431		3331		
Our Acceptances						
Overdrafts, 5th St.	4977		4652		3159	
Overdrafts, 4th St.	2251	274968	3109	557	2047	82075
Customers Liability Under Letters Credit	397				992	
Customers Liability Account Acceptances	10	70			1529	25
Five Per Cent Redemption Fund		125000				125000
U. S. Bonds to Secure Circulation	2500				2500	
Bonds to Secure U. S. and Postal Savings Deposits	26	276			268	276
U. S. Certificates of Indebtedness		2000				
Liberty Loan Bonds		9304				11198
Investment Bonds and Warrants	3809					
Federal Reserve Bank Stock		3628			150	
Other Stocks	175			37	175	37
Banking House				771		
Furniture and Fixtures						
Other Real Estate	19	19				19
Due From Federal Reserve Bank, Reserve	27393		2959		3729	
Due From Central Reserve City Banks	737		1248		1237	
Due From Other Banks Subject to Check	3944		2923		1570	
Cash on Hand	428		429		699	
Exchanges for Clearings	5469	484	879	915	787	83
				803		765
Letters in Transit	335		886		1082	
Due From Federal Reserve Bank, Not Available	2707		2339		2791	
Due From Banks Not Subject to Check	114		635		791	
Funds in Transit	2332		3324		3942	
Cash Drafts in Transit	27					
Foreign Checks Held Over	120		916	38	627	44
Overdrafts		869			4074	
Accrued Interest Receivable, Demand Loans	29		55		102	
Accrued Interest Receivable, Bonds and Warrants	904		996		620	
Accrued Interest Receivable, U. S. Certificates				199		240
Accrued Interest Receivable, Liberty Bonds	15		57		57	
Accrued Interest Receivable, U. S. Bonds	569	194	569		569	
Tax on Certificates of Deposit	33		26		30	
Checks Lost in Transit	32					
Cash Items	413	418	422	424	612	34
Petty Cash Fund	50		50		50	
Overages and Shortages		40		15		
Int'l Capital A/c in advance		838				
TOTAL RESOURCES		5146		5459		6112

Exhibit 12

DATE _____

LIABILITIES

NATIONAL BANK OF KENTUCKY

	MAY 11- 1928	1928 MAY 11		MAY 11 1927	1927 MAY 11
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	2900000		2500000		2500000	
Surplus	2500000		2500000		2500000	
Undivided Profits	1309736497	6309736497	1743392	6743392	1467774 46	6467774 46
Contingent Reserve		1317924 3		1341296		
Circulating Notes Outstanding		2500000		2500000		2500000
Acceptances Executed for Customers	1068918		1327213		1629071	
Letters of Credit Issued	8977120	7045038	2744213	1469633	9928192	2521943
Individual Deposits, 5th St.	1962646444		2039784451	2506147130	2109933922	
Individual Deposits, 4th St.	366353174		331050543		436213608	
Certified Checks	9864277		1735877		1475457	
Cashier's Checks	1013991		6099200		434 1948	
Expense Checks	26146		110239		720701	
Dividends Unpaid	1681	2149197693	9046	2390889793	3477	2587672143
Time Deposits			8115			
Certificates of Deposit, 5th St.	6539905		3968027 52	866501434	4001497 05	
Certificates of Deposit, 4th St.	2326455 6		1045389 11		4004662 09	
Savings Deposits, 5th St.	1703		1795 62106		1675 09 2934	
Savings Deposits, 4th St.	9367		1123 71833	8000584 20	1102 1722	1150 98 670
Postal Savings Deposits	82749 24	954378617	67784	2785709	5788567	
Due to Banks	1010037169	1014128486	1266620546	1266830489	1364173876	1870347705
Louisville Clearing House, Returned Check Account	60963 17		909943		1173299	
Due to Southern National Bank						
Federal Reserve Bank Fiscal Agent		13000		17000		74300
		56		4458672 02		511 43
Bills Rediscounted		445000				
Bills Payable		2000		2000		
Participation Receipts						
Interest and Discount Collected and Not Earned	171861 02		1847010		1394	
Accrued Interest Payable on Government Deposits	79796		22		9217	
Accrued Interest Payable on Savings Deposits	422833		2482 39	2508 0639	2346 74	2337 4638
Accrued Interest Payable on Certificates of Deposit	857108		629774		709 14 89	
" " " Tax and Int. A/c	750358	2818577				
Reserved for Taxes		2824		4869		356 83 15
Items Out in Advance of Credit		462		947		89748 32
Overages and Shortages						9248 2
Registered Bonds				200		2000 00
Short	173590		77060	Over	261310	
Overt	940		924		1025	
TOTAL LIABILITIES		11821199		9914841		9774960
Net Current Earnings		6146976716		5489172458		6125201 94
TOTAL LIABILITIES AND NET CURRENT EARNINGS						
CURRENT EARNINGS:			CURRENT EARNINGS:		CURRENT EARNINGS:	
Revenue		29324033	Revenue	2569 1977	Revenue	269 14136
Less Interest Cost		10788069	Less Interest Cost	1016 5193	Less Interest Cost	121 93701
Net Revenue		17535964	Net Revenue	1540 67 85	Net Revenue	1472 06 35
Less Expenses		5714745	Less Expenses	508 99 44	Less Expenses	494 56 75
Net Current Earnings		11821199	Net Current Earnings	98 16841	Net Current Earnings	97 74960

DATE _____

NATIONAL BANK OF KENTUCKY

Bought 2714
Sold 1912
Received 742
Paid 1694
Interest 219

Exhibit 12

ASSETS

	JUN 11 1925 DETAILED	JUN 11 1925 CONDENSED	JUN 11 1926 DETAILED	JUN 11 1926 CONDENSED	JUN 11 1927 DETAILED	JUN 11 1927 CONDENSED
Bills Discounted, 5th St. 27,152,791.51	24075486.56		24327461.84		20255792.42	
Bills Discounted, 4th St.	1077334.95		1998289.92		1976963.16	
Demand Loans, 5th St.	4958968.89		3497044.01		4533645.47	
Demand Loans, 4th St. 5823,941.49	865001.61		740009.07		1304366.02	
Trade Acceptances	827812.71		3471691.17		2156481.14	
Cash Drafts in Transit	712190		2789707		535724.8	30389992.39
Special Loans	232412.9	83499085.70	2000	82820057.08		
Due Acceptances						
Overdrafts, 5th St.	311202.22		677304.8		243601	2768392.7
Overdrafts, 4th St.	75090.2	3862524	32674.9	709979.4	124927	
Customers Liability Under Letters Credit	849711.7		536640		1135952	1637368
Customers Liability Account Acceptances	106931.8	456543.5	49720.6	1033846	50181.6	
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2500000		2500000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	265200	2765200	265200	2765200	255200	2755200
U. S. Certificates of Indebtedness		2000		2000		
Liberty Loan Bonds		9369680.1		11869680.1		11197871.91
Investment Bonds and Warrants	3096341.66		4367572.42		2449587.27	
Federal Reserve Bank Stock	150000	2721341.66	150000	4692872.42	150000	3224587.27
Other Stocks	175000		175000		175000	
		7425.81.01		8646740.43		17241.55.01
Banking House	35000		35000		35000	
Furniture and Fixtures	1423.58.67		1423.58.67		1423.58.67	
Other Real Estate	15600	1929.8.067	1845.930	1928.3.897	1475.5.22	1921.3.589
Due From Federal Reserve Bank, Reserve	3422217.04		3407236		3317424.79	
Due From Central Reserve City Banks	1400426.64		1409575.53		754209.45	
Due From Other Banks Subject to Check	12946.152.17	18980.30498	2406870.38		472754	
Cash on Hand	382321.91		584619.33		6800218.2	
Exchanges for Clearings	829197.10		615191.39	8393.19293	6699.6.782	8793.27788
		14017		8122		504
Letters in Transit	1224.00.641		1007.55.003		674.81.798	
Due From Federal Reserve Bank, Not Available	2848.52.3.08		2651.46.459		2627.04.415	
Due From Banks Not Subject to Check	945167.4		760.511		823.456	
Funds in Transit	3349.044.7		3998.8.097		253.97.872	
Cash Drafts in Transit	1608.4.200		1656.1.886		1442.34.29	
Foreign Checks Held Over	1015.83		669.518	4806.26.978	70.1.270	3820.51.913
Bonds on hand	8827	4670.04.360	3304		4074	
Accrued Interest Receivable, Demand Loans	1028.7.428		1037.4.000		1376.3.939	
Accrued Interest Receivable, Bonds and Warrants	1066.668		1134.7.202		761.6.610	
Accrued Interest Receivable, U. S. Certificates	0		0			
Accrued Interest Receivable, Liberty Bonds	1948.398		8.54.228		926.4.445	
Accrued Interest Receivable, U. S. Bonds	986.048	2988.5.509	986.048	2389.1.909	986.048	3163.1.042
Tax on Certificates of Deposit	31.1.248		25.4.601		28.7.978	
Checks Lost in Transit	5983		0		26.203	
Cash Items	423.49.418	426.715.19	668.9.105	689.87.06	477.47.27	503.9.732
Petty Cash Fund	50		50		50	
Overages and Shortages		25787				
Net Adjustments to Balance						12.1.646
TOTAL RESOURCES		65642.98.206		54870.33.773		58160.21.452

Exhibit 12

DATE

LIABILITIES

NATIONAL BANK OF KENTUCKY

	JUN 11 1925	1926 JUN 11 1925	JUN 11 1926	1926 JUN 11 1926	JUN 11 1927	1927 JUN 11 1927
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	2500000		2500000		4000000	
Surplus	2500000		2500000		2000000	
Undivided Profits	1309225.96	6309225.96	1240316.40	6240316.40	454674.51	6454674.51
Dividend Reserve		131792.73		135374.06		
Circulating Notes Outstanding		2451900		2500000		2500000
Acceptances Executed for Customers	10753.18		49720.6		90126	
Letters of Credit Issued	34971.17	45654.35	60664.0	110338.46	113952	163978
Individual Deposits, Sub. to Ck. 38.039.723.81	30954752.04		20804839.01		15908623.92	
Individual Deposits, Matured Time Ck.	4113977.77		4113779.03		4962452.17	
Individual Deposits, Ck.	35872.14		35197.38		109517.92	
Cashier's Checks	50158.17		132823.95		58857.76	
Bonus Checks	840.55		27529		11729	
Dividends Unpaid	1341	35222.496.67	2136	28133.769.74	461	24081.366.54
Christmas CKS			515		2877	
Certificates of Deposits, Sub. to Ck. 72.89.520.43	4134.188.31		3991.394.89		4029.630.89	
Certificates of Deposits, Matured Time Ck.	2495.968.72		1083.571.91		4618.939.90	
Savings Deposits, Sub. to Ck.	1712.276.58	9928.086.69	1501.342.05	8091.807.09	1705.141.46	11.895.377.78
Savings Deposits, Matured Time Ck. 2557.817.02	343.541.44		1402.164.13		1178.088.86	
Postal Savings Deposits	827.492.4		637.848		573.906.7	
Due to Banks	10496.985.62		11705.824.56		11237.958.89	
Louisville Clearing House, Balanced Check Account	947.481	10506.463.43	873.285	11711.057.41	2288.503	11261.513.92
Due to Southern National Bank						
Fidu. Reserve Bank Fiscal Agent		8700		14200		25400
		55666.746.79		44955.834.24		44963.658.24
Bills Rediscounted						1200000
Bills Payable						
Participation Receipts		2000		2000		
Interest and Discount Collected and Not Earned	1490.60.21		16.250.10		1482.04.21	
Accrued Interest Payable on Government Deposits	93983		34992		112285	
Accrued Interest Payable on Savings Deposits	2827.762	2783.6191	3082.312	2561.3896	2474490	2625.4991
Accrued Interest Payable on Certificates of Deposits	971.987.60		651.8081		934.7895	
1 " " 4 Dividend Bonds CK	52.4465					
Reserved for Taxes		405.270.81		2569.1465		3766.3315
Notes Used in Advance of Credit		1521.8904		1526.4384		4078.167
Coupons and Mortgages				35139		10982
Refunding Bonds				200000		200000
Short	384270	Over	252738		31120	
Overdraft	823	1/2	115		1021	
TOTAL LIABILITIES		19763.847		16034.772		14338.399
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		65642.98206		54870.32773		58160.21482
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenue	496.110.59	Revenue	445.477.89	Revenue	492.124.86
	Less Interest Cost	187.903.19	Less Interest Cost	179.281.13	Less Interest Cost	217.354.10
	Net Revenue	308.207.40	Net Revenue	266.196.76	Net Revenue	854.770.76
	Less Expenses	110.568.73	Less Expenses	105.934.03	Less Expenses	111.381.87
	Net Current Earnings	197.638.67	Net Current Earnings	160.348.73	Net Current Earnings	143.388.89

197.638.67

187

143388.89

Exhibit 12

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ASSETS

NATIONAL BANK OF KENTUCKY

	JUL 10 1925 DETAILED	JUL 10 1925 CONDENSED	JUL 10 1926 DETAILED	JUL 10 1926 CONDENSED	JUL 10 1927 DETAILED	JUL 11 1927 CONDENSED
Bills Discounted, 5th St.	24188494 22		23501960 28		19908737	
Bills Discounted, 4th St.	10822134 46		23824851 19		15283019 99	
Demand Loans, 5th St.	4928550 07		57246906 69		6275374 79	
Demand Loans, 4th St.	812332 62		6599244 48		1774374 62	
Trade Acceptances	4076855 55		3431495 80		2469647 62	
Cash Drafts in Transit	510397 87		440507 07		637496 62	
Special Loans	23241 29	81487523 48	56316 99	327128822 20	20000	299147644
Our Acceptances	-					
Overdrafts, 5th St.	22494 51		1287140 8	1346962	3164019 3	3437655
Overdrafts, 4th St.	284 [illegible]	509784 8	59954		273639 58	
Customers Liability Under Letters Credit	415776			64140	357352	428736
Customers Liability Account Acceptances	126857	5426435			71316	
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2900000		2500000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	265200	2765200	265200	2765200	255200	2755200
U. S. Certificates of Indebtedness		2000		2000		
Liberty Loan Bonds		9369680 1		11869680 1		11198718 1
Investment Bonds and Warrants	3341328		3892466 68		3033885 01	
Federal Reserve Bank Stock	150000	3366328 22	150000	4217466 68	150000	3358801
Other Stocks	175000		175000		175000	
				8171634 66		1731222 72
Banking House	35000		35000		35000	
Furniture and Fixtures	1423806 7		1423806 7		1423806 7	
Other Real Estate	15602	1929806 7	15399 96	1927806 3	14699 88	1920805 5
Due From Federal Reserve Bank, Reserve	2502364 04		2782867 25		8024744 61	
Due From Central Reserve City Banks	1319712 99		2073968 52		1087945 90	
Due From Other Banks Subject to Check	697921 036		3467275		529749 15	
Cash on Hand	669495 53		378123 30		316845 97	
Exchanges for Clearings	631718 62	12001502 26	609557 86	9811799 93	665895 54	5623174 23
		13381		10053		5811
Letters in Transit	9100 1705		1049 5776		901226 26	
Due From Federal Reserve Bank, Not Available	5495 227 02		2324 063 99		2414690 43	
Due From Banks Not Subject to Check	89 02977		73 495 41		17546 177	
Funds in Transit	3757 6866		3734 2896		5890 9956	
Cash Drafts in Transit	1742 6703		2180 4262		1409 9925	
Foreign Checks Held Over	1271383		1173 4175	4041 9483 73	9184 90	4230 7029
Work in Exchange	11327	8057 13663	3304		4074	
Accrued Interest Receivable, Demand Loans	58 14917		61 78343		96 89423	
Accrued Interest Receivable, Bonds and Warrants	6292831		100 67446		87 06766	
Accrued Interest Receivable, U. S. Certificates			0		0	
Accrued Interest Receivable, Liberty Bonds	23646 68		1203706		1261278	
Accrued Interest Receivable, U. S. Bonds	138880	1460 12916	138880	1768 83775	152768	3113 1835
Tax on Certificates of Deposit	227825		212069		239624	
Checks Lost in Transit	3266		0		7905	
Cash Items	443 85062	4460 41163	394 3019	414 07147	453 7908	4790 3371
Petty Cash Fund	50		53		50	
Overages and Shortages				40565		
				23213	1954	30905
TOTAL RESOURCES		66631936 59		58415310 17		59148902 68

Exhibit 13

DATE

LIABILITIES

NATIONAL BANK OF KENTUCKY

	JUL 1.0 1925 1926 JUL 1.0 1925		JUL 1 0 1926 1926 JUL 1 0 1926		JUL 1 1927 1927 JUL 1 1927	
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	2500000		2500000		4000000	
Surplus	2500000		2500000		4000000	
Undivided Profits	138099309	6380993 09	129233898	6292338 98	46205790	6462057 90
Contingent Reserve		13179218		1353794 06		
Circulating Notes Outstanding		2500000		2486100		2489000
Acceptances Executed for Customers	1268689			564140	7178 16	428736 8
Letters of Credit Issued	4157716	0542643 5			3593552	
Individual Deposits, 5th St.	2148844578		2016261720		1753965363	
Individual Deposits, 4th St.	4823829 91		5399056 03		4346803 52	
Certified Checks	76560		1181892 2		1000936	
Cashier's Checks	1237478 6		9225329		4007892 5	
Expense Checks	799716		1214		21377	
Dividends Unpaid	19781	2624084 3 41	12791	2574588 203	13443	2210713 530
Christmas Clubs			215		2977	
Certificates of Deposit, 5th St.	4087012 90		3822582 79		3948406 59	
Certificates of Deposit, 4th St.	2932629 12		1104018 08		4180017 31	
Savings Deposits, 5th St.	1693868 64	9258642 52	1774320 68	7854836 69	1770539 80	1138780 391
Savings Deposits, 4th St.	861491 53		1087538 76		1185469 72	
Postal Savings Deposits,	89640 43		902263 8		581078 9	
Due to Banks	1127060 7		1184627371	1135226353	1190438 191	1192068 109
Louisville Clearing House, Returned Check Account	178494	1128844 794	597982		162991 8	
Due to Southern National Bank						
Federal Reserve Bank Fiscal Agent				10800		
				4496377 245		
Bills Rediscounted						320000
Bills Payable						
Participation Receipts		2000		2000		
Interest and Discount Collected and Not Earned	1689 2125		1561576 3		1489888 94	
Accrued Interest Payable on Government Deposits	7729		14982		38968	
Accrued Interest Payable on Savings Deposits	0	87116 358	0	2192440 4	0	2264470 5
Accrued Interest Payable on Certificates of Deposit	932232 6		2228971		1756843	
Reserved for Taxes	89417 8		64728			
		2335815		2624101		3832941 7
Items Used in Advance of Credit		523276 6		936935		493024 4
Overages and Shortages		21037				10353
Repurchase Orders				950000		200000
Short	379840		9414.0		60260	
Percent	868		927		928	
TOTAL LIABILITIES		28293 39		2447771		2978201
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		5663193 69		5541581017		8148903 69
CURRENT EARNINGS:			CURRENT EARNINGS:		CURRENT EARNINGS:	
Revenues		6420107	Revenues	6395301	Revenues	7436725
Less Interest Cost		2580220	Less Interest Cost	2584705	Less Interest Cost	3914533
Net Revenue		3839917	Net Revenue	3810606	Net Revenue	3522192
Less Expenses		1010578	Less Expenses	360675	Less Expenses	548991
Net Current Earnings		28293 39	Net Current Earnings	3449931	Net Current Earnings	2978201

DATE _____

Exhibit 12

NATIONAL BANK OF KENTUCKY

ASSETS

	AUG 11 1925	1925 AUG 11 1925	AUG 11 1926	1926 AUG 11 1926	AUG 11 1927	1927 AUG 11 1927
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 5th St.	24347021144	24408217 19	22821226 03		19626392 58	
Bills Discounted, 4th St.	1141110 80		1856991 16		1596140 46	
Demand Loans, 5th St.	473892058		536954031		597168843	
Demand Loans, 4th St.	82009827	5939260 88	56972057		17034098 10	
Trade Acceptances	35973431		21126374		2494139	
Cash Drafts in Transit	2386385		3823254		568292 52	
Bonds: Liberty	2124129	31452287 04	7741416	80774388 51	20000	29183387 28
Our Acceptances						
Overdrafts, 5th St.	719578 1		15090442	2833530	34649916	3957 1637
Overdrafts, 4th St.	491243	12115024	10243088		492172 1	
Customers Liability Under Letters Credit	624 3221			564140	3175852	42873 63
Customers Liability Account Acceptances	612	48556 57			1111816	
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2500000		2500000	2765200	2500000	2755200
Bonds to Secure U. S. and Postal Savings Deposits	265200	2765200	265200		255200	
U. S. Certificates of Indebtedness		2000		2000		
Liberty Loan Bonds		9269630 1		11869680 1		11198 7178 1
Investment Bonds and Warrants	3402496 36		4068871 78		3469143 37	
Federal Reserve Bank Stock	150000	3727496 36	150000	4393971 78	150000	3794143 07
Other Stocks	175000		175000		175000	
		4316643 7	0	5345180		17748062 8
Banking House	35000		35000		35000	
Furniture and Fixtures	1423806 7		1423806 7		1423906 7	
Other Real Estate	15600	1929806 7	1534160	1928722 29	1464154	1920222 1
Due From Federal Reserve Bank, Reserve	22749555 53		2804663		3103476 49	
Due From Central Reserve City Banks	1408228 27		13219 1283		1118944 32	
Due From Other Banks Subject to Check	3092984 10		6628 3502 8		4160457 6	
Cash on Hand	3107634 0		2694213 3		3347476 6	
Exchanges for Clearings	562 63596	76491 66 66	74036292	11767 71006	5792367 1	5611 4559 4
	8132			121		5849
Letters in Transit	719966 57		7947 1920		823630 49	
Due From Federal Reserve Bank, Not Available	2371 38976		2862 96240		2983 65321	
Due From Banks Not Subject to Check	69678 16		1003 8523		3362 3083	
Funds in Transit	2725 94349		2693 8535		3641 0207	
Cash Drafts in Transit	1924 73947		1223 3592		962 93 42	
Foreign Checks Held Over	5754 12		788079	4167 65193	816897	4314 5119 6
Southern Rate	113 27	3631 97484	3304		4074	
Accrued Interest Receivable, Demand Loans	79249 71		8471495		1257 6642	
Accrued Interest Receivable, Bonds and Warrants	725392 44		887 4989		696 7754	
Accrued Interest Receivable, U. S. Certificates	0		0		0	
Accrued Interest Receivable, Liberty Bonds	2327891		1764174		1597508 8	
Accrued Interest Receivable, U. S. Bonds	56940 8	1857 28 84	56940 8	1968050	56940 8	3608 8902
Tax on Certificates of Deposit	50862 6		51690 4		51694	
Checks Lost in Transit	83 16		52037		7805	
Cash Items	5111 47 29	5163 6473	4204468	477840 9	537461 7	61 0441 6
Petty Cash Fund	50		50		50	
Overages and Shortages		30 19				
Int Pd in advance & Bad Deb						13904 3
TOTAL RESOURCES		51378 23725		58709 17933		58036 83623

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LIABILITIES

NATIONAL BANK OF KENTUCKY

	AUG 11 1925 DETAILED	1925 AUG 11 1925 CONDENSED	AUG 11 1926 DETAILED	1926 AUG 11 1926 CONDENSED	AUG 11 1927 DETAILED	1927 AUG 11 CONDENSED
Capital Stock	2500000		2500000		2500000	
Surplus	2500000		2500000		2000000	
Undivided Profits	1381124.74	6381124.74	1293095.98	6293095.98	3282631.1	6328263.11
Contingent Reserve		1317921.3		1484899		
Circulating Notes Outstanding		2500000		2500000		2451200
Acceptances Executed for Customers	61233.6				111816	
Letters of Credit Issued	624332.1	685565.7		964140	3175552	4285368
Individual Deposits, 5th St.	18543372.07	24886400.68	20489259.38		20690299.86	
Individual Deposits, 4th St.	4196540.64		4397382.30	Dec 776 Inc 429	4337364.43	
Certified Checks	68852.99		70965.10		489069.8	
Cashier's Checks	489471.9		448103.7		701669.8	
Expense Checks	5719.0		1141.9.70		7270	
Dividends Unpaid	1926	2284323.439	2461	25017.999	9307	2515613.672
Christmas Club			315		2977	
Certificates of Deposit, 5th St.	41285768.15	49158760.1	28214734.1		3896769.74	
Certificates of Deposit, 4th St.	13759623.9		9440160		3488936.62	
Savings Deposits, 5th St.	16790495.5	81146069.11	17072248.7	795620.625	16909176.4	10379508.69
Savings Deposits, 4th St.	8864585.9	29137945.6	12665709.9		12449766.0	
Postal Savings Deposits.	758404.3		655343.8		591078.9	
				39 16		
Due to Banks	10372639.17		12027841.78	12328338.89	11384234.30	11393925.19
Louisville Clearing House, Returned Check Account	923277	10381871.94	499771		97008.9	
Due to Southern National Bank						
Federal Reserve Bank Fiscal Agent				9400		
		41367.1.44		45816.414		4692958.60
Bills Rediscounted						1300000
Bills Payable						
Participation Receipts		2000		2000		
Interest and Discount Collected and Not Earned	1872137		1618507.3		1473240.1	
Accrued Interest Payable on Government Deposits	22847		31195		14245	
Accrued Interest Payable on Savings Deposits	583989	2603402	579601	2349863.2	63818	2313709.1
Accrued Interest Payable on Certificates of Deposit	572587		640791		77821.27	
Ted Landolt	97082		29497.2			
Reserved for Taxes		4525997		2972905.8		4194963
Items Used in Advance of Credit		950140.8		598789.7		419656.1
Overages and Shortages				46866.3		10796.4
Repurchase Bonds				98000		20000
Short	42075.0	Over	633.60	Short	1609.30	
Percent	843		1023		961	
TOTAL LIABILITIES		11563590		9740742		9053305
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		51375237.25		55909179.33		59036836.23
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
Revenues		2700939.9	Revenues	2645297.5	Revenues	2717137.3
Less Interest Cost		1001210.2	Less Interest Cost	1037929.4	Less Interest Cost	1281912.2
Net Revenue		1699729.7	Net Revenue	1607368.6	Net Revenue	1435225.1
Less Expenses		543367.7	Less Expenses	633294.4	Less Expenses	529990.6
Net Current Earnings		1156359.0	Net Current Earnings	974074.2	Net Current Earnings	905330.5

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12

ASSETS

	SEP [illegible] 1925 DETAILED	SEP [illegible] 1925 CONDENSED	SEP 1 [illegible] 1926 DETAILED	SEP 1 1926 CONDENSED	SEP 1 1927 DETAILED	SEP 1 1927 CONDENSED
Bills Discounted, 5th St.	2540673415		2216483950		2045811402	
Bills Discounted, 4th St.	131455331		191911995		156409302	
Demand Loans, 5th St.	488105077		529182198		649173061	
Demand Loans, 4th St.	82204109		59317460		172778805	
Trade Acceptances	365760462		305603351		270510058	
Cash Drafts in Transit	4877798		3894349		7317795	2058541923
Special Loans	3536629	22874284805	5309717	20366658		
Our Acceptances						
Overdrafts, 5th St.	8203375		19781209	23744143	34396940	41365864
Overdrafts, 4th St.	2001921	172052.96	13992934		6968914	
Customers Liability Under Letters Credit	7116267			2904140	31755962	37755562
Customers Liability Account Acceptances	200341	7316608			6100	
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2500000		2500000	2765200	2500000	2755200
Bonds to Secure U. S. and Postal Savings Deposits	268200	2765200	265200		255200	
U. S. Certificates of Indebtedness		2000		2000		
Liberty Loan Bonds		9369.801		21957181		11198771831
Investment Bonds and Warrants	38598.2673		42002.6405		36162.6053	
Federal Reserve Bank Stock	150000		150000		150000	2941.26485
Other Stocks	175000	41848.2673	175000	45642.6405	175000	
		[illegible]		940[illegible]06		178[illegible]
Banking House	35000		35000		35000	
Furniture and Fixtures	1423.8067		1423.8067		1423.8067	
Other Real Estate	15600	1929.8067	19283.28	1926.6395	14.52486	1919.0561
Due From Federal Reserve Bank, Reserve	3201428.53		2077.88056		3229.92595	
Due From Central Reserve City Banks	7930.4111		1371.63460		1048.547	
Due From Other Banks Subject to Check	679.53960		413.13.2651		618.16322	
Cash on Hand	619.34389		319.65979		372.18[illegible]58	
Exchanges for Clearings	544.87720	5795.23033	572.15640	947.46378	721.82715	5715.70790
		5623		9423		6367
Letters in Transit	894.61038		[illegible]8.72.43		990.18872	
Due From Federal Reserve Bank, Not Available	2648.20148		2714.49309		2229.31240	
Due From Banks Not Subject to Check	121.31153		85.54183		34.70908	
Funds in Transit	39.41860		24.65440		29.34757	
Cash Drafts in Transit	148.14971		109.51950		145.71976	
Foreign Checks Held Over	7.88204		4.31106	3927.22285	7.94795	4701.21[illegible]
Drafts in Mail	11.327	4190.73701	3.304		4.074	
Accrued Interest Receivable, Demand Loans	101.93717		101.89728		158.97732	
Accrued Interest Receivable, Bonds and Warrants	8.28483		10.44.928		8.39963	
Accrued Interest Receivable, U. S. Certificates	0		0		0	
Accrued Interest Receivable, Liberty Bonds	32.75381		38.81612		17.44.312	
Accrued Interest Receivable, U. S. Bonds	9.86048	228.40177	9.86048	258.05616	9.99936	447.36223
Taxes Certificates of Deposit	4.77994		4.91.28		5.60.12	
Checks Lost in Transit	4.89326		5.40.02		5.405	
Cash Items	461.57785	47.130105	509.91.61	565.3501	470.9159	72.14550
Petty Cash Fund	50		90		50	
Overages and Shortages		39549		50765		
Not Cash in Advance of Federal Res		603760				2.62268
TOTAL RESOURCES		53018.59175		3426.24937		6046.31265

Exhibit 12

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	SEP 11 1925 DETAILED	1925 SEP 11 1925 CONDENSED	SEP 11 1926 DETAILED	1926 SEP 11 1926 CONDENSED	SEP 11 1927 DETAILED	1927 SEP 11 1927 CONDENSED
Capital Stock	2900000		2800000		4000000	
Surplus	2500000		2500000		2000000	
Undivided Profits	1331752.06	4381752.06	1294394.15	6294394.15	3292705	6329270.55
Contingent Reserve		1324659.4		1484899		
Circulating Notes Outstanding		2500000		2446100		2468100
Acceptances Executed for Customers	200341				6100	
Letters of Credit Issued	7116267	7316608		2904142	3175072	3785552
Individual Deposits, 5th St.	19691.91733		21350.40139		20245.24473	
Individual Deposits, 4th St.	2616.47588		4344.91089		5003.83387	
Certified Checks	912.6070		539.7402		962.120	
Cashier's Checks	513.9960		543.0578		1197.04	
Expense Checks	119.640		1.16		14.20	
Dividends Unpaid	1.551		1.346		1.059	
Christmas Clubs		2345.380.091	.315	6581194.28	.2977	9751241.20
Certificates of Deposit, 5th St.	4135.14140		3975.60830		3804.32368	
Certificates of Deposit, 4th St.	1312.24668		1123.61521		3107.84487	
Savings Deposits, 5th St.	1692.42480	8169.48701	1711.65629	8290.90229	1.741.86077	
Savings Deposits, 4th St.	994.56170		1335.08638		1247.50961	9909.65202
Postal Savings Deposits	75.11043		65.05638		58.10789	
Due to Banks	9136.08079		9854.99405	9863.12269	10386.54772	13.347.51C.
Louisville Clearing House, Returned Check Account	1053.153	9146.61222	8.139.44		1046.127	
Due to Southern National Bank				0		
Federal Reserve Bank Fiscal Agent				6800		
		4071.699.06.4				
Bills Rediscounted		1188.8.333				1650000
Bills Payable						
Participation Receipts		2000		5000		
Interest and Discount Collected and Not Earned	1696.9793		1485.3586		1413.5449	
Accrued Interest Payable on Government Deposits	2.813		46.278		26.949	
Accrued Interest Payable on Savings Deposits	1171.091	2505.2256.	1199.960	2336.5375	1278.625	2711.1528
Accrued Interest Payable on Certificates of Deposit	582.7370		692.1358		642.300	
" " " To Old Bondholders	104.5189		345.209			
Reserved for Taxes		4546.5123		2987.8368		4223529
Items Used in Advance of Credit		864.7991		534.7.20		242.1118
Overages and Shortages						28.4.389
Undivided Profits				700000		200000
Other	21.1820		2.0.380	Absent	257.580	
Present	1.1.28		102		92	
TOTAL LIABILITIES		17876040		5021.15		1.2.71.799
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		5201.8581.75		5[illegible]6993.27		1.04.9.81.2.05
CURRENT EARNINGS:			CURRENT EARNINGS:		CURRENT EARNINGS:	
Revenues		457.123.39	Revenues	45.3.1.0.37	Revenues	481.207-3
Less Interest Cost		173.42573	Less Interest	1826.7772	Less Interest Cost	219.22393
Net Revenue		283.697.66	Net Revenue	2[illegible].0.2.5.65	Net Revenue	2.62.983.30
Less Expenses		104.937.26	Less Expenses	1030.1370	Less Expenses	1.0.2.6.431
Net C[illegible]		178.760.40	Net Current Earnings	[illegible].1.15	Net Current Earnings	1.4.271.799

Exhibit 12

DATE _____

ASSETS

NATIONAL BANK OF KENTUCKY

	OCT 1 1925 DETAILED	OCT 1 1925 CONDENSED	OCT 1 1926 DETAILED	OCT 1 1926 CONDENSED	OCT 1 1927 DETAILED	OCT 1 1927 CONDENSED
Bills Discounted, 5th St.	260460890 6		224664728		20[illegible]	680 100
Bills Discounted, 4th St.	14079166 0		293152760		14[illegible]	
Demand Loans, 5th St.	523344505		580433988		9[illegible]	
Demand Loans, 4th St.	75687074		59513515		16[illegible]	
Trade Acceptances	28756807		23854973		2[illegible]	
Cash Drafts in Transit	4929072		3226706		[illegible]	
Special Loans	3536629	838665463 3	765242	3179481282	[illegible]	[illegible]
Our Acceptances						
Overdrafts, 5th St.	1826196		1490591 2	15832205	03573904	
Overdrafts, 4th St.	1257870 5	1410390 1	926293		[illegible]	
Customers Liability Under Letters Credit	8339146			3078292	29[illegible]	
Customers Liability Account Acceptances	582281	892142 7			87420	
A Five Per Cent Redemption Fund		125000		125000		125[illegible]
U. S. Bonds to Secure Circulation	2500000		2500000	2755200	[illegible]	
Bonds to Secure U. S. and Postal Savings Deposits	265200	2765200	255204		2[illegible]	
U. S. Certificates of Indebtedness		122000		75000		
Liberty Loan Bonds		9369680 1		82[illegible]051		11[illegible]
Investment Bonds and Warrants	42961347 1		43264934 25		[illegible]	
Federal Reserve Bank Stock	150000		100000	4651924 25	[illegible]	[illegible]
Other Stocks	175000	4621134 71	175000		[illegible]	
		8446302 72		10[illegible]4		[illegible]
Banking House	39000		35000		35[illegible]	
Furniture and Fixtures	1423806 7		1423806 7		1[illegible]	
Other Real Estate	15600	1924806 7	13224 94	1126051	14[illegible]	1[illegible]
Due From Federal Reserve Bank, Reserve	29[illegible]		29935431 0		28[illegible]	
Due From Central Reserve City Banks	4946632 2		1825255		9[illegible]	
Due From Other Banks Subject to Check	4972395 4		11802063 1		5[illegible]	
Cash on Hand	3418827 4		3652479 8		4[illegible]	
Exchanges for Clearings	4791960 8	4754239 99	6380314 6	700228685	[illegible]	[illegible]
				71 2		
Letters in Transit	1156011 96		8826971 5		[illegible]	
Due From Federal Reserve Bank, Not Available	2444		2662859 48		[illegible]	
Due From Banks Not Subject to Check	1177491 0		2694843		[illegible]	
Funds in Transit	4720258		4051490 5		[illegible]	
Cash Drafts in Transit	1904631 9		1174151 3		[illegible]	
Foreign Checks Held Over	1174954		219986 9	411687207	[illegible]	
Overdrafts Mint	11327	4363245 63	3804	2970	[illegible]	
Accrued Interest Receivable, Demand Loans	724880 9		648[illegible]		[illegible]	
Accrued Interest Receivable, Bonds and Warrants	1009168 9		1185[illegible]		[illegible]	
Accrued Interest Receivable, U. S. Certificates	0		0			
Accrued Interest Receivable, Liberty Bonds	331607 2		5[illegible]		47[illegible]	
Accrued Interest Receivable, U. S. Bonds	128880	2078544 9	12[illegible]	8417[illegible]	15[illegible]	[illegible]
Tax on Certificates of Deposit	44411 3		45971 5		[illegible]	
Checks Lost in Transit	5409		6435		[illegible]	
Cash Items	4225231 6	4270690 8	3977866	4802616	[illegible]	[illegible]
Petty Cash Fund	80		50			
Overages and Shortages						
Within in advance & Adv		862789				
TOTAL RESOURCES		32591119 47		54401182 31		[illegible]

Exhibit 12

DATE

LIABILITIES

NATIONAL BANK OF KENTUCKY

	OCT 10 1925 DETAILED	1926 OCT 10 1925 CONDENSED	OCT 11 1926 DETAILED	1926 OCT 11 1926 CONDENSED	OCT 11 1927 DETAILED	1927 OCT 11 1927 CONDENSED
Capital Stock	2500000		2500000		4000000	
Surplus	2500000		2500000		4000000	
Undivided Profits	1946444478	6465444478	1390206497	4350206497	3398876772	6398876772
Contingent Reserve		1329339 94		1484899 89		
Circulating Notes Outstanding		2500000		2500000		2500000
Acceptances Executed for Customers	5822281				874203	
Letters of Credit Issued	8399146	8921427	3078292		2461529	3835732
99		7772		57		
Individual Deposits, 6th St. 86	1973328545	9376	2020941491	26	1918582483	
Individual Deposits, 4th St.	4050138387		5287838941		3040900035	
Certified Checks	31508142		105417744		8497127	
Cashier's Checks	5182541		8077907		1405807	
Expense Checks	407446		142020		53421	
Dividends Unpaid	20001	23910473361	14401	25671274038	9646	24345963228
Christmas CKs			215		2877	
Certificates of Deposit, 6th St.	4377442424		3938209388		4270416097	
Certificates of Deposit, 4th St.	954914172		1067976441		2534258552	
Savings Deposits, 6th St.	1727985915	8060966640	1669632555	8152242212	1719595779	9908628887
Savings Deposits, 4th St.	926557666		1414867337		1226263358	
Postal Savings Deposits	7511043		6155438		5810789	
				38		
		7909		19		
04		7314				
Due to Banks 21	8953122240		9968388588	9973715 60	12454863241	16461814449
Louisville Clearing House, Returned Check Account	605955	8964181955	702972		695123	
Due to Southern National Bank						
Federal Reserve Bank Fiscal Agent		120000		80000		
		41055621196		43879231180		46716416159
Bills Rediscounted		1139822 38				
Bills Payable						225000
Participation Receipts		122000		76000		
Interest and Discount Collected and Not Earned	17200583		15351413		12827245	
Accrued Interest Payable on Government Deposits	70169		70290		38462	
Accrued Interest Payable on Savings Deposits	1778109	2560 3814	1805626	2488989 45	1457110	4021771
Accrued Interest Payable on Certificates of Deposit	744021		7182587		7 6 3	
" " " to Bond Fund Co	1114702		489029			
Reserved for Taxes		4336759 0		3082169 3		4342365 0
Items Used in Advance of Credit		3850017 9		5039902		6165441
Overages and Shortages D		2527 8		6326437		107591
Repurchase Bonds				33168		
				700000		2000000
Over	4610	Short	40760		45 126	
Brent	102		98		3 2	
TOTAL LIABILITIES Net Current Earnings		4481303		4627228		2 1 6 5 8
TOTAL LIABILITIES AND NET CURRENT EARNINGS		5209111997		5440185 81		5 9 3 1 8 4 3 9 7
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenue 6251529		Revenue 7450393		Revenue 8	7 5 0 7 3 8 6
	Less Interest Cost 621193		Less Interest Cost 2451739		Less Interest Cost	2 1 5 3 7 1 3
	Net Revenue 5630336		Net Revenue 4998654		Net Revenue	4 1 3 3 6 7 3
	Less Expenses 1149033		Less Expenses 371426		Less Expenses	2 1 3 1 1 5
	Net Current Earnings 4481303		Net Current Earnings 4627228		Net Current Earnings	2 1 0 3 5 8

4481303

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12

ASSETS

Bought 2470
Sold 737
Renewed 1733
Paid 643
Increase 94

	NOV 1[illegible] 1925		NOV 1[illegible] 1925		NO[illegible] 1926		NOV 10 1926		NOV 10 [illegible] 1927		[illegible] 10 [illegible]
	DETAILED		CONDENSED		DETAILED		CONDENSED		DETAILED		CONDENSED
Bills Discounted, 5th St.	27.248.15519	25979335977		25196384457		22639393948			[illegible]		
Bills Discounted, 4th St.		16282002				2856941199			13979600[illegible]		
Demand Loans, 5th St.		2997427381				898117294			60[illegible]		
Demand Loans, 4th St.	6,176,30392	7[illegible]		6[illegible]		654[illegible]			12[illegible]		
Trade Acceptances		2605302[illegible]				33204628			35[illegible]		
Cash Drafts in Transit		594[illegible]				2080010			7[illegible]		
Special Loans		4583546		23803307[illegible]		9285242		8227917464	20000		3[illegible]
Our Acceptances											
Overdrafts, 5th St.		1634902				14199468		14837076	41201385		41852774
Overdrafts, 4th St.		1[illegible]		2740367		637408			651413		
Customers Liability Under Letters Credit		4216396				2007579		3328140	2240935		2482393
Customers Liability Account Acceptances		570690		4787086		1320961			1241448		
Five Per Cent Redemption Fund				125000				125000			125000
U. S. Bonds to Secure Circulation		2500000				2500000		2765200	250[illegible]		
Bonds to Secure U. S. and Postal Savings Deposits		265200		2765200		265200			[illegible]		[illegible]
U. S. Certificates of Indebtedness				122000				75000			
Liberty Loan Bonds				11869680[illegible]				3203530[illegible]			[illegible]
Investment Bonds and Warrants		4637832[illegible]				4237554[illegible]			[illegible]		
Federal Reserve Bank Stock		150000		4962832[illegible]		150000		4562854[illegible]			[illegible]
Other Stocks		175000				175000			[illegible]		
				9027000				1060629[illegible]			18[illegible]
Banking House		35000				35000			[illegible]		
Furniture and Fixtures		1423806[illegible]				1423806[illegible]			[illegible]		
Other Real Estate		15800		1929806[illegible]		191600		1928547[illegible]	[illegible]		1918471[illegible]
Due From Federal Reserve Bank, Reserve		2176[illegible]				3[illegible]			32[illegible]		
Due From Central Reserve City Banks		7[illegible]				607[illegible]			[illegible]		
Due From Other Banks Subject to Check		656[illegible]				57[illegible]			[illegible]		
Cash on Hand		3[illegible]				32[illegible]			[illegible]		
Exchanges for Clearings		4[illegible]		4428896[illegible]		5[illegible]		8[illegible]	[illegible]		6[illegible]
				5912				5569			59[illegible]
Letters in Transit		90[illegible]				1008[illegible]			[illegible]		
Due From Federal Reserve Bank, Not Available		2965[illegible]				2692[illegible]			2986[illegible]		
Due From Banks Not Subject to Check		10239[illegible]				9025[illegible]			[illegible]		
Funds in Transit		3[illegible]				3527[illegible]			[illegible]		
Cash Drafts in Transit		1810[illegible]				2241[illegible]			[illegible]		
Foreign Checks Held Over		1359926				1643140		4388770[illegible]	1650279		4367943[illegible]
Southern Rate		11327		4516886[illegible]		830[illegible]			[illegible]		
Accrued Interest Receivable, Demand Loans		899[illegible]				875[illegible]			[illegible]		
Accrued Interest Receivable, Bonds and Warrants		1166902[illegible]				1160[illegible]			[illegible]		
Accrued Interest Receivable, U. S. Certificates		0				0					
Accrued Interest Receivable, Liberty Bonds		602999				9141616			5789780		
Accrued Interest Receivable, U. S. Bonds		5[illegible]		2171936[illegible]		5[illegible]		2595513[illegible]	[illegible]		[illegible]
Tax on Certificates of Deposit		3[illegible]				406[illegible]			41[illegible]		
Checks Lost in Transit		14[illegible]				85[illegible]			7[illegible]		
Cash Items		44[illegible]		4494[illegible]		5[illegible]		6[illegible]	[illegible]		1[illegible]
Petty Cash Fund		50				60					
Overages and Shortages				38029				18804			[illegible]
Int Due From Advances to Fed Res Bk				96[illegible]				1[illegible]			[illegible]
TOTAL RESOURCES				62[illegible]				5[illegible]			[illegible]

Exhibit 12

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	NOV 10 1925	1925 NOV 10 1925		NOV 10 1926	1926 NOV 10 1926	NOV 10 1927	1927 NOV 10 1927	
	DETAILED	CONDENSED		DETAILED	CONDENSED	DETAILED	CONDENSED	
Capital Stock	2500000			2500000				
Surplus	2500000			2500000				
Undivided Profits	1465444 78	6465444 78		1552192 57	6552192 57	3490057 44	6349005 44	
Dividends Unpaid		132933 94			148489 89			
Circulating Notes Outstanding		245750			245040 0		250000	
Acceptances Executed for Customers	870690			732056 1		1241448		
Letters of Credit Issued	4216396	4787086		2007879	3328140	2240765	4482385	
Individual Deposits, 5th St.	23.492.24843	19331245 43	24164070 23	18991479 20		19471332 53		
Individual Deposits, 4th St.	48	4160903		5112612 03		4503516		
Certified Checks	199	6581967		803782		690142		
Cashier's Checks		5603152		3767016		6232263		
Expense Checks		790302		494046		462111		
Dividends Unpaid		2356	2364858 64	2191	24232182 31	9278	24115 5 807	
Christmas Club				315		10		
Certificates of Deposit, 5th St.	52861 2589	44029 89 46	47697 69 78	41784 69 92		48 8 05 15		
Certificates of Deposit, 4th St.		9831 3743		5912 9436		10 8 3 7		
Savings Deposits, 5th St.		1727 57607	8098 69550	1711 7972 3	7883 98665	1726 1 3 12	7 7 1 9 2 9	
Savings Deposits, 4th St.	2737 #5918	1009 88281	3056 62092	1942 82975		1		
Postal Savings Deposits		751 1043		599 4589				
Due to Banks	9484 79280	9500 86182		10338 58628	10342 08752	10 21 5997 81		
Louisville Clearing House, Returned Check Account	1606902			3421 24				
Due to Southern National Bank								
Federal Reserve Bank Fiscal Agent		56700			48700			
		4148 11596			4260 67747		4491 5437 15	
Bills Rediscounted		1227 34579			900000		5300000	
Bills Payable								
Participation Receipts		122000			75000			
Interest and Discount Collected and Not Earned	1780 4005			1997 4280		1242 4254		
Accrued Interest Payable on Government Deposits	9893 8			775 61		503 72		
Accrued Interest Payable on Savings Deposits	2360 881	2546 4973		2432 414	6403 2542	2601 22	62 4130 93	
Accrued Interest Payable on Certificates of Deposit	5191 149			5240 527		6241 75		
Dividends Unpaid				2189 10				
Reserved for Taxes		4736 7321			3292 1479		2925 3521	
Items Used in Advance of Credit		203 24808			255 90491		360 7052	
Overages and Shortages								
Depreciation Bonds					450000			
short	739 220	Over		257 680		31 60		
Present	746			114		1 7 12		
TOTAL LIABILITIES		8906 076			9382 993		10 56 859	
Net Current Earnings								
TOTAL LIABILITIES AND NET CURRENT EARNINGS		52855 993 11			5261 9233 39		59 1 1 2 1 2	
	CURRENT EARNINGS:		CURRENT EARNINGS:			CURRENT EARNINGS		
	Revenues	2601 0405	Revenues	2624 32		Revenues	2672 7088	
	Less Interest Cost	1082 6098	Less Interest Cost	992 4700		Less Interest Cost	1 0 2 6 0 1 1 0	
	Net Revenue	1518 3707	Net Revenue	1632 8470		Net Revenue	1645 0092	
	Less Expenses	627 7631	Less Expenses	492 5577		Net Expenses	6 4 4 5 2 3 3	
	Net Current Earnings	890 6076	Net Current Earnings	938 2993		Net Current Earnings	1056 8859	

Brought 2929
New 99
Restored 1932
Paroi 1184
Decrease 187

DATE

NATIONAL BANK OF KENTUCKY

Exhibit 12

ASSETS

	DEC 10 1925	1925 DEC 10 1925		DEC 10 1926	1926 DEC 10 1926		DEC 10 1927	1927 DEC 10 1927	
	DETAILED	CONDENSED	DETAILED		CONDENSED	DETAILED		CONDENSED	
Bills Discounted, 5th St.	27.061.38871	25245722		22456346 25		19467 18135			
Bills Discounted, 4th St.		1815 69871		2832 56980		1527 99425			
Demand Loans, 5th St.		5006 27014		994 56 7223		652 90 4179			
Demand Loans, 4th St.	5821 42923	8153 59097		667 35627		148 74 9562			
Trade Acceptances		269361 96		31134369		27 96 7317			
Cust. Drafts in Transit		463 66 94		3085624		6499029			
Special Loans		353 47 54	33274076 38	98852 42	32034662 90	20000		29376 37447	
Our Acceptances									
Overdrafts, 5th St.		15567 96							
Overdrafts, 4th St.		4766811	6323607	1254446	13737398	4292 79 26		4397 94 07	
				193252		105 19 21			
Customers Liability Under Letters Credit		193039 4							
Customers Liability Account Acceptances		98543 4	2916878	1518848	3328140	1600536		308483	
				1804292		1483847			
Five Per Cent Redemption Fund			125000		125000			125000	
U. S. Bonds to Secure Circulation		2500000		2500000		2500000			
Bonds to Secure U. S. and Postal Savings Deposits		265200	2765200	265200	2765200	265200		2765200	
U. S. Certificates of Indebtedness			2000						
Liberty Loan Bonds			11896801		3209 83051			11198 71804	
Investment Bonds and Warrants		5240 11985							
Federal Reserve Bank Stock		150000	5565 14985	4224 94628		8762 73299			
Other Stocks		175000		150000		180000		411 09445 99	
				175000	4649 84428	176 716			
Banking House		35000			1061 83779				
Furniture and Fixtures		1423 80 67		35000		35000		1906 33673	
Other Real Estate		15600	1929 8067	1423 80 67		1423 80 67			
				190 44 92	1924 30 89	1440 818		1917 88 85	
Due From Federal Reserve Bank, Reserve		2459 98498							
Due From Central Reserve City Banks		1286 62227		3242 77188		8312 30405			
Due From Other Banks Subject to Check		1961 66890		1689 30242		1113 12			
Cash on Hand		387 08055		2321 58478		541			
Exchanges for Clearings		4234 90491	76178 4696	598 95142		36 21 882			
			7790	1123 74248	8876 22592	747 71 18		6080 84887	
Letters in Transit		864 39089			7592			5101	
Due From Federal Reserve Bank, Not Available		2947 09724		3716 04487		82 2			
Due From Banks Not Subject to Check		110 16906		2333 80222		2157 16236			
Funds in Transit		362 99303		734 87 08		1 24			
Cash Drafts in Transit		238 79703		2250 33 20		286 40262			
Foreign Checks Held Over		80948 0		1421 45 71		69 53772			
Cashier's Mail		327	4531 43532	1226 58 4		485090		04 5	
				3304	3691 42234				
Accrued Interest Receivable, Demand Loans		1109 21 08							
Accrued Interest Receivable, Bonds and Warrants		1333 54 25		1119 13 70		125 17 563			
Accrued Interest Receivable, U. S. Certificates		0		1375 14 02		1248 097			
Accrued Interest Receivable, Liberty Bonds				0		0			
Accrued Interest Receivable, U. S. Bonds		867384		194 42 03		9 1520			
		9721 60	2624 6077	972 16 0	2507 91 95	992 1 00		3088 98 20	
Tax on Certificates of Deposit		2589 45							
Checks Lost in Transit		4021		372 961		391 480			
Cash Items		46664 464		5829		1750			
Petty Cash Fund		60	4703 2530	436 29 07	4747 099	279 60 88		3194 318	
				50		50			
Overages and Shortages			180 017						
Mtg Pd in advance to Mch 5th								9702	
								10071	
TOTAL RESOURCES			55987 84728		5699 72 4194			5809 65 1481	

Exhibit 12
LIABILITIES.

DATE

NATIONAL BANK OF KENTUCKY

	DEC 10 1925 1925 DETAILED	DEC 10 1925 CONDENSED	DEC 10 1926 1926 DETAILED	DEC 10 1926 CONDENSED	DEC 10 1927 1927 DETAILED	DEC 10 1927 CONDENSED
Capital Stock	2500000		2500000		4000000	
Surplus	2500000		2500000		2000000	
Undivided Profits	1130135 10	6130135 10	1329061 13	6329061 13	3271925 3	6327192 53
Contingent Reserve		132933 94				
Circulating Notes Outstanding		2500000		2500000		2500000
Acceptances Executed for Customers	98544		150929		148384 7	
Letters of Credit Issued	1930344	2915878	1819348	3328140	1600556	3084383
		2959		98		
Individual Deposits, 5th St. 25499217.93	N1408 30831	8620	2301 916918	65	1658 899916	
Individual Deposits, 4th St.	40794052		3029 541145		4406 699942	
Certified Checks	3658236		96877 85		759 4065	
Cashier's Checks	874427		2031 497 26		611 2753	
Express Checks	317236		71 854 03	28890270 77	94 146	
Dividends Unpaid	1571		1341		599 8	R3233785 66
Christmas checks	1340006	25580682 78	1905962	1905962	2127954	
Certificates of Deposit, 5th St. 6330914460	4501021 28		4103 468 65		3762 700 84	
Certificates of Deposit, 4th St.	829 89335		5469 332 38		1556 099 58	
Savings Deposits, 5th St.	1739 26709	8136304 96	1697 841 89	7658064 01	1731 179 73	8369617 28
Savings Deposits, 4th St. 2729.594.93	990 32784		1200 074 80		1251 523 74	
Postal Savings Deposits	747 9543		588 048 9		581 0789	
		8410		36		
		1893		93		
Due to Banks	12070 792 19		9789 362 48	9744 034 77	14139 297 65	14146 411 26
Louisville Clearing House, Returned Check Account	1003737	12081 82956	467 129		701 671	
Due to Southern National Bank						
Federal Reserve Bank Fiscal Agent		28000		30600		
		45824 767 90		45839 029 17		45709 817 80
Bills Rediscounted						
Bills Payable						2500000
Participation Receipts		2000				
Interest and Discount Collected and Not Earned	1721749		1634 648 84		1423 845 2	
Accrued Interest Payable on Government Deposits	12032 8		95191		62282	
Accrued Interest Payable on Savings Deposits	2912832	2351 37758	2036 279 8	252 445 74	2268 854	2418 100 9
Accrued Interest Payable on Certificates of Deposit	5263749		5375 881		611 1421	
" " " Bond and Stock Div.			39072 0			
Reserved for Taxes		493 67321		348 20097		312 38438
Items Held in Advance of Credit		63334 12		99 45759		98 25019
Overages and Shortages				34142		
Repurchase Bonds		400000		450000		200000
Over	26808		6867 0	Short	9240 0	
Percent	104		102		972	
TOTAL LIABILITIES		15670225		15642442		14611599
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		55997847 28		55997241 84		58096514 31

CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
Revenue	4564 24455	Revenue	4503 60223	Revenue	4633 27773
Less Interest Cost	1871 5314	Less Interest Cost	1740 2971	Less Interest Cost	2120 3459
Net Revenue	2692 71141	Net Revenue	2763 34252	Net Revenue	2512 93314
Less Expenses	1125 6916	Less Expenses	1204 1010	Less Expenses	1051 7715
Net Current Earnings	15670225	Net Current Earnings	15642442	Net Current Earnings	14611599

14611599

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12
ASSETS

	JAN 1 1928 1929 JAN 1 1928		JAN 1 1929 JAN 1 1929		JAN 1 1930 1930 JAN 1 1930	
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 5th St.	47 2 3 5 5 4 1	67 1 5 5 0	23 4 3 2 8 9 3 2		24 8 6 2 4 8 3 1 7	
Bills Discounted, 6th St.	4 8 8 7 8 7 2 3		8 8 0 5 0 1 9 2 2		3 2 4 4 6 8 2 4 7	
Demand Loans, 5th St.	4 8 3 0 1 8 0 3 9		7 1 8 9 3 2 1 9 0		4 2 5 5 1 3 1 0 9 9	
Demand Loans, 6th St.	1 5 7 0 4 9 4 3 8		1 3 3 4 2 7 5 8 4		1 5 0 5 6 2 8 6 5	
Trade Acceptances	4 9 3 7 1 2 3		1 3 2 2 0 1 8 1 0		1 7 4 2 1 3 4 9	
Time Drafts in Transit	7 1 9 3 7 2 4	6 7 9 4 7 0 0 7 2 7	7 8 2 0 7 1 7 7		6 0 2 6 1 0 8	
Special Loans			1 4 8 5 3 5 9		9 0 8 7 0	3 9 9 9 9 9 0 5 11
Total Finance			9 8 9 0 2 2 4 4	8 3 1 0 1 5 8 2 4 4 9	1 9 3 9 4 1 8 9	
Overdrafts, 5th St.	6 9 2 7 1 3	1 2 2 5 7 3	1 6 1 8 7 6 8	1 7 4 0 2 2 9	1 6 3 5 8 0 4	
Overdrafts, 6th St.	4 9 3 3 5 7		2 2 4 4 6 0		5 2 4 6 8 6	2 1 6 0 4 3 4
Customers Liability Under Letters Credit	1 6 0 0 5 3 6	3 0 8 4 7 8 3		3 1 8 7		
Customers Liability Account Acceptances	1 4 8 3 9 4 7					
Five Per Cent Redemption Fund		1 2 5 0 0 0		1 2 5 0 0 9		1 2 5 0 0 0
U. S. Bonds to Secure Circulation	2 5 0 0 0 0 0		2 5 0 0 0 0 0		2 5 0 0 0 0 0	
Bonds to Secure U. S. and Postal Savings Deposits	2 5 5 2 0 0	2 7 5 5 2 0 0	2 5 7 4 2 0 0	2 7 5 4 2 0 0	2 4 1 5 6 0 0	2 7 4 1 5 6 0
U. S. Certificates of Indebtedness						
Liberty Loan Bonds		7 2 0 3 0 9 3 0 4		7 3 1 4 7 7 1 6 0		7 5 0 0 0
Investment Bonds and Warrants	3 1 3 3 2 9 7 1		3 0 2 2 9 7 7 1 0		3 5 9 0 2 6 4 4 9	
Federal Reserve Bank Stock	1 8 0 0 0 0		1 8 0 0 0 0		1 8 0 0 0 0	
Other Stocks	1 7 6 7 1 6	4 2 4 1 1 5 7 1	1 1 6 7 1 6	3 6 1 7 6 9 3 1 0	1 1 6 7 1 6	3 8 7 6 9 8 0 4 9
		1 4 3 7 8 4 2 8		1 3 3 2 1 7 0 7 0		4 7 0 3 5 4 0 4 9
Banking House	3 5 0 0 0		3 5 0 0 0		3 5 0 0 0	
Furniture and Fixtures	1 4 2 3 8 0 7		1 4 2 3 8 0 7		1 4 1 3 3 8 6 7	
Other Real Estate	1 4 3 4 9 8 4	1 9 1 7 3 0 5 1	1 3 0 4 9 8 4	1 9 2 9 3 0 5 5	1 1 3 4 9 9 2	1 9 4 1 3 0 5 9
Due From Federal Reserve Bank, Reserve	3 2 9 2 4 5 6 1 3		3 0 4 6 3 5 5 0 4		2 7 7 0 0 9 4 8 7	
Due From Central Reserve City Banks	2 1 9 7 4 5 1 2 1		1 1 1 1 1 1 1 0		2 4 2 7 3 5 9 4 9 9	
Due From Other Banks Subject to Check	1 4 0 7 2 1 5 0		1 2 5 1 1 0 6 1		1 2 0 7 7 9 0 4 7	
Cash on Hand	3 7 3 8 3 2 5		3 7 3 8 3 2 5		3 0 0 2 9 0 0 6	
Exchanges for Clearings	1 4 4 9 0 3	7 3 2 4 0 1 6 4	1 4 4 9 0 3	7 3 2 4 0 1 6 4	7 8 1 9 5 4 0 4	7 3 3 2 6 4 9 3 3
Letters in Transit	9 3 7 3 0 2 1 4			4 2 2 1		7 6 8 0
Due From Federal Reserve Bank, Not Available	2 3 4 1 4 7 7 0 8		1 1 0 5 4 6 9 3 7		1 9 1 1 1 6 0 2 9	
Due From Banks Not Subject to Check	4 3 0 0 9 0 5		2 0 2 2 7 1 3 9 4		1 9 1 1 1 9 7 7 0	
Funds in Transit	8 8 4 6 7 8 0 1		1 1 2 1 1 1 1 0		2 0 3 0 1 8 4 3	
Cash Drafts in Transit	3 4 0 1 4 8 4		4 8 2 9 1 7 4 7		1 9 5 2 8 4 6 1	
Foreign Checks Held Over	2 4 9 0 5 2 1	6 9 1 1 2 0 1 7 0	4 9 3 0 4 2 0		1 3 4 6 2 3 7 4	
			9 6 4 5 4 0		1 3 6 8 7 3 5	4 1 9 9 2 2 0 9 7
Accrued Interest Receivable, Demand Loans	5 8 3 2 3 4 0		9 1 7 0 0 0		1 0 7 7 2 0 7 4	
Accrued Interest Receivable, Bonds and Warrants	9 2 9 7 3		9 9 2 4 1 5 4		8 4 5 1 7 4 5	
Accrued Interest Receivable, U. S. Certificates	8		1 9 5 4 1 1 9		7 5 5 3 8	
Accrued Interest Receivable, Liberty Bonds	8 1 2 7 7 2		1 5 1 1 1 9		1 5 2 1 6 8	1 9 9 5 1 2 5
Accrued Interest Receivable, U. S. Bonds	1 5 2 7 6 8	2 3 8 7 7 8 0	1 2 7 0 4 1 3	2 1 7 2 4 8 3		
Interest Paid in Advance to Federal Bank						
Tax on Certificates of Deposit	3 7 7 9 7 9		3 4 8 2 3 4		3 7 2 9 3 6	
Checks Lost in Transit	1 7 5 0		5 2 4 3 7		1 6 6 1 2	
Cash Items	2 2 1 1 1 7	2 1 1 2 2 7 2	1 1 1 1 1 2	1 3 2 4 7 5 1	2 0 4 7 7 5 4	3 0 8 2 4 7 2
Petty Cash Fund	5 0		5 0		5 0	
Overages and Shortages				1 2 7 9 2		
Net in Clearing Defaults		5 7 9 6 4		5 6 1 4 5		1 5 6 2 9
TOTAL RESOURCES		5 6 4 8 9 0 1 0 6		5 9 6 2 6 1 1 0 1 8		5 4 3 0 7 4 3 7 9 2

Exhibit 12

DATE _____

LIABILITIES

NATIONAL BANK OF KENTUCKY

	1928	DETAILED	CONDENSED	1929	DETAILED	CONDENSED	1930	DETAILED	CONDENSED
1 Capital Stock	JAN 1 1928	400 0000		JAN 1 1929	400 0000		JAN 1 1930	400 0000	
2 Surplus		200 0000			200 0000			200 0000	
3 Undivided Profits		895 46172	639546172		276 67256	676 67256		239 24763	639 24763
4 Circulating Notes Outstanding			246700			246700			246210
5 Acceptances Executed for Customers		148394 7							
Letters of Credit Issued		160056	308438 3			5191			
6 Individual Deposits, 5th St.		1058 10 89			2304 9 2			1357 20 41 95	
7 Individual Deposits, 4th St.		441 6 81 2			101 41 1 0	911		371 2 5 99	
8 Certified Checks		75 10 07 08			12 3 23 1 10			12 6 2 0 1	
9 Cashier's Checks		179 28 54 32			19 1 1 17			13 98 5 4	
10 Expense Checks		5 7 0 8			80 2 0			45 2 4 0	
11 Dividends Unpaid		2 7 3 8	2 1 3 1 1 9 5		9 2 1 6			4 1 1	
12 Christmas Checks		2295			6 1 9 4	1 4 1 5 8 1 1 9		2 2 9 8 1 1	2 1 4 1 4 4 3 7 2
9 Certificates of Deposit, 5th St.		3 02 54 165			2 2 1 1 1 1			52 1 4 9 2 1 6 3	
10 Certificates of Deposit, 4th St.		1 2 7 5 1 2 7 1			1 8 1 0 0 0			12 9 9 5 8 4 6 2	
11 Savings Deposits, 5th St.		17 41 1 4 9 3	1 4 7 6 3 2 4 8 0		1 2 3 1 0 0	4 7 0 1 4 0		14 0 1 9 5 1 5 7	90 7 6 3 7 9 9
12 Savings Deposits, 4th St.		12 7 8 2 0 0 4 4			12 1 2 1 0 1 7			11 0 8 2 4 7 4	
13 Postal Savings Deposits		58 8 4 0 2 1			5 8 1 3 0 1 7			2 1 1 1 1 0	
14 Due to Banks		1 1 4 2 3 5 1 5 3 8	1 4 9 3 7 8 2 1 6 5		10 4 0 1 0 5 1 4	10 4 5 2 0 1 0 4		11 0 4 1 8 6 4	
15 Louisville Clearing House, Returned Check Account		3 3 2 4 2 7			2 9 1 7 5 0			7 0 2 3 9	11 0 5 0 1 1 0
			46968 3 2 40						
Federal Reserve Bank Fiscal Agent									
						45 2 5 1 5 0 5 0			41 5 1 3 4 9 8 5
16 Bonds Sold			200000			200000			
17 Bills Rediscounted									
Bills Payable						1 9 1 3 3 1 7 0			1808000
Participation Receipts									
Interest and Discount Collected and Not Earned		127 19 3 49			2 1 7 0 1 0			2 1 4 6 4 7 0	
18 Accrued Interest Payable on Government Deposits		45 2 3			4 3 0 7			2 7 7 2	
Accrued Interest Payable on Savings Deposits		0	18 7 3 5 3 7 3			25 1 5 1 1 1		0	527 17 2 09
Accrued Interest Payable on Certificates of Deposit		6 0 1 1 5 0			7 1 2 1 2 1			3 2 6 2 1 9 5	
19 Accounts Payable Cashiers								4 0 1 6 9 2	
20 Reserved for Taxes			32 0 9 7 4 5 6			2 9 1 8 3 7 2 2			30 1 7 0 6 4 7
21 Items Held in Advance of Credit			33 2 0 4 4 0			8 9 1 2 0			93 0 8 9 2 8
22 Overages and Shortages			25 8 4 7						1 1 5 9 8 9
Short		1 1 4 5 3			5 9 8 2 0	Over		9 1 4 9 0	
Percent		9 9 %			1 %			1 0 %	
TOTAL LIABILITIES			45648 25			6 1 1 4 1			33 0 8 3 02
24 Net Current Earnings									
TOTAL LIABILITIES AND NET CURRENT EARNINGS			56 4 7 8 6 1 3 6			5 5 5 1 1 1 7			6 4 1 0 7 4 5 3 9 7
	CURRENT EARNINGS:			CURRENT EARNINGS:			CURRENT EARNINGS:		
	Revenue		7 1 5 9 2 9 1	Revenue		7 0 5 7 1	Revenue		1 1 3 4 3 1 5
	Less Interest Cost		2 4 6 8 8 5 7	Less Interest Cost		3 2 5 7 1 1	Less Interest Cost		2 9 0 8 9 7 9
	Net Revenue		4 6 8 9 4 3 4	Net Revenue		3 7 2 1 0	Net Revenue		4 1 5 4 3 6
	Less Expenses		1 2 7 2 0 9	Less Expenses		1 1 1 1	Less Expenses		8 5 7 1 2 4
	Net Current Earnings		4 5 6 4 2 2 5	Net Current Earnings		1 1 1 1 1	Net Current Earnings		3 3 0 8 3 0 2

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12
ASSETS

	FEB 10 1928 1928		FEB 10 1928		FEB 11 1929 1929		FEB 11 1930 1930	
	DETAILED		CONDENSED		DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 5th St.	19741346449				22004852881		1422045666	
Bills Discounted, 4th St.	16143979				2919901995		2647012	
Demand Loans, 5th St.	5923858866				7961603947		1854124	
Demand Loans, 4th St.	1493476111				1514816320		1824496	
Trade Acceptances	2669416797				1280059		160295	
Time Drafts in Transit	27122214		24057565516		6556691		1743	
Bankers' Loans					0	34415869498	10000	32421932251
Overdrafts, 5th St.	2794597		3579465		11905545		7742274	
Overdrafts, 4th St.	784778				12497182	10202101	6143140	
					1772019		196325	6339435
Customers Liability Under Letters Credit	879615		2820130			2500		
Customers Liability Account Acceptances	1941565							
Five Per Cent Redemption Fund			125000			125000		126000
U. S. Bonds to Secure Circulation	2500000				2500000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	255200		2755200		254200	2754200	241560	2741560
U. S. Certificates of Indebtedness								
Liberty Loan Bonds			7200093004			7018277600		7500000
Investment Bonds and Warrants	38499038017				8195634300		3418030295	
Federal Reserve Bank Stock	185000				180000		18000	
Other Stocks	116710		42006191721		116710	3492350000	112711	
			141249122121			13264827900		6931300195
Banking House	80000				35000		35000	
Furniture and Fixtures	1428521				1473806747		1470877	
Other Real Estate	1424151		1916221818		1274186	195322.22	1171151	1140224.26
Due From Federal Reserve Bank, Reserve	3375182557				2714697693		2937467112	
Due From Central Reserve City Banks	1868244332				1171798644		660027745	
Due From Other Banks Subject to Check	2033911219				463884778		269559968	
Cash on Hand	57921739				326655604		248080715	
Exchanges for Clearings	1191229453		9727583900		679999498	5257031137	524517172	9915653562
			7955			5991		10377
Letters in Transit	93767349				1173685764		80813408	
Due From Federal Reserve Bank, Not Available	1890417145				2303655572		1999111851	
Due From Banks Not Subject to Check	9289947				27787111		2635040404	
Funds in Transit	295814762				351660225		35599356	
Cash Drafts in Transit	13049254				9200818		1147230	
Foreign Checks Held Over	6343544		3353146322		6306977	3955104467	6146398	2855913170
Accrued Interest Receivable, Demand Loans	9702754				13160710		1318171	
Accrued Interest Receivable, Bonds and Warrants	9199136				8673399		5266527	
Accrued Interest Receivable, U. S. Certificates					0			
Accrued Interest Receivable, Liberty Bonds	10227166				9982299		1022499	
Accrued Interest Receivable, U. S. Bonds	3055520		216845176		5694708		5694708	6221625
Interest Paid in Advance to Federal Bank					8156701	332014427		
Tax on Certificates of Deposit	224548				234627		220451	
Checks Lost in Transit	160533				325897		232741	
Cash Items	2483866		29739947		3134257	3506891	2402585	29975535
Petty Cash Fund					50		50	
Overages and Shortages						243861		61477
TOTAL RESOURCES			59613407735			57687245240		54910086

Exhibit 12

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	FEB 10 1928	1928	FEB 10 1928	FEB 11 1929	1929	FEB 11 1929	FEB 11 1930	1930	FEB 11 1930
	DETAILED		CONDENSED	DETAILED		CONDENSED	DETAILED		CONDENSED
Capital Stock	4000000			4000000			4000000		
Surplus	2000000			2000000			2000000		
Undivided Profits	3711304	34	6371304 34	2771369		6277195 69	2[illegible]		[illegible]
Circulating Notes Outstanding			2500000			2500000			2500000
Acceptances Executed for Customers	194156	5							
Letters of Credit Issued	78615		2820180			2500			
Individual Deposits, Sub St.	19337695	91		19695501	97		17831920	59	
Individual Deposits, 4th St.	484045	55		462625	26		392175	50	
Certified Checks	861508	4		1207109	4		1[illegible]		
Cashier's Checks	150042	02		946328	63		931459	59	
Expense Checks	29582	2		23882	3		[illegible]		
Dividends Unpaid	17102	4		8840			[illegible]		
Christmas Checks	4527	0	24141506 24	3070	7	24548680 10	[illegible]		[illegible]
Certificates of Deposit, Sub St.	3624939	16		3053447	67		[illegible]		
Certificates of Deposit, 4th St.	1671362	89		736968	41		[illegible]		
Savings Deposits, Sub St.	1723029	59	8362734 58	1717140	15	6832842 46	[illegible]		[illegible]
Savings Deposits, 4th St.	1284562	73		1247362	06		[illegible]		
Postal Savings Deposits,	588402	1		579231	7		[illegible]		
Due to Banks	14741526	18	14756998 26	14426581	49	14439811 30	12853[illegible]		[illegible]
Louisville Clearing House, Returned Check Account	154720	8		132298	1		[illegible]		12861911 16
Federal Reserve Bank, Fiscal Agent									
			47261239 08			45821333 86			43507978 96
Bonds Sold			200000			200000			[illegible]
Bills Rediscounted									
Bills Payable				1920930	76	1920930 76			
				300000					
Participation Receipts									
Interest and Discount Collected and Not Earned	1305120	3		1927214	2		[illegible]		
Accrued Interest Payable on Government Deposits	1661	3		1667	4		1478	1	
Accrued Interest Payable on Savings Deposits	566985		2008651 8	614360		2406616 3	[illegible]		[illegible]
Accrued Interest Payable on Certificates of Deposit	645717			402316			[illegible]		
Other Accrued Liabilities				140471			93427	4	
Reserved for Taxes			3209234 0			2030828 4			[illegible]
Items Held in Advance of Credit			326049			1292110 1			595164 1
Overages and Shortages			7001 6						
Over	1400	85	Short	77291	0		[illegible]		
Short	104	5		729			42		
TOTAL LIABILITIES									
NET Current Earnings			935682 6			9538945			[illegible]
TOTAL LIABILITIES AND NET CURRENT EARNINGS			57[illegible]			57687245 84			[illegible]
	CURRENT EARNINGS:			CURRENT EARNINGS:			CURRENT EARNINGS:		
	Revenue		2571025	Revenue		3013586 0	Revenue		[illegible]
	Less Interest Cost		166497	Less Interest Cost		1323793 7	Less Interest Cost		[illegible]
	Net Revenue		1035628	Net Revenue		1689801 3	Net Revenue		[illegible]
	Less Expenses		699950 8	Less Expenses		735406 8	Less Expenses		[illegible]
	Net Current Earnings		935682 0	Net Current Earnings		9538945	Net Current Earnings		[illegible]

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12

ASSETS

	MAR 1 1928 DETAILED	MAR 1 1928 CONDENSED	MAR 1 1929 DETAILED	MAR 1 1929 CONDENSED	MAR 1 1930 DETAILED	MAR 1 1930 CONDENSED
Bills Discounted, 5th St.	19600100 06		22415252 12		23281557 81	
Bills Discounted, 4th St.	1[illegible]		81[illegible]		2055[illegible]	
Demand Loans, 5th St.	60[illegible]		6409[illegible]		8249[illegible]	
Demand Loans, 4th St.	15[illegible]		1503[illegible]		1514[illegible]	
Trade Acceptances	[illegible]		1444[illegible]		1297[illegible]	
Time Drafts in Transit	4385093	29201911 06	7625185		5134276	
Special Loans			0	34294490 42	0	33463962 28
Other Finances			1436[illegible]		6929408	
Overdrafts, 5th St.	1185773	379403	5593489	6655820	8368443	
Overdrafts, 4th St.	1[illegible]		106131		1[illegible]	1041[illegible]
Customers Liability Under Letters Credit	553645	2190765		2500		
Customers Liability Account Acceptances	1637120					
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2500000		2500000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	295200	2795200	254200	2754200	241660	2741660
U. S. Certificates of Indebtedness						
Liberty Loan Bonds		7203093 04		7018277 60		75000
Investment Bonds and Warrants	2[illegible]		2982[illegible]		3219[illegible]	
Federal Reserve Bank Stock	180000		180000		180000	
Other Stocks	176716	2817159 20	110716	3238401 64	[illegible]	2[illegible]
		[illegible]		13005879 24		6[illegible]
Banking House	36000		35200		[illegible]	
Furniture and Fixtures	1[illegible]		1773[illegible]		[illegible]	
Other Real Estate	14[illegible]	1915[illegible]	12[illegible]	1902[illegible]	11[illegible]	1[illegible]
Due From Federal Reserve Bank, Reserve	8[illegible]		3284[illegible]		3069[illegible]	
Due From Central Reserve City Banks	1[illegible]		1311[illegible]		1437[illegible]	
Due From Other Banks Subject to Check	1[illegible]		84[illegible]		71[illegible]	
Cash on Hand	2[illegible]		3264[illegible]		1[illegible]	
Exchanges for Clearings	1[illegible]	2[illegible]	5220[illegible]	5[illegible]	1[illegible]	5[illegible]
Letters in Transit	[illegible]		7203[illegible]	5027	6[illegible]	577[illegible]
Due From Federal Reserve Bank, Not Available	209[illegible]		1977[illegible]		2044[illegible]	
Due From Banks Not Subject to Check	8[illegible]		27[illegible]		577[illegible]	
Funds in Transit	2[illegible]		3332[illegible]		280[illegible]	
Cash Drafts in Transit	75[illegible]		[illegible]		107[illegible]	
Foreign Checks Held Over	[illegible]	354[illegible]	836069	3171[illegible]	302408	2[illegible]
Accrued Interest Receivable, Demand Loans	[illegible]		[illegible]		[illegible]	
Accrued Interest Receivable, Bonds and Warrants	92[illegible]		4116124		93[illegible]	
Accrued Interest Receivable, U. S. Certificates	0		0		0	
Accrued Interest Receivable, Liberty Bonds	[illegible]		2112[illegible]		128638	
Accrued Interest Receivable, U. S. Bonds	97[illegible]	[illegible]	99[illegible]	[illegible]	99[illegible]	4[illegible]
Interest Paid in Advance to Federal Bank			6373[illegible]			
Tax on Certificates of Deposit	8[illegible]		[illegible]		[illegible]	
Checks Lost in Transit	[illegible]		42[illegible]			
Cash Items	[illegible]		240[illegible]	28399	[illegible]	2[illegible]
Petty Cash Fund	60		50		[illegible]	
Overages and Shortages						
TOTAL RESOURCES		5[illegible]		57362[illegible]		[illegible]

Exhibit 12

DATE _____

LIABILITIES

NATIONAL BANK OF KENTUCKY

	MAR 10 1928		MAR 10 1928	MAR 1 1929		MAR 1 1929	MAR 1 1930		MAR 1 1930
	DETAILED		CONDENSED	DETAILED		CONDENSED	DETAILED		CONDENSED
Capital Stock	4000000			4000000			4000000		
Surplus	2000000			2000000			2000000		
Undivided Profits	391391.9		6391391.9	277139.69		6277139.69	241443.01		6241443.01
Circulating Notes Outstanding			2439100			2500000			2500000
Acceptances Executed for Customers	162711.0								
Letters of Credit Issued	95345		2190756			2000			
Individual Deposits, 5th St.	1968			18			16		
Individual Deposits, 4th St.	11.99			92			7		
Certified Checks	65			149			12		
Cashier's Checks	78			79			22		
Expense Checks	65								
Dividends Unpaid	10			80					
Christmas Checks	18		2321	154		2424			2116
Certificates of Deposit, 5th St.	3392			2					
Certificates of Deposit, 4th St.	100			1					
Savings Deposits, 5th St.	173		8332	169					
Savings Deposits, 4th St.	127			129					
Postal Savings Deposits,	58			57					
Due to Banks	12797		12815	12170		12185			
Louisville Clearing House, Returned Check Account	18								
Federal Reserve Bank Fiscal Agent									
			4418			4272			4
Bonds Sold			200000						
Bills Rediscounted				750000		3980000			
Bills Payable				3200000					
Participations Sold									
Interest and Discount Collected and Not Earned	32								
Accrued Interest Payable on Government Deposits	28			27					
Accrued Interest Payable on Savings Deposits	22		24						
Accrued Interest Payable on Certificates of Deposit	9								
Reserved for Taxes			33			2200			
Items Used in Advance of Credit			3			42			
Overages and Shortages						38			
			Other	23		Other			
TOTAL LIABILITIES									
Net Current Earnings			1			1			5
TOTAL LIABILITIES AND NET CURRENT EARNINGS			53			5735			5
	CURRENT EARNINGS:			CURRENT EARNINGS:			CURRENT EARNINGS:		
	Revenues	4	4	Revenues	7		Revenues	4	4
	Less Interest Cost	1	1	Less Interest Cost	2		Less Interest Cost		
	Net Revenues	2		Net Revenues			Net Revenues	3	
	Less Expenses	1		Less Expenses			Less Expenses		
	Net Current Earnings	1		Net Current Earnings	1		Net Current Earnings	1	1

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12
ASSETS

	APR 11 1928		APR 11 1929		APR 11 1930	
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 5th St.	21,957,726.35	937500	22,036,741.94		19,534,687.11	
Bills Discounted, 4th St.			30,944,608.53		28,716,436.06	
Demand Loans, 5th St.			7,148,799.93		6,295,803.01	
Demand Loans, 4th St.	29,660,742.19		15,433,426.63		15,051,554.24	
Trade Acceptances			13,116,157.57		2,006,037.07	
Time Drafts in Transit			550,697.97	348,196,635.56	465,526.66	
Special Loans		80,102,611.93			30.00	307,894,430.92
			189,745.97		30,482.27	
Overdrafts, 5th St.		911,929.60	11,454,169.69	11,851,914.14	11,040,535.85	
Overdrafts, 4th St.			397,746.45		1,944,177.77	12,984,713.62
Customers Liability Under Letters Credit		1,553,356.35		2,502.00		
Customers Liability Account Acceptances						
Five Per Cent Redemption Fund		125,000.00		125,000.00		129,000.00
U. S. Bonds to Secure Circulation	2,500,000.00		2,500,000.00		2,000,000.00	
Bonds to Secure U. S. and Postal Savings Deposits	255,200.00	2,755,200.00	294,200.00	2,794,200.00	241,560.00	2,241,560.00
U. S. Certificates of Indebtedness						
Liberty Loan Bonds		7,203,093.04		7,018,277.60		76,000.00
Investment Bonds and Warrants			29,137,440.04		32,609,473.32	
Federal Reserve Bank Stock	180,000.00		180,000.00		180,000.00	
Other Stocks	174,716.00	354,716.00	116,716.00	31,104,606.04	116,716.00	32,906,189.32
		13,703,987.76		12,882,938.34		13,244,223.32
Banking House	35,000.00		35,000.00		35,000.00	
Furniture and Fixtures	142,380.67		147,380.67		147,380.67	
Other Real Estate	14,024.86	191,405.53	12,724.89	195,105.56	11,424.93	193,805.60
Due From Federal Reserve Bank, Reserve	3,220,026.77		2,754,965.18		1,090,569.83	
Due From Central Reserve City Banks	7,[illegible]6.13		196,496.86		101,254.76	
Due From Other Banks Subject to Check	7,[illegible]1.51		631,429.19		289,788.46	
Cash on Hand	819,[illegible]1.19		316,879.19		378,946.04	
Exchanges for Clearings	1,943,[illegible]8.88	5,730,892.94	502,440.52	5,872,731.43	1,097,821.94	3,162,381.23
		5868		96.03		8065
Letters in Transit	70,[illegible]3.73		784,597.26		644,915.89	
Due From Federal Reserve Bank, Not Available	2,830,637.74		241,555.10		1,644,729.96	
Due From Banks Not Subject to Check	71,[illegible]5.56		57,749.47		523,961.98	
Funds in Transit	285,871.21		289,230.92		249,739.30	
Cash Items in Transit	6,[illegible]5.19		47,767.45		185,645.97	3,963,405.52
Foreign Checks Held Over	774.77	4,[illegible]7.95	989.69	3,604,792.99	1,701.93	814.35
Accrued Interest Receivable, Demand Loans	81,[illegible]8.81		97,666.77		101,546.09	
Accrued Interest Receivable, Bonds and Warrants	91,[illegible]1.1		62,237.04		101,441.73	
Accrued Interest Receivable, U. S. Certificates	0		0		0	
Accrued Interest Receivable, Liberty Bonds			34,738.84		1,551.88	206,067.88
Accrued Interest Receivable, U. S. Bonds		215,977.12	152,769.00		152,768.00	
Interest Paid in Advance to Federal Bank			216,590.00	217,297.71		
Tax on Certificates of Deposit	218.90		324.73		3,573.42	
Checks Lost in Transit			3,276.22			
Cash Items	71,[illegible]0.11	[illegible]	35,[illegible]8.95	37,240.20	10,[illegible]1.1	16,549.57
Petty Cash Fund	50		50		50	
Overages and Shortages		23,[illegible]7				[illegible]
TOTAL RESOURCES		5[illegible]		57,57[illegible]2.93		4[illegible]5,649

Exhibit 12

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	APR 1 1928	1928 APR 1 1928	APR 1 1929	1929 APR 1 1929	APR 1 [illegible]	1930 APR 1 [illegible]
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	400000 00		400000 00		400000 00	
Surplus	2000000 00		2000000 00		2000000 00	
Undivided Profits	335477 20	4235477 20	2934066	6273430 00	212733 77	6212733 77
Circulating Notes Outstanding		2500000		2500000		2500000
Acceptances Executed for Customers	99071					
Letters of Credit Issued	85345	184416		2500		
	27			26		
Individual Deposits, Sub. to Check	24587945 29	20015504 68	16603479 87	84	14533745 98	
Individual Deposits, Sub. to Notice		4322180 60	5112557 03		4590974 41	
Certified Checks		10078 86	125398 15		216732 45	
Cashier's Checks		189284 43	46207 19		97091 55	
Bankers' Checks		8805 88	62315		12661 20	
Dividends Unpaid		9218	1135		1031	
Clearance Checks	282801 76	1509	13442	21998157 50		19455331 11
Certificates of Deposit, Sub. to Check	5190233 13	2562296 93	2990669 59		4400	
Certificates of Deposit, Sub. to Notice		6279320	1233418		1000341	
Savings Deposits, Sub. to Check		170 96549	1288947 86	7228378 20	1098	1811546
Savings Deposits, Sub. to Notice	3113193 74	136 93827	1293299 70		1147	
Postal Savings Deposits		58402 1	57126 71		1178	
				21 88		
Due to Banks	11661 53672	11667614 08	8836 34425	9893153 05	7241	
Cashier's Clearing House, Returned Check Account	40236		1290 80		9	
Federal Reserve Bank Fiscal Agent						
		4465036 22		39016698 75		3482296 01
Bonds Sold		200000		200000		
Bills Rediscounted						
Bills Payable			8438 63461	9988 63461		
Participation Receipts			4960000			
Interest and Discount Collected and Not Earned	149271 10		2555006		19652 91	
Accrued Interest Payable on Government Deposits			39929		3549 90	349914 91
Accrued Interest Payable on Savings Deposits	18477 50	243232 82	14317 16	27547210	1643 27	
Accrued Interest Payable on Certificates of Deposit	7807 56 4		47757 34		1	
Com. Miscellaneous 93.96172			2439 25			
Reserved for Taxes		350		237398 48		19443 041
Notes Used to Advance Credit		56377 75		6774440		5041
Overages and Shortages				43290		
Profit	2	0241	69160	Short	514	
Surplus	913		1826		761	
TOTAL LIABILITIES Not Current Earnings		2418473		2344303		
TOTAL LIABILITIES AND NET CURRENT EARNINGS		5403040 34		57578220 93		
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenue	4403171	Revenue	5027379	Revenue	
	Less Interest Cost	2044621	Less Interest Cost	2954192	Less Interest Cost	
	Net Revenue	2358550	Net Revenue	4073187	Net Revenue	
	Less Expenses	1283115	Less Expenses	1678944	Less Expenses	
	Net Current Earnings	1075435	Net Current Earnings	2344303	Net Current Earnings	

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12

ASSETS

	MAY 11 1928								MAY 1 1929								MAY 11 1929								MAY 12 1930								MAY 12 1930							
	DETAILED								DETAILED								CONDENSED								DETAILED								CONDENSED							
Bills Discounted, 5th St.																																								
Bills Discounted, 4th St.																																								
Demand Loans, 5th St.																																								
Demand Loans, 4th St.																																								
Trade Acceptances																																								
Time Drafts in Transit																																								
Special Loans																																								
Miscellaneous																																								
Overdrafts, 5th St.																																								
Overdrafts, 4th St.																																								
Customers Liability Under Letters Credit																																								
Customers Liability Account Acceptances																																								
Five Per Cent Redemption Fund																																								
U. S. Bonds to Secure Circulation																																								
Bonds to Secure U. S. and Postal Savings Deposits																																								
U. S. Certificates of Indebtedness																																								
Liberty Loan Bonds																																								
Investment Bonds and Warrants																																								
Federal Reserve Bank Stock																																								
Other Stocks																																								
Banking House																																								
Furniture and Fixtures																																								
Other Real Estate																																								
Due From Federal Reserve Bank, Reserve																																								
Due From Central Reserve City Banks																																								
Due From Other Banks Subject to Check																																								
Cash on Hand																																								
Exchanges for Clearings																																								
Letters in Transit																																								
Due From Federal Reserve Bank, Not Available																																								
Due From Banks Not Subject to Check																																								
Funds in Transit																																								
Cash Drafts in Transit																																								
Foreign Checks Held Over																																								
Accrued Interest Receivable, Demand Loans																																								
Accrued Interest Receivable, Bonds and Warrants																																								
Accrued Interest Receivable, U. S. Certificates																																								
Accrued Interest Receivable, Liberty Bonds																																								
Accrued Interest Receivable, U. S. Bonds																																								
Interest Paid in Advance to Federal Bank																																								
Tax on Certificates of Deposit																																								
Checks Lod'in Transit																																								
Cash Items																																								
Petty Cash Fund																																								
Overages and Shortages																																								
TOTAL RESOURCES																																								

Exhibit 12

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	MAY 11 1928 1928		MAY 11 1929 1929 MAY 11 1929		MAY 12 1930 1930 MAY 12 1930	
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock						
Surplus						
Undivided Profits						
Circulating Notes Outstanding						
Acceptances Executed for Customers						
Letters of Credit Issued						
Individual Deposits, 5th St.						
Individual Deposits, 4th St.						
Certified Checks						
Cashier's Checks						
Expense Checks						
Dividends Unpaid						
Christmas Checks						
Certificates of Deposit, 5th St.						
Certificates of Deposit, 4th St.						
Savings Deposits, 5th St.						
Savings Deposits, 4th St.						
Postal Savings Deposits						
Due to Banks						
Louisville Clearing House, Returned Check Account						
Federal Reserve Bank Fiscal Agent						
Bonds Sold						
Bills Rediscounted						
Bills Payable						
Participation Receipts						
Interest and Discount Collected and Not Earned						
Accrued Interest Payable on Government Deposits						
Accrued Interest Payable on Savings Deposits						
Accrued Interest Payable on Certificates of Deposit						
Reserved for Taxes						
Items Used in Advance of Credit						
Overages and Shortages						
TOTAL LIABILITIES						
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS						
CURRENT EARNINGS:						
Revenues						
Less Interest Cost						
Net Revenue						
Less Expenses						
Net Current Earnings						

DATE _____

Exhibit 12

ASSETS

NATIONAL BANK OF KENTUCKY

	JUN 1 1928 DETAILED	JUN 1 1928 CONDENSED	JUN 1 1929 DETAILED	JUN 1 1929 CONDENSED	JUN 1 1930 DETAILED	JUN 1 1930 CONDENSED
Bills Discounted, 6th St.			22157264407		19501056485	
Bills Discounted, 4th St.			3277278814		2944601972	
Demand Loans, 6th St.			607923607		3223232176	
Demand Loans, 4th St.			171620746		1492802233	
Triple Acceptances	19268798		2246174742		1924224405	
Time Drafts in Transit			5001524		5429156	
Special Loans			0	34466291188	0	30850794813
Overdrafts, 6th St.	6219307	9457645	25967097		12481176	
Overdrafts, 4th St.	3238338		1730779732	18843404	1761646768	
			1555602		25749221	20191319
Customers Liability Under Letters Credit	553-75	828435		2500		
Customers Liability Account Acceptances	274 92					
Fire Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2500000		2300000	2704200	2500000	2441560
Bonds to Secure U. S. and Postal Savings Deposits			254200		241560	
U. S. Certificates of Indebtedness				4624101460		75000
Liberty Loan Bonds		1[illegible]04				
Investment Stocks and Warrants	210[illegible]		3250937035		2981177791	
Federal Reserve Bank Stock	19000		180000		180000	
Other Stocks	1517[illegible]	[illegible]	114716	3647655335	64[illegible]	3195576191
		18104925396		12925964495		4012196[illegible]
Banking House	35000		35000		35000	
Furniture and Fixtures	14[illegible]67	1[illegible]50	14738047	1948[illegible]40	14[illegible]67	1857[illegible]90
Other Real Estate	13[illegible]75		1250873		335823	
Due From Federal Reserve Bank, Reserve	3049785742		2054506440		2422228682	
Due From Central Reserve City Banks	803471165		1002111218		1114813624	
Due From Other Banks Subject to Check	492912068		60180185		537719182	
Cash on Hand	337158179		301697021		2636240202	
Exchanges for Clearings	55[illegible]43657	5244[illegible]6351	60451179	4698630063	510740978	4849184[illegible]
		4368		52462		4926
Letters in Transit	176191077		6422072[illegible]2		1707749776	
Due From Federal Reserve Bank, Not Available	190187314		2485207189		1775428114	
Due From Banks Not Subject to Check	5063290		52[illegible]9508		44123936	
Funds in Transit	241309978		4033[illegible]964		2461753778	
Cash Items in Transit	[illegible]1[illegible]		61615[illegible]0		6598[illegible]759	
Foreign Checks Held Over	944296	2071547121	1182327	3657620[illegible]0	963005	3278299919
Accrued Interest Receivable, Demand Loans	[illegible]		15022[illegible]027		1492[illegible]933	
Accrued Interest Receivable, Bonds and Warrants	[illegible]		42[illegible]7944		1102864[illegible]9	
Accrued Interest Receivable, U. S. Certificates			0		0	
Accrued Interest Receivable, Liberty Bonds	[illegible]		5[illegible]39789		489[illegible]16	
Accrued Interest Receivable, U. S. Bonds			9[illegible]6048	28795211	98[illegible]248	2[illegible]40[illegible]45
Interest Paid in Advance to Federal Bank	5[illegible]		30[illegible]454			
Tax on Certificates of Deposit	[illegible]		2[illegible]3662		32[illegible]77	
Checks Lost in Transit	2852[illegible]6	81[illegible]8	3[illegible]8[illegible]66	34269[illegible]28	4[illegible]0[illegible]90	435978[illegible]
Cash Items			50		50	
Petty Cash Fund						
Overages and Shortages						
TOTAL RESOURCES		5[illegible]220[illegible]741		5448[illegible]54089		45805[illegible]2276

Exhibit 18

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	JUN 11 1928	JUN 11 1928	JUN 11 1929	JUN 11 1929	JUN 11 1930	JUN 11 1930
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	4000000		4000000		4000000	
Surplus	4000000		4000000		4000000	
Undivided Profits	2107136	6310713 66	2267583	6266758 83	1991143	4191114 33
Circulating Notes Outstanding		2449500		4500000		2000000
Acceptances Executed for Customers	27472					
Letters of Credit Issued	633645	825435		2500		
34						
44						
Individual Deposits, Sub Ct.	15834085		16820138		14173618	
Individual Deposits, 4th St.	4065725		4551011		3781337	
Certified Checks	2105849		1038219		301727	
Cashier's Checks	1079995		986099		613403	
Bypass Checks	128697		77943		13917	
Dividends Unpaid	1004		815		1031	
Christmas Checks	436	44223869 08	1091	41563699 06	1401	40390782 64
Certificates of Deposit, 5th St.	34144572		29206152		29870473	
Certificates of Deposit, 4th St.	12116766		12107362		12881218	
Savings Deposits, 5th St.	17359797	7766822 15	16729628	70538988 16	14117943	67221516 0
Savings Deposits, 4th St.	13459501		12927345		11442416	
Postal Savings Deposits	988402		568431		345870	
18						
Due to Banks	89197109	8944184 69	77259795	77379819 8	75390785	
45 Louisville Clearing House, Returned Check Account	2447371		1202247		241385	78366717 0
Federal Reserve Bank Fiscal Agent						
		40934876 12		36376579 19		34850610 598
Bonds Sold		200000		12607547 8		200000
Bills Rediscounted			46545103	92545103 4		
Bills Payable		2250000	4700000		Re Do	1500000
Profit & Loss Appropriation						
Interest and Discount Collected and Not Earned	15840374		2451589			
Accrued Interest Payable on Government Deposits	65441		2018378		20517180	
Accrued Interest Payable on Savings Deposits	2142123	2471423 8	633777	2869113 7	569018	2697809 1
Accrued Interest Payable on Certificates of Deposit	89903		2235294		279202	
Error in Discount			4490746		341972	
			37277 1			
Reserved for Taxes		2402162 2		27739723		1894304 1
Items Used to Adjust Profit & Loss		680525		6066326		5756284
Overages and Shortages		34678 3		181113		16069
Short	8150		471100		49020	
Error	997		815		920	
TOTAL LIABILITIES		10772260		94654876		11876774
Net Current Earnings						
TOTAL LIABILITIES AND NET CURRENT EARNINGS		58521367 41		54815428 99		45809422 76
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenue	4328567	Revenue	4989485	Revenue	4081785
	Less Interest Cost	2039729 8	Less Interest Cost	2738200 2	Less Interest Cost	1812494 1
	Net Revenue	2288862 69	Net Revenue	2251285 3	Net Revenue	2267688 44
	Less Expenses	1217400 9	Less Expenses	1204737 7	Less Expenses	1080000
	Net Current Earnings	1071226 0	Net Current Earnings	946547 6	Net Current Earnings	1187684

DATE_____

NATIONAL BANK OF KENTUCKY

Exhibit 12

ASSETS

	JUL 11 1928 DETAILED	JUL 11 1928 CONDENSED	JUL 11 1929 DETAILED	JUL 11 1929 CONDENSED	JUL 11 1930 DETAILED	JUL 11 1930 CONDENSED
Bills Discounted, 5th St.	22080202 37	9793	21291030 17		18616721 01	
Bills Discounted, 4th St.	21596363 22		21100711 60		25479 1968	
Demand Loans, 5th St.	4064495 29		24279791 89		7062136 57	
Demand Loans, 4th St.	12079937 8		14782344 24		14699623	
Trade Acceptances	16296784		2508260 3		17719679	
Time Drafts in Transit	5792297		8124546		4488484	
Special Loans	1484350	31808112 87	19000	33204417 80	36758 0	299822 4965
Overdrafts, 5th St.	1280393	1654954	2914727		2230855	
Overdrafts, 4th St.	374601		2066678	4981405	3749714	5980269
Customers Liability Under Letters Credit		2500				
Customers Liability Account Acceptances						
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	2500000		2000000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	254200	2754200	241500	2741500	241560	2741560
U. S. Certificates of Indebtedness						
Liberty Loan Bonds		7018277 60		6624801 60		75000
Investment Bonds and Warrants	2896730 51		3016271 38		3832628 37	
Federal Reserve Bank Stock	180000		180000		180000	
Other Stocks	151716	8228144 51	1 1 7 1 5	3412991 38	64399	4077027 37
		13000924 11		12978652 98		6892587 37
Banking House	35000		35000		35000	
Furniture and Fixtures	1423806 17		1411380 67		1475806 7	
Other Real Estate	1857153	1909722 20	1239990	1947805 7	324990	1856305 7
Due From Federal Reserve Bank, Reserve	34100858 86		24446276 3		21952929 9	
Due From Central Reserve City Banks	9744991 85		9600404		16129778 72	
Due From Other Banks Subject to Check	5237158 2		6899194		8471661 8	
Cash on Hand	3622930 3		4400652 7		4131860 1	
Exchanges for Clearings	4785809 0	57494626 46	5007234 46	50387408 4	5935889 5	56842 12225
		5365		5202		5931
Letters in Transit	9739984 5		7110707 8		8151904 6	
Due From Federal Reserve Bank, Not Available	24128249 49		23441088 9		16739207 4	
Due From Banks Not Subject to Check	8406496		5314245		9932181 22	
Funds in Transit	3419163		3613682 22		2226690	
Cash Drafts in Transit	3919210		2792418		8435724	
Foreign Checks Held Over	1372498	38647216 1	1424095	35538498 1	1091182	3449268 08
Accrued Interest Receivable, Demand Loans	7798217		9283987		9818704	
Accrued Interest Receivable, Bonds and Warrants	7133613		6415526		12736944	
Accrued Interest Receivable, U. S. Certificates	0		0		0	
Accrued Interest Receivable, Liberty Bonds	7952207		7413061		75466	
Accrued Interest Receivable, U. S. Bonds	152768		151768	2698704	152765	2218382
Interest Paid in Advance to Federal Bank	1590973	2446 1798	2200401			
Tax on Certificates of Deposit	257147		245564		288297	
Checks Lost in Transit	2626		0		17203	
Cash Items	5395601	5660374	7464564	7715128	388031	498521
Petty Cash Fund	60		5		50	
Overages and Shortages		205788				
Net Overages				3358		208
TOTAL RESOURCES		55016352639		56783721120		46549773 64

Exhibit 12

LIABILITIES

DATE

NATIONAL BANK OF KENTUCKY

	JUL 11 1928		JUL 11 1929		JUL 11 1930	
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	4000000		4000000		4000000	
Surplus	2000000		4000000		2000000	
Undivided Profits	278939325	6278939325	2043942 7	4234384 27	16683504	16683504
64318						
691						
313						
615 Circulating Notes Outstanding		2500000		2500000		2500000
Acceptances Executed for Customers						
Letters of Credit Issued		2500		80718		
				09274		
Individual Deposits, 5th St. mc 681	1832099205	mc 1489	1649394086		1632489543	
Individual Deposits, 4th St. mc 617	526476636	mc 285	452402093		327038509	
Certified Checks	10145270		9065068		3356845	
Cashier's Checks	2056479		8188266		1362028	
Expense Checks	1097099		939391		1274706	
Dividends Unpaid	1160	mc 1118	1223		911	
Christmas Checks mc 980	6836	2390705765	10917	2120917423	8536	2008085361
		77				
Certificates of Deposit, 5th St.	3255797702		2575282737		3249197798	
Certificates of Deposit, 4th St.	1265307139		1264514		1254536 12	
Savings Deposits, 5th St.	1730236553	7599371176	1497722560	6678997187	1427296398	7133205978
Savings Deposits, 4th St.	1238457 12		1296273996		1150149935	
Postal Savings Deposits,	5957370		6424094	8984912	5212595	
		14 82		5524619		
		63 71				
Due to Banks mc 407	9429015900	9435913732	7029109909	7035061853	8729889931	8738869470
Louisville Clearing House, Returned Check Account	696742		5972714		898099	
Federal Reserve Bank Fiscal Agent						
		4094241273		3491523273		3595302969
Bonds Sold		200000		12607847 9		1550000
Bills Rediscounted	1976807750		4648124 85	9956234 65		
Bills Payable	2400000	4576807750	5308700			
Participation Receipts						
Due to Banks Dept			1820066		340285	
Interest and Discount Collected and Not Earned	17183296		1711915		1909 4252	
Accrued Interest Payable on Government Deposits	4480		4385	2540437	3916	2321 8848
Accrued Interest Payable on Savings Deposits	0		0		0	
Accrued Interest Payable on Certificates of Deposit	6105325	232631101	4641 3425		3780395	
Due to Bills Payable			18700			
Reserved for Taxes		25593441		5 8676		10309583
Items Used in Advance of Credit		4899664		4048044		2277705
Overages and Shortages				300069		15686
Over	431780	Short	9580		251710	
Present	1145		996		920	
TOTAL LIABILITIES Net Current Earnings		25850785		29772609		20692208
TOTAL LIABILITIES AND NET CURRENT EARNINGS		5506852439		5049721120		4654877364
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenues	7270702	Revenues	8672419	Revenues	645789
	Less Interest Cost	3182879	Less Interest Cost	4539068	Less Interest Cost	257045
	Net Revenue	4087823	Net Revenue	4133351	Net Revenue	388744
	Less Expenses	1602739	Less Expenses	1360742	Less Expenses	181156
	Net Current Earnings	2585085	Net Current Earnings	2972609	Net Current Earnings	2069208

DATE_____

Exhibit 12

NATIONAL BANK OF KENTUCKY

ASSETS

	AUG 10 1928 DETAILED	AUG 10 1928 CONDENSED	AUG 10 1929 DETAILED	AUG 10 1929 CONDENSED	AUG 11 1930 DETAILED	AUG 11 1930 CONDENSED
Bills Discounted, 5th St.	22138458 10		21237378 49		18188456 06	
Bills Discounted, 4th St.	22471995 51		4970933 44		2493206 14	
Demand Loans, 5th St.	10145285 6		4094674 74		3795324 41	
Demand Loans, 4th St.	1019232 78		1709162 95		1502171 57	
Trade Acceptances	15772 + 593		2491081 89		1754620 88	
Time Drafts in Transit	4904981		1082 1703		2268674	
Special Loans	3020718	$ 197655 42	3000	327886 309	0	23928737 93
Other Financial			293 23295		1386	
Overdrafts, 5th St.	427 4333	590934 8	9986 095		518 2790	
Overdrafts, 4th St.	1024518		423 716	14719741	469579 1	987 8481
Customers Liability Under Letters Credit		2500				
Customers Liability Account Acceptances						
Five Per Cent Redemption Fund		125000		120000		123000
U. S. Bonds to Secure Circulation	2000000		2500000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits	254200	2754200	241860	2741560	241860	2741560
U. S. Certificates of Indebtedness						
Liberty Loan Bonds		7018217 60		4624101 60		75000
Investment Bonds and Warrants	2909 0398		3425 75748		3444 47049	
Federal Reserve Bank Stock	180003		18000		18000	
Other Stocks	151711 0	2243 75902	116716	2725 47348	1934549	6553 01949
		13013 23262		13091 18508		5371 57944
Banking House	35000		35000		35000	
Furniture and Fixtures	142380 47		147 38067		147 38067	
Other Real Estate	1348320	1908 6387	1229157	1946 72224	3141 57	1855 29241
Due From Federal Reserve Bank, Reserve	2389 90904		2946 04155		2604 23284	
Due From Central Reserve City Banks	1029 64783		1000 66471		980 43765	
Due From Other Banks Subject to Check	611 10841		479 10829		779 43122	
Cash on Hand	444 17985		296 24658		284 46889	
Exchanges for Clearings	5987 1306	5071 71119	4786 37172	5200 94985	9943 49979	5644 94019
		4691		4408		4614
Letters in Transit	706 31517		636 63420		585 68748	
Due From Federal Reserve Bank, Not Available	1879 99685		1894 58504		1941 67757	
Due From Banks Not Subject to Check	71779 47		608 87722		541 53818	
Funds in Transit	3192 3490		2452 00004		2510 43998	
Cash Drafts in Transit	649 81410		968 [illegible]04		1310 18906	2854 33284
Foreign Checks Held Over	1358029	3049 98525	812183	2929 17937	388632	
Accrued Interest Receivable, Demand Loans	1030 96 34		1225 1929		1063 4364	
Accrued Interest Receivable, Bonds and Warrants	701 2025		656 9120		1195 0205	
Accrued Interest Receivable, U. S. Certificates	3		0		0	
Accrued Interest Receivable, Liberty Bonds	99 11381		940 6109		102 016	
Accrued Interest Receivable, U. S. Bonds	6065 20		955 520	8096 5956	669 408	2325 5993
Interest Paid in Advance to Federal Bank	15977 17 1	2938 7871	2183 378			
Tax on Certificates of Deposit	47 1980		218 696		295 569	
Checks Lost in Transit	213 78		0		124 29	
Cash Items	2661 349	31 597 07	3685 055	3905 651	1671 077	1924 075
Petty Cash Fund	50		50		50	
Overages and Shortages		31451		12322		19174
TOTAL RESOURCES		53814 72072		54822 91133		45810 51471

Exhibit 12

DATE _____

LIABILITIES

NATIONAL BANK OF KENTUCKY

	AUG 1 [illegible] 1928 AUG 1 [illegible] 8		AUG 10 1929		AUG 11 1930	
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock			4000000		4000000	
Surplus			2000000		2000000	
Undivided Profits			[illegible]	[illegible]	168349 84	4168345 84
Circulating Notes Outstanding				2414020		2431400
Acceptances Executed for Customers						
Letters of Credit Issued						
Individual Deposits, 5th St.	22	46		96	1601076359	
Individual Deposits, 4th St.	18		16301779222	78	390018469	
Certified Checks			4085[illegible]		17138438	
Cashier's Checks			[illegible]		7212683	
Expense Checks			139[illegible]		49231 6	
Dividends Unpaid			[illegible]		791	
Christmas Checks			1063		8506	20170269 01
		[illegible]	[illegible] 109 19	20588376 50		
Certificates of Deposit, 5th St.			[illegible]		32876 1004	
Certificates of Deposit, 4th St.			[illegible]		7585 4362	
Savings Deposits, 5th St.			[illegible]	[illegible]	1422403 89	6664316 51
Savings Deposits, 4th St.			[illegible]		1217 70075	
Postal Savings Deposits			837909 4		54037 71	
				33		
Due to Banks		820 [illegible] 41	732301608	32 732682 434	832 1745 24	
Louisville Clearing House, Returned Check Account			[illegible]		574999	8327475 23
Federal Reserve Bank, Fiscal Agent		327995 4476		34481 39589		3512 07075
Bonds Sold		2[illegible]		12607 5478		1850000
Bills Rediscounted		[illegible]	[illegible]	[illegible]		
Bills Payable		[illegible]	220[illegible]	[illegible]		
Participation Receipts						
Interest and Discount Collected and Not Earned		[illegible]	[illegible]	[illegible]	191 90665	
Accrued Interest Payable on Government Deposits		16720	1541 1		15038	2398 1255
Accrued Interest Payable on Savings Deposits		[illegible]	5[illegible]		56 1853	
Accrued Interest Payable on Certificates of Deposit		[illegible]	41[illegible]		20 14777	
Tax Bills Payable			104951		1989 30	
Reserved for Taxes		[illegible]		320863 67		131995 83
Items Used in Advance of Credit		9[illegible]		34779 71		392897 9
Overages and Shortages						
			449 [illegible]		114930	
			1178		1046	
TOTAL LIABILITIES				[illegible]		7159995
Net Current Earnings		[illegible]				
TOTAL LIABILITIES AND NET CURRENT EARNINGS		[illegible]		548 [illegible] 22		4581651471
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenue	[illegible]	Revenue	28 [illegible] 04	Revenue	2340 2622
	Less Interest Cost	[illegible]	Less Interest Cost	15 [illegible] 4	Less Interest Cost	96 1049
	Net Revenue	[illegible]	Net Revenue	13 [illegible] 80	Net Revenue	1379 2473
	Less Expenses	6[illegible]	Less Expenses	7 [illegible] 05	Less Expenses	663 2478
	Net Current Earnings	[illegible]	Net Current Earnings	[illegible] 75	Net Current Earnings	7159995

DATE _____

NATIONAL BANK OF KENTUCKY

Exhibit 12

ASSETS

	1929		SEP 11 1929	1929 SEP 11 1929		1930	1930
	DETAILED	CONDENSED	DETAILED	CONDENSED		DETAILED	CONDENSED
Bills Discounted, 5th St.	2254111.50		992402			19160441.12	
Bills Discounted, 4th St.	2[illegible]1[illegible]		[illegible]			2492454.75	
Demand Loans, 5th St.	6[illegible]1[illegible]		[illegible]			6153077.41	
Demand Loans, 4th St.	16[illegible]		[illegible]			1502677.72	
Trade Acceptances	2[illegible]		[illegible]			1891605.59	
Time Drafts in Transit	[illegible]735.16		[illegible]			485974.43	
Special Loans	1[illegible]35[illegible]	[illegible]	[illegible]			13000	29185785.59
[illegible]						16033	
Overdrafts, 5th St.	1005896.36	19498[illegible]	111[illegible]			1168424.74	
Overdrafts, 4th St.	[illegible]57[illegible]01		[illegible]	[illegible]		633018.6	180144.60
Customers Liability Under Letters Credit		25[illegible]					
Customers Liability Account Acceptances							
Five Per Cent Redemption Fund		[illegible]		[illegible]			12500.00
U. S. Bonds to Secure Circulation	250[illegible]00		[illegible]			4500000	
Bonds to Secure U. S. and Postal Savings Deposits	29[illegible]00	275[illegible]00	[illegible]	[illegible]		241560	2741560
U. S. Certificates of Indebtedness							
Liberty Loan Bonds		[illegible]		[illegible]			75000
Investment Bonds and Warrants	285[illegible]					3456[illegible]88	
Federal Reserve Bank Stock	18[illegible]000		180000			180000	
Other Stocks	15[illegible]71	[illegible]	116[illegible]			1434[illegible]	5600895.48
		[illegible]		131591[illegible]			[illegible]
Banking House	35000		35000			35000	
Furniture and Fixtures	1423[illegible]67		[illegible]			1473[illegible]67	
Other Real Estate	13[illegible]87	19[illegible]54	[illegible]			203824	1854[illegible]91
Due From Federal Reserve Bank, Reserve	2347137.74		852321[illegible]			2814809	
Due From Central Reserve City Banks	1457781.95		180[illegible]			4726[illegible]45	
Due From Other Banks Subject to Check	50[illegible]50		[illegible]			605[illegible]578	
Cash on Hand	298[illegible]83		[illegible]			2844532.0	
Exchanges for Clearings	59[illegible]38	52033430.4	[illegible]	[illegible]		12778[illegible]57	9718519.02
Letters in Transit	738[illegible]91		[illegible]			7177[illegible]56	
Due From Federal Reserve Bank, Not Available	3029[illegible]91		236[illegible]42			1976[illegible]02	
Due From Banks Not Subject to Check	114[illegible]87		[illegible]			5163[illegible]21	
Funds in Transit	213[illegible]63		22[illegible]14			3233[illegible]93	
Cash Drafts in Transit	17[illegible]78		[illegible]			690[illegible]03	
Foreign Checks Held Over	19[illegible]05	4[illegible]22	[illegible]			31[illegible]16	1360[illegible]61
Accrued Interest Receivable, Demand Loans	13[illegible]71		[illegible]			14[illegible]09	
Accrued Interest Receivable, Bonds and Warrants	79[illegible]13		[illegible]			12[illegible]32	
Accrued Interest Receivable, U. S. Certificates	[illegible]		[illegible]			[illegible]	
Accrued Interest Receivable, Liberty Bonds	12[illegible]67		[illegible]			[illegible]566	
Accrued Interest Receivable, U. S. Bonds	9[illegible]48		[illegible]			[illegible]48	27[illegible]11
Interest Paid in Advance to Federal Bank	19[illegible]35	[illegible]	[illegible]			[illegible]	
Tax on Certificates of Deposit	[illegible]					[illegible]	
Checks Lost in Transit	[illegible]					[illegible]	
Cash Items	3[illegible]18	[illegible]77	[illegible]	[illegible]		[illegible]045	16[illegible]03
Petty Cash Fund	50					50	
Overages and Shortages	[illegible]						605.29
TOTAL RESOURCES		56[illegible]64		[illegible]			5[illegible]66603

Exhibit 12

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	1928		SEP 11 1929	1929 SEP 11 1929	SEP 11 1930	1930 SEP 11 1930
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	4000000		4000000		4000000	
Surplus	2000000		2000000		2000000	
Undivided Profits	289131 51	6289131 51	289131 51	6289131 51	168666 80	6168666 80
Circulating Notes Outstanding		2477000				2500000
Acceptances Executed for Customers						
Letters of Credit Issued		2500				
Individual Deposits, 3th St.	19329 28745		19601 22717		20348 50123	
Individual Deposits, 4th St.	4000 57035		4629 51 11		4600 95156	
Certified Checks	1 41				136 72130	
Cashier's Checks	17 27 01				77 38819	
Expense Checks	1				109 39 80	
Dividends Unpaid	31				79	
Christmas Checks	2 616	24000 57412			2 340	25175 68678
Certificates of Deposit, 3th St.					25121 87728	
Certificates of Deposit, 4th St.					673 110	
Savings Deposits, 3th St.					14377 94492	6851 03342
Savings Deposits, 4th St.					4129 93351	
Postal Savings Deposits	59 71 09				54 03 71	
Due to Banks	9438 95408	44441 7814			9938 95408	8942 87271
Louisville Clearing House, Returned Check Account	80				991 863	
Federal Reserve Bank Fiscal Agent						
						4096 96491
Bonds Sold		2000				1500000
Bills Rediscounted			884			
Bills Payable	2750000					
Participation Receipts		500				
Interest and Discount Collected and Not Earned					166 33346	
Accrued Interest Payable on Government Deposits	29				2469	
Accrued Interest Payable on Savings Deposits	1				1 40450	215 81284
Accrued Interest Payable on Certificates of Deposit	61 84		861 49		24 06329	
					3 4490	
Reserved for Taxes		289 8		28513 01		1410 2495
Items Used in Advance of Credit		2899 04				41 5221
Overages and Shortages		41				
	4 3				113 91	
	8				1042	
TOTAL LIABILITIES Net Current Earnings		1239 8945		1		1207 1042
TOTAL LIABILITIES AND NET CURRENT EARNINGS		56000 17614		5 1		9170 76603
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenues	7 1 89	Revenues		Revenues	405 02682
	Less Interest Cost	4	Less Interest Cost		Less Interest Cost	167 14026
	Net Revenue	2 61	Net Revenue		Net Revenue	237 88656
	Less Expenses	107 17	Less Expenses		Less Expenses	117 11652
	Net Current Earnings	123 439 45	Net Current Earnings		Net Current Earnings	120 77042

DATE _____

Exhibit 12

NATIONAL BANK OF KENTUCKY

ASSETS

	1928 OCT		OCT 11 1929	1929 OCT 11 1929	OCT 11 1930	1930 OCT 11 1930
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 5th St.						
Bills Discounted, 4th St.						
Demand Loans, 5th St.						
Demand Loans, 4th St.						
Trade Acceptances						
Time Drafts in Transit						
Special Loans						
Collateral Loans			38794292.64			29088176.62
Overdrafts, 5th St.						
Overdrafts, 4th St.	111 53163	527229.29	67372.24		1003674.42	
	160 71666		92151.58	159523.77	35777.78	1039452.20
Customers Liability Under Letters Credit		2590				
Customers Liability Account Acceptances						
Five Per Cent Redemption Fund		125000		125000		129000
U. S. Bonds to Secure Circulation						
Bonds to Secure U. S. and Postal Savings Deposits			2500000		2300000	
			241560	2741560	241560	2741560
U. S. Certificates of Indebtedness						
		52500				
Liberty Loan Bonds		1014270		4624104.80		75000
Investment Bonds and Warrants			3919923.27		2366956.20	
Federal Reserve Bank Stock			180000		180000	5471126.20
Other Stocks		1210550	116716	4116679.21	1930313	
		13794293.14		13482300.87		9287782.20
Banking House			35000		35000	
Furniture and Fixtures			1473980.67		1473980.67	
Other Real Estate		1191111.81	1207491	1914556.58	2924491	1853055.58
Due From Federal Reserve Bank, Reserve	2979440.26		2822329.66		2579600.70	
Due From Central Reserve City Banks	1334869.05		1790105.36		2577005.55	
Due From Other Banks Subject to Check	211016.74		572858.79		326068.16	
Cash on Hand	1192.18		672109.79		2921476.60	
Exchanges for Clearings	617393.44	7121.81	513477.20	6371409.80	499667.74	4735134.95
Letters in Transit		5861	6191			5003
Due From Federal Reserve Bank, Not Available	7111101.01		1826566.79		623848.57	
Due From Banks Not Subject to Check	2557671.47		2364977.82		2136144.54	
Funds in Transit	10151.47		79809.09		524968.78	
Cash Drafts in Transit	356736.84		461318.57		2707227.78	
Foreign Checks Held Over	10711.01		109845.04		41252.79	
	14256.53	6753.75.17	9692.06	3828128.09	5852.84	3619498.70
Accrued Interest Receivable, Discount Loans						
Accrued Interest Receivable, Bonds and Warrants	25901.15		98740.71		97253.80	
Accrued Interest Receivable, U. S. Certificates	30701.25		94607.64		132034.34	
Accrued Interest Receivable, Liberty Bonds			0		0	327.63.91
Accrued Interest Receivable, U. S. Bonds	24.11.12		2900.46		15516.	
Interest Paid in Advance to Federal Bank	1111.11	2317923	1827.68	2497.05.8	1527.08	
			24077.29		0	
Tax on Certificates of Deposit	11.12					
Checks Lost in Transit			4582.25		4306	
Cash Items	10.12		12		9629	
Petty Cash Fund	4057.10	2803.89	5625.70	6089795	2104021	2547259
			50		50	
Overages and Shortages						
TOTAL RESOURCES		56944204.76		63267909.78		46358012.92

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DATE _____

LIABILITIES

NATIONAL BANK OF KENTUCKY

	OCT 11 1929	1930 OCT 11 1930	OCT 11 1929	1930 OCT 11 1930	OCT 11 1930	1930 OCT 11 1930
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock			4000000		4000000	
Surplus			2000000		2000000	
Undivided Profits	22[illegible]3571	[illegible]4[illegible]71	2184814[illegible]	6218481[illegible]	1482[illegible]179	6148[illegible]179
Dividends Unpaid						
Unearned Discount		2[illegible]9033		2423950		2600000
Acceptances Executed for Customers						
Letters of Credit Issued		2[illegible]90				
099				2291		
211 Individual Deposits, Sub. to Check	19991[illegible]350		14414925847		14450296660	
Individual Deposits, 40 Day	40[illegible]1311		4092[illegible]847		4140[illegible]857	
Certified Checks	5999902		184[illegible]379		18[illegible]4[illegible]95	
Cashier's Checks	9713644		6479[illegible]281		16[illegible]3[illegible]96	
Bankers' Checks	1344991		1185[illegible]257		8[illegible]407[illegible]66	
Dividends Unpaid	9852		13[illegible]47		791	
Dividends Checks	1790	[illegible]4235[illegible]519	8111	21285[illegible]9092	2840	209107[illegible]317
Certificates of Deposit, 60 Da.	3659[illegible]7038		11199[illegible]9413		3451[illegible]1154	
Certificates of Deposit, 40 Da.	11[illegible]3837		9563[illegible]989		1364[illegible]406	
Savings Deposits, 60 Da.	17599[illegible]053	7983[illegible]098[illegible]14	14091[illegible]273	14839[illegible]23134	1441[illegible]1195	67334[illegible]804
Savings Deposits, 40 Da.	12885[illegible]748		12752[illegible]865		1[illegible]0[illegible]2[illegible]457	
Postal Savings Deposits	5957169		5304094		5805[illegible]71	
				21[illegible]378		
032						
Due to Banks 662.14	9[illegible]59[illegible]24473	8[illegible]71[illegible]40[illegible]122	7090[illegible]39390	7399[illegible]097153	9[illegible]651[illegible]581147	
Louisville Clearing House, Returned Check Account	12[illegible]86[illegible]29		97[illegible]1063		74[illegible]170	8059[illegible]0131[illegible]7
				43488[illegible]91779		
Federal Reserve Bank Fiscal Agent		110000				
		41150[illegible]31514				35[illegible]70[illegible]2[illegible]20817
Bonds Sold		200000		12[illegible]9[illegible]83569		1550000
Bills Rediscounted	3037[illegible]8616	5573[illegible]8[illegible]9416	4124[illegible]517[illegible]13	9024[illegible]51713		
Bills Payable	2200000		4900000			
Participation Receipts		552500				
Interest and Discount Collected and Not Earned	19044[illegible]691[illegible]		2091[illegible]8426		17575[illegible]379	
Accrued Interest Payable on Government Deposits	97405		[illegible]59[illegible]81		37987	
Accrued Interest Payable on Savings Deposits	1999187	27786121	1705112	39507319	1723880	[illegible]3[illegible]65[illegible]1[illegible]
Accrued Interest Payable on Certificates of Deposit	6442638		5106209		3[illegible]9[illegible]079	
Accrued Taxes			1709291		790590	
Reserved for Taxes		2046051		3468[illegible]861		1498[illegible]3195
Notes Used to Advance on Credit		2971[illegible]849		9[illegible]6[illegible]6208		6173[illegible]038
Mortgages and Mortgage		239[illegible]623		237579		37291
Other	67840		181930		44400	
Percent	10[illegible]5		1049		10[illegible]8	
TOTAL LIABILITIES Net Current Earnings		27473[illegible]53		13[illegible]22[illegible]605		[illegible]241957
TOTAL LIABILITIES AND NET CURRENT EARNINGS		5694442047[illegible]		6326796978		463[illegible]3012[illegible]82[illegible]
CURRENT EARNINGS:			CURRENT EARNINGS:		CURRENT EARNINGS:	
Revenue		1864[illegible]711	Revenue	8091965	Revenue	6944[illegible]314
Less Interest Cost		3812[illegible]749	Less Interest Cost	5331734	Less Interest Cost	2[illegible]5[illegible]1[illegible]74[illegible]
Net Revenue		7[illegible]5[illegible]2[illegible]4[illegible]4	Net Revenue	2760231	Net Revenue	4[illegible]49[illegible]23[illegible]40
Less Expenses		1[illegible]9[illegible]4[illegible]8[illegible]9	Less Expenses	1437[illegible]26	Less Expenses	1[illegible]7[illegible]0[illegible]9[illegible]73
Net Current Earnings		[illegible]1[illegible]473[illegible]53	Net Current Earnings	1322605	Net Current Earnings	[illegible]241857

Exhibit 12

DATE_____

NATIONAL BANK OF KENTUCKY

ASSETS

	1928 NOV 1 [illegible] 1928		NOV 1 [illegible] 1929	1929 NOV 12 1929	NOV 12 1930	1930 NOV 12 1930
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 5th St.	[illegible]		[illegible]		18136933 16	
Bills Discounted, 4th St.	[illegible]		[illegible]		2384285 20	
Demand Loans, 5th St.	[illegible]		[illegible]		72849485 23	
Demand Loans, 4th St.	[illegible]		[illegible]		12977261 12	
Trade Acceptances	[illegible]		[illegible]		2065208 16	
Time Drafts in Transit	[illegible]		[illegible]		3789008	29868421 24
Special Loans	[illegible]		[illegible]	41704143 15	3177917	
[illegible]			[illegible]			
Overdrafts, 5th St.	2351049 7	2505581 13	4708961		1256507 71	
Overdrafts, 4th St.	1454532 6		1712604	2188256 65	2403660	2026811 31
Customers Liability Under Letters Credit		2187				
Customers Liability Account Acceptances						
Five Per Cent Redemption Fund		[illegible]		125000		125000
U. S. Bonds to Secure Circulation		[illegible]	2000000		2500000	
Bonds to Secure U. S. and Postal Savings Deposits		[illegible]	2411500	2741500	2411500	5710500
U. S. Certificates of Indebtedness						
Liberty Loan Bonds		[illegible]		6624161 00		1 [illegible]
Investment Bonds and Warrants	2171091 1		[illegible]		2635705 02	
Federal Reserve Bank Stock	[illegible]		180000		180000	
Other Stocks	[illegible]	2470813 [illegible]	1167116	4119[illegible]	1687813	4503506 [illegible]
		[illegible]		13484780 91		[illegible]
Banking House	[illegible]		350000		350000	
Furniture and Fixtures	[illegible]		1423907		1423907	
Other Real Estate	[illegible]	[illegible]	1190658	1943425	581658	1951750
Due From Federal Reserve Bank, Reserve	2645188 24		2795055 23		2017928 48	
Due From Central Reserve City Banks	1550544 72		1578433 35		1779072 72	
Due From Other Banks Subject to Check	500[illegible]		[illegible]		589693 10	
Cash on Hand	[illegible]		4809		2415886 81	
Exchanges for Clearings	613[illegible] 21	5707929 38	7912899 46	6206277 79	526994 17	4566068 33
		33 5		4391		4282
Letters in Transit	622[illegible] 65		7926941 24		7477428 53	
Due From Federal Reserve Bank, Not Available	2136046 90		2612474 44		1774719 65	
Due From Banks Not Subject to Check	18[illegible]		4[illegible]		4004955 24	
Funds in Transit	2600[illegible]		4809604		1249948 51	
Cash Drafts in Transit	[illegible]		[illegible]		485056 8	3101946 73
Foreign Checks Held Over	1296786	326220 71	727279	4181947 73	525302	
Agreed Interest Receivable, Demand Loans	[illegible]		1310[illegible]		1247669	
Accrued Interest Receivable, Bonds and Warrants	98[illegible]		9865[illegible]		1284238	
Accrued Interest Receivable, U. S. Certificates						
Accrued Interest Receivable, Liberty Bonds	3534439		[illegible]		182551	
Accrued Interest Receivable, U. S. Bonds	555520		581[illegible]	[illegible]	583296	2813001
Interest Paid in Advance to Federal Bank	1767902		[illegible]		67126	
Tax on Certificates of Deposit			[illegible]		40659 5	
Checks Lost in Transit	20[illegible]				9638	
Cash Items	3[illegible]	4920156	4[illegible]	5367704	1519490	2000023
Petty Cash Fund					50	
Overages and Shortages		6[illegible]				1901
TOTAL RESOURCES		[illegible]		66513[illegible]		4[illegible]

Exhibit 12

DATE _____

LIABILITIES

NATIONAL BANK OF KENTUCKY

	NOV 12 1928		NOV 12 1928		NOV 12 1929		NOV 12 1929		NOV 12 1930		NOV 12 1930	
	DETAILED		CONDENSED		DETAILED		CONDENSED		DETAILED		CONDENSED	
Capital Stock		400000				400000				400000		
Surplus		200000				200000				200000		
Undivided Profits		2537050		4253771		2144903		4144903		2381990		4023867 90
Circulating Notes Outstanding				246250				225170				250000
Acceptances Executed for Customers												
Letters of Credit Issued				91300								
Individual Deposits, Sub St.				82400								
Individual Deposits, 4th St.	17937115 14			41192	16512967 57				15424932 59			
Certified Checks	3988100 41				3766528 54				2951531 34			
Cashier's Checks	2241402				1665547				1824293 1			
Express Checks	813107 76				1226603 33				1206821 1			
Dividends Unpaid	24570				17702				83792 4			
Christmas Checks	8735				1231				741			
	1500		22089768 23		9111		20570200 64		2340		18688219 99	
Certificates of Deposit, 5th St.	3648250				8627013 82				5383270 22			
Certificates of Deposit, 4th St.	5939400				4107990				4865547			
Savings Deposits, 5th St.	1711755		7922		1427976 55		12212393 43		1424807 71		6549202 10	
Savings Deposits, 4th St.	1203900				1202613 22				1196512 29			
Postal Savings Deposits	59571				51944				55057 1			
				6924								
				4264				24				
Due to Banks	9117993 97		9127649 39		7946747 17		7080212 04		6983530 70		6940855 26	
Louisville Clearing House, Returned Check Account	1655				33464 87				72466			
Federal Reserve Bank Fiscal Agent												
			3955423 17				3982806 11				3217822	
Bonds Sold			200000				2259835 69				1350000	
Bills Rediscounted	4778807 77		7828807 77		5421977 08							
Bills Payable	5050000				2405100						2700000	
					2840000		14929677 08					
Participation Receipts												
Interest and Discount Collected and Not Earned	1				2095987				1661304			
Accrued Interest Payable on Government Deposits	54419				49529				50691			
Accrued Interest Payable on Savings Deposits	2679		509261 31		23141 17		892341 63		23059 72		2422374 4	
Accrued Interest Payable on Certificates of Deposit	1				2803440				402067			
" " " " Bills Payable					205708 0				127440			
Reserved for Taxes			211637 19				3458271 1				4152385	
Items Used in Advance of Credit			208694				436503 5				470400 4	
Overages and Shortages							50217 5					
	97650		Over		201450				158880			
	964				1140				1020			
TOTAL LIABILITIES												
Net Current Earnings			8099027				5935963				8799012	
TOTAL LIABILITIES AND NET CURRENT EARNINGS			56926023127				66816748 88				45170946 10	
	CURRENT EARNINGS:				CURRENT EARNINGS:				CURRENT EARNINGS:			
	Revenue		2722787 59		Revenue		3385042 9		Revenue		2480812 2	
	Less Interest Cost		1356 5 10		Less Interest Cost		2241915 7		Less Interest Cost		1001932 11	
	Net Revenue		1366409 49		Net Revenue		1143127 72		Net Revenue		1478879 11	
	Less Expenses		5573 79		Less Expenses		5427 609		Less Expenses		5487 99	
	Net Current Earnings		8099 27		Net Current Earnings		5935 963		Net Current Earnings		8799 012	

DATE _____

Exhibit 12

NATIONAL BANK OF KENTUCKY

ASSETS

	NOV 1[illegible] 1928 [illegible]28		NOV 16 '29 1929 NOV 16 '29		NOV 17 1930 1930 NOV 17 1930	
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Bills Discounted, 5th St.	22525653 08		28 143 152 87		15089221 89	
Bills Discounted, 4th St.	2234854 35		4031477 03		2071873 46	
Demand Loans, 5th St.	6275394 72		7245944 08		7151443 23	
Demand Loans, 4th St.	12+81534 77		16619926 60		12904261 72	
Trade Acceptances	19 [illegible]3445		2357777		195567 42	
Time Drafts in Transit	77 67285		820303		351594 46	29165675 73
Special Loans	34 84 [illegible]	32570401 12	1028850	41665333 29	3177917	
Clerks Finance			16263871			
Overdrafts, 5th St.	2027703 30	4338375	4338465		185684 47	
Overdrafts, 4th St.	2210670 05		55235	44929	26471 22	212155 93
Customers Liability Under Letters Credit		3187				
Customers Liability Account Acceptances						
Five Per Cent Redemption Fund		125000		125000		125000
U. S. Bonds to Secure Circulation	25000000	2754200	25000000	2741560	25000000	2741560
Bonds to Secure U. S. and Postal Savings Deposits	2542000		241560		241560	
U. S. Certificates of Indebtedness		950				
Liberty Loan Bonds		1019277 20		6624101 60		75000
Investment Bonds and Warrants	8822 [illegible] 51		3823 1497 1		2849 6746 8	
Federal Reserve Bank Stock	180000		180000		180000	
Other Stocks	11 [illegible] 12	3529 [illegible] 51	11671 6	4119 9465 71	16878 13	4471 7487 68
		13302 19 017		13485 3223 1		
Banking House	25000		39000		39000	
Furniture and Fixtures	14 [illegible] 3 67		1473 8067		1473 5067	
Other Real Estate	13 158 21	1917 8988	1190 125	1942 3192	481 668	1951 9726
Due From Federal Reserve Bank, Reserve	2197 888		2077 3708		2302 5910	
Due From Central Reserve City Banks	19 [illegible] 49		1918 0394		2790 9029	
Due From Other Banks Subject to Check	10 1333 87		654 491		627 0281	
Cash on Hand	463 7513 6		2736 [illegible] 48		621 5720 5	
Exchanges for Clearings	485 4040 65	5489 7912 8	4711 5234	5511 2168 4	2987 2645	4111 9772 08
		6546		5964		
Letters in Transit	824 0332 6		777 6544 6			
Due From Federal Reserve Bank, Not Available	2777 [illegible] 57		2750 5977 66			
Due From Banks Not Subject to Check	126 8207 6		806 2702			
Funds in Transit	351 7412 0		538 [illegible] 8558	4295 6693 4		7740 8880
Cash Drafts in Transit	1089 4447		824 2891			
Foreign Checks Held Over	139 6729	4830 2870 56	1005 612			4967 16
Accrued Interest Receivable, Demand Loans	119 7944 0		136 7414 9			
Accrued Interest Receivable, Bonds and Warrants	9 [illegible] 10		92 8171 2			
Accrued Interest Receivable, U. S. Certificates	3		0		0	
Accrued Interest Receivable, Liberty Bonds	3 760 5 25		38 2422 7			
Accrued Interest Receivable, U. S. Bonds	237 948		6 [illegible] 43	30 97 61 72		
Interest Paid in Advance to Federal Bank 2 [illegible]	22 038 24	287 [illegible] 73	25 57 2 16			
Tax on Certificates of Deposit	3 [illegible] 43		42 [illegible] 15		Reduce [illegible] Reserve	1450 122
Checks Lost in Transit	120 24		22 [illegible] 24		9 63 8	
Cash Items	76 00 1 22	7997 989	21 67 1 02	36 17 5 71	92 [illegible] 02	929 9426
Petty Cash Fund	50		50		50	
Overages and Shortages						445 22
In hands of Paul B Myers Receiver			Cash Items			
TOTAL RESOURCES		54684 6019 8		45672 0641 3		42228 9835

D-101

Exhibit 12.

LIABILITIES

DATE _____

NATIONAL BANK OF KENTUCKY

	NOV 16 1928	1928 NOV 16 1928	NOV 16 1929	1929 NOV 16 1929	NOV 17 1930	1930 NOV 17 1930
	DETAILED	CONDENSED	DETAILED	CONDENSED	DETAILED	CONDENSED
Capital Stock	4000000		4000000		4000000	
Surplus	2000000		2000000		4000000	
Undivided Profits	253177774	6253777774	214440663	6214440663	30863260	6305632260
Checking Notes Outstanding		2500000		2299040		2500000
Acceptances Executed for Customers						
Letters of Credit Issued		81871				
61						
19						
Individual Deposits, 5th St.	17504962253		17605214407		13024248211	
Individual Deposits, 4th St.	4193741166		3879508848		2568805525	
Certified Checks	979744		702049		713248	
Cashier's Checks	945805		1071794		781257	
Bypass Checks	20001		126448		83128	
Dividends Unpaid	8715		1231		791	15748725549
Clearance Checks	1540	21892422241	8111	21674502201	2340	
Certificates of Deposit, 5th St.	5030028716		4380141425		3703970	
Certificates of Deposit, 4th St.	5041893		1812196858		3220140060	6079449284
Savings Deposits, 5th St.	1706115		1442446		236402252	
Savings Deposits, 4th St.	1270384203	9998186610	1192067758	10557842955	1058197482	
Postal Savings Deposits,	3921101		5199094		1039221624	
	976				6905771	
77						
Due to Banks 60	8784083603	8807087925	4079191126	6097306524	5199132221	5200051885
Louisville Clearing House, Returned Check Account	2393622		1817398		1091451	
Federal Reserve Bank Fiscal Agent						2702815766
		37678845822		35332.50010		
Bonds Sold		2000000		2269933869		1350000
Bills Rediscounted	3217200	1421200	5312625971			
Bills Payable	1500		2760700		30	5040000
		500	2780000	15702325971		
Participation Receipts						
Interest and Discount Collected and Not Earned	1896848		3108511			
Accrued Interest Payable on Government Deposits	6701		80949			
Accrued Interest Payable on Savings Deposits	2611315	2433311	2314117	298845		
Accrued Interest Payable on Certificates of Deposit	4053693		4047488			
" " " Other Deposits			2370784			
Reserved for Taxes		2120000		3658271		
Items Used to Advance Credit		3975045		4110228		5085992
Overages and Shortages		71123		73852		
Short	379625	0000	626780			
Percent	25		1255			
TOTAL LIABILITIES Net Current Earnings		8818198		5097600		
TOTAL LIABILITIES AND NET CURRENT EARNINGS		5469660198		6569246415		HR8229535 3
	CURRENT EARNINGS:		CURRENT EARNINGS:		CURRENT EARNINGS:	
	Revenues	8140537	Revenues	378161 79	Revenues	
	Less Interest Cost	1321601	Less Interest Cost	2379911	Less Interest Cost	
	Net Revenue	1488936	Net Revenue	1524507	Net Revenue	
	Less Expenses	7000775	Less Expenses	1474945	Less Expenses	
	Net Current Earnings	8819198	Net Current Earnings	5097562	Net Current Earnings	

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency — Examiner
Form 1.a.b. — Ed. 6-26 — Mar. 30-6

State whether special or regular examination REGULAR

A copy of this report of examination is furnished to the Board of Directors of the examined bank for their information and confidentiation. The information contained therein is based upon the books and records of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources believed to be reliable, and personally by the Examiner in charge.

Should any of the information in regard to the general affairs of the bank be of such a character as to render it necessary for the Examiner to rely upon the good faith and assurances of officials, and where the Examiner cannot verify the statements so accepted by him as correct, he is accountable, and in a position to guarantee the accuracy of such part of the information as may not have been obtained at first hand.

Name of Examiner, Vance L. Sailor No. of Bank, 5313 Fed. Res. Dist. No., 6

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kentucky, Louisville (City), Jefferson (County), Kentucky (State)

Examination commenced at 1:30 o'clock P M., on April 23, 1927

Examination closed at 2:30 o'clock P M., on May 12, 1927

Jos. B. Brown, President. Chas. F. Jones, Cashier.

Resources	Amount	Liabilities	Amount
1. Loans and Discounts,	31,341,562.83	1. Capital Stock Paid in,	2,500,000.00
2. Overdrafts,	438,960.96	2. Surplus Fund,	2,500,000.00
3. Interest earned not collected,	197,364.05	3. All other Undivided Profits, Less expenses, etc. 1,611,835.86 / 63,733.41	1,548,102.27
4. Customers' liability account of "Acceptances,"	11,626.75	4. Reserved for Depreciation and Losses,	
5. U. S. Bonds to secure circulation,	2,500,000.00	5. Reserved for Interest, Taxes, etc.,	336,683.15
6. U. S. Bonds and certificates pledged,	50,000.00	6. Interest collected, not earned,	227,338.51
7. U. S. Bonds and certificates not pledged,	11,148,718.81	7. Due to Federal Reserve Bank,	
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,	12,670,345.57
9. War Savings Stamps,		9. Certified Checks,	45,289.33
10. Bonds, Securities, etc. (pledged and unpledged),	3,542,560.58	10. Cashier's Checks Outstanding,	34,025.36
11. Federal Reserve Bank Stock,	150,000.00	11. Dividends Unpaid, 15,486.00	
12. Banking House, Furniture and Fixtures. 25,000.00 / 148,380.67	177,380.67	12. Demand Deposits: Ind. Dep. subject to check, (Including time subject to notice of less than 30 days.) 24,986,488.18	
13. Other Real Estate Owned,	14,816.56	Cfs. of Dep. due in less than 30 days,	25,001,974.18
14. Due from Federal Reserve Bank,	5,574,934.87	13. Time Deposits: Cfs. of Dep. due on or after 30 days, 8,764,829.95	
15. Due from Federal Reserve Bank Trans't Account,	2,977,658.75	Deposits subject to 30 or more days' notice, 2,744,073.52	
16. Due from Trust Companies, Banks, and Bankers,	1,331,384.60	Postal Savings, 57,885.67	11,566,789.14
17. Exchanges for Clearing House,	554,431.12	14. United States Deposits, (including U. S. Disbursing Officer's)	95,200.00
18. Checks on other Banks in same place,		15. Circulation rec'd, Less on hand and returned 2,500,000.00	2,500,000.00
19. Cash,	246,786.09	16. Bonds Sold Under Agreement Repchase.	200,000.00
20. Cash Items,	100,542.36	17. Bills Payable with Federal Reserve Bank and War Finance Corporation,	
21. Cash Short,		18. Other Bills Payable,	
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	19. Notes and Bills Rediscounted with Federal Reserve Bank and War Finance Corporation,	
23. Other Funds with Treasurer U. S.,		20. Other Notes and Bills rediscounted,	
24. Other Assets (describe),		21. Bills of Exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown in this schedule,	865,865.84
Transit A/C	1,615,467.10	22. Accepted Bills of Exchange payable abroad,	
Tax on Certf. Deposits.	3,092.38	23. Cash Letters of Credit and Travelers' Checks Outstanding,	
		24. Acceptances Executed to Furnish Dollar Exchange,	
		25. Acceptances Executed for Customers,	11,626.75
		26. Time Drafts Issued,	
		27. Cash Over,	20.49
		28. Other Liabilities (describe),	
TOTAL,	60,102,255.48	TOTAL,	60,102,255.48

CONTINGENT LIABILITIES

Unused letters of credit outstanding, $ 14,947.08

Future contracts to buy and sell exchange, $

224

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—BALANCE
FORM 1488.—Page 1

No. of Bank, 8812

DIRECTORS (Use Form 1488, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 3.

No. of shares owned	Name		Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
21	John H. Atherton	6	Louisville, Ky.			Retired
1250	James B. Brown	23	do.	261,823.01	219,107.11	President
20	R. Lee Callahan	22	do.			Grain
20	Anthony Carroll	20	do.	10,000.00		Attorney
400	Geo. H. Clark	22	do.	257,000.00	106,008.84	Manufacturer
10	Samuel W. Coons	16	do.	200.00		Ch. Bd. S.C. Ry.
172	Stuart H. Duncan	20	do.	62,000.00	15,163.00	Manufacturer
10	James B.Durham	18	do.	1,200.00		do.
10	Baylor C.Hickman	20	do.	15,000.00		do.
201	Alex P. Humphrey	17	do.			Attorney
10	Saunders P. Jones	16	do.	12,000.00	94,000.00	Manufacturer
150	Brainard Lemon	15	do.	57,000.00	4,004.25	Jeweler
30	Chas. C. Mengel	15	do.			Manufacturer
124	Thos. J. Minary	23	do.			Retired
20	E.J. O'Brien, Jr.	14	do.	200,000.00	340,364.25	Tobacco
20	Richard D. Reynolds	1	do.	20,965.84	6,275.00	Manufacturer
200	Wm. S. Speed	15	do.	10,000.00		Coal
15	A.V. Thomson		do.	17,710.62		Manufacturer
234	Henry Vogt	15	do.			do.
			Total,	925,099.47	1,078,000.45	
			Less duplications,		6,121.00	
			Net total,	925,099.47	1,005,879.45	
	Loans to officers (not directors) and employees (omit duplications),			116,110.99	1,000.00	
			Total,	1,012,210.46	1,071,179.45	

How many board meetings since last examination? - 23 -

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	727,064.00	292,146.46
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	2,068,176.75	204,726.97

OFFICERS AND EMPLOYEES

	Name	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President, Vice President,	SEE EXTRA SHEET.				
Cashier, Assistant Cashier,					
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety. Surety

Are officers and employees adequately bonded? Yes

Are bonds in force? Yes

In whose custody?

Were they inspected? Yes

Does record show directors have approved bonds? No

Exhibit 13

TREASURY DEPARTMENT,
Office of Comptroller of the Currency,
Form 1288—Reports—M. 1200—T. C. Co. 10-25.

No. of Bank 5312 *Date of Report* April 28, 1927.

OFFICERS AND EMPLOYEES.

Position	Name	Liability as Maker.	Liability as endorser.	Bond	Other Securities
President	James B. Brown	$61,828.01	$19,197.11	$50 M. surety bonds cover all officers and employees.	Publisher
Vice-Pres.	H. J. Angermeier	11,000.00			Home
do.	J. J. Hayes		$50.00		"
do.	D. H. Crosby		50.00		"
do.	Frank I. Dugan				"
do.	H. B. Robertson				"
do.	John S. Akers				"
do.	H. H. Dealer	16,206.00			"
do.	Isham Bridges	19,206.00			"
do.	Henry Thieman				"
Cashier	Chas. P. Jones	20,156.00			"
Asst.Cashier	L. L. Fontaine	7,100.00			"
do.	A. P. Ramser	8,200.00			"
do.	O. A. Block	7,990.99			"
do.	D. W. Gray				"
do.	Thos. G. Green	4,000.00			"
do.	Edw. H. Lee	7,100.00			"
do.	H. R. Grant	5,300.00			"
Auditor	W. T. Burschmiede	7,000.00			"
Adv. Mgr.	F. G. Adams				"
Gen. Mgr.	W. H. Williams				
Other Employees	185	2,870.00	1,150.00		

EXTRA SHEET FORM 2-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1136—Reports, Vol. 24, Nov. '26, C. C., Oct. 31-26.

No. of Bank 8212 *Date of Report* April 25, 1927.

LIABILITIES OF BORROWER.

	Direct	Indirect
James B. Brown		
Overdraft (see Overdraft Schedule)	$ 29,998.44	
Co-maker J.B.B. Stewart, et al (See Otherwise Especially Mentioned Loans)	250,529.57	
Endorser - Chas. H. Lewis		$ 4,250.00
" Solar Sinema Co.		6,121.00
" Herald Post Co. (direct loan) (See Otherwise Especially Mentioned Loans)		490,906.11
Guarantor on the following officers' loans:		
J. J. Hynes		11,000.00
R. H. Barker		16,200.00
Isham Bridges		19,250.00
C. P. Jones		20,150.00
L. L. Fontaine		7,100.00
A. P. Ramsey		8,250.00
O. A. Block		1,000.00
Chas. S. Green		4,000.00
Edw. R. Lee		7,100.00
H. L. Grant		8,200.00
W. T. Bannemiele		7,000.00
	$281,528.01	$519,107.11
A. J. Carvill		
Unsecured at Branch	1,000.00	
Coll: (at Main Office)	9,250.00	
145 shs. Standard Oil of Calif.		
15 " Ry. Journ Shah, Pfd.		
	10,306.00	
C. H. Clark		
$141,000.00 endorsed J.P. & C.H. Clark	257,000.00	
Coll: 121 shs. Lea. Title Co.		
400 " R. R. Ry.		
686 " Merch. Loe & C.S. Co.		
Endorser - Solar Sinema Co.		51,000.54
" Ohio Pulls Iron Co.		85,000.00
	257,000.00	136,000.54
E. V. Coons	200.00	
Coll: 600 shs. R. C. Ry.		
500 Shs. Cara Prod. Refg. Co.		
Stuart H. Benson	61,000.00	
Coll: 785 shs. S. O. Ind.		
100 " Peerless Emilbert, common		
End. Wm. S. Benson		14,152.00
Sty. I. H. Williams		1,000.00
	61,000.00	15,152.00
J. H. Durham	1,000.00	
Coll: 80 shs. Georgia Grocerting Co., com.		
25 " Franklin Bond & Mtg. Co.		
Taylor G. Richman	15,000.00	
Coll: 250 shs. Rould Iron Co., Com.		

EXTRA SHEET PAGE 5-B

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1560—Reports—Sec. 5136—U. S. Rev. St.

No. of Bank 8812 *Date of Report* April 25, 1927.

LIABILITIES OF DIRECTORS.

	Direct	Indirect
Saunders F. Jones Coll: 400 shs. Jones Dabney Varnish Co. Pfd.	$ 12,000.00	
Rnd. Jones Dabney Varnish Co.		$ 84,000.00
	12,000.00	84,000.00
Brainard Lemon Coll: 1000 shs. U. S. Foil B	27,000.00	
Rnd. Mary L. Tyler		4,700.00
" Lucy Cheribacher		806.25
	27,000.00	4,506.25
E. J. O'Brien, Jr. Partner - E.J. O'Brien & Co. (unsecured)	200,000.00	
Rediscounts do.		240,264.25
	200,000.00	240,264.25
Richard J. Reynolds Coll: $26,235.32, note, General Necessities Corp. Due 9-15-28, Coll. by 500 shs. Vogt Refrig. Co.	26,963.84	
Rnd. F. H. Clark		6,275.00
	26,963.84	6,275.00
Wm. S. Speed Unsecured.	10,000.00	
A. V. Thomsen Coll: 12500 shs. Fidelity Oil Corp. 5 " Westberry Holborn, pfd. $1,000. note, 2nd Church of Christian Science 11,510. real estate notes. 2,125. Stock, Sterling Bldg. & Loan Assn.	17,710.42	

EXTRA SHEET PAGE 2-S

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
Office of Comptroller of the Currency,
Form 1209—Examiner—Ed. 8,500—T. C. Cat. 10-18.

No. of Bank 5512 *Date of Report* April 28, 1927

LIABILITIES OF OFFICERS AND DIRECTORS.

	Direct	Indirect
J. J. Hayes (qty. J. B. Brown)	$ 11,000.00	
H. D. Crosby End. St. Mark's Church		$ 250.00
E. E. Decker (qty. J. B. Brown)	14,500.00	
Frank I Dugan End. Edgar James		200.00
Isham Bridges (qty. J. B. Brown)	19,500.00	
C. F. Jones (qty. J. B. Brown)	20,150.00	
L. L. Fontaine do.	7,100.00	
A. P. Ramser do.	8,200.00	
C. A. Block do.	1,000.00	
do. Rediscount, C. J. Barleather	6,000.00	
Thos. C. Green (qty. J. B. Brown)	4,000.00	
Mrs. E. Lee do.	7,100.00	
H. R. Grant do.	5,250.00	
W. T. Burnhisels do.	7,000.00	
Employees:		
A. J. Stolzenpahl End. C. B. Stoltenpahl		1,125.00
Geo. G. Kinsley End. Ellis Owen		125.00
Catherine D. Mahony Coll: 5 shs. Ind. Rk. of Kentucky, 50 " Ky. Jockey Club, com. 10 " S. C. R. J. 5 " S. C. R. T.	2,270.00	
E. E. Jensen Coll: 10 shs. S. C. R. T.	200.00	

SEE BACK SHEET PAGE 2-4

To the Comptroller of the Currency,
Washington, D. C. Examiner.

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency—Washington
Form 1464.—Page 3

No. of Bank, 8512

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?

Merchants, manufacturers, banks and bankers, brokers, real estate financing companies, oil and tobacco interests.

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?

Except for three or four large lines.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.

Listed and unlisted stocks and bonds, notes, warehouse receipts.
Card register maintained.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.

SEE EXTRA SHEET.

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reasons.

Notes of the Color Cinema Co. endorsed by Director Clark listed as slow.

6. State whether all paper claimed by the bank as its property, including collateral, appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.

No exceptions noted

7. Give highest, lowest and average rate of interest obtained.

6% - 4% - 5%

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.)

Paper sold to country correspondents without recourse to satisfy their needs for investment. Some of the paper sold considered unsuitable for that purpose. SEE EXTRA SHEET.

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through indebtedness of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for bank's benefit exists, describe fully.

None - except the possible moral responsibility

10. Do they take loans to accommodate other banks, and to what extent?

A few taken for the accommodation of correspondents.

11. Does sending bank appear to be in any way liable? (See No. 10.)
List liabilities of National Banks.

None

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)

Credit files improving, but still inadequate.

Exhibit 13

TREASURY DEPARTMENT.
Office of Comptroller of the Currency.
Form 1287—Reports—Ed. 10-20—P. C. Col. 10-21.

No. of Bank 9218 *Date of Report* April 28, 1927.

LIABILITIES OF CORPORATIONS IN WHICH DIRECTORS AND OFFICERS ARE INTERESTED.

	Direct	Indirect
American Creosoting Co. Director Duncan interested.	$ 101,265.48	
Avery Building & Loan Assn. Coll: Sundry real estate mortgages. Vice-President Thiemann is Treasurer.	125,000.00	
Cedar Simons Co. (See Slow Loans) Director Clark interested and endorses. President Brown endorses $6,121.00.	84,000.34	$ 6,244.61
Cedar Simons Production Co. Director Clark interested.		8,155.17
Herald Post Co. - direct loans	400,986.11	
do. overdraft	74,917.82	
do. rediscount, Rentlinger & Co.	3,000.00	
	478,703.93	
See Otherwise Especially Mentioned Loans.		
President Brown interested and endorses direct loan ($400,986.11)		
James Dalney Varnish Co. Director James interested and endorses	84,000.00	31,495.67
Kentucky Jockey Club - direct loans	519,200.00	
do. cash items	11,000.00	
	530,200.00	
(See Excessive Loans) President Brown interested.		
Lincoln Fields Jockey Club President Brown interested.	200,000.00	
Pennico Gaulbert Co. Director Duncan interested.	75,000.00	
Lemon & Sons Coll: 270 shs. Lou. Gas & Elec. Pfd. Director Lemon interested.	9,000.00	175.70
Henry Vogt Machine Co. Director Vogt interested.		98,487.14
Louisville Cement Co. Director Speed interested.	125,000.00	
Van Camp Pkg. Co. Part coll: 30 cars, cotton seed oil. President Brown interested.	370,726.97	20,000.65
Ohio Falls Iron Co. Director Clark interested and guarantees.	55,000.00	15,177.92

EXTRA SHEET PAGE B-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports.—Ed. 11-28—F. C., Con. 11-28.

No. of Bank 8312 *Date of Report* April 23, 1927.

The following loans sold out of the bank's files to country bank correspondents are considered undesirable loans for such a purpose, either because of the character of the collateral or due to the fact that the loans are not sufficiently margined:

Emil Anderson (Bank of Wingo, Kentucky) $ 5,000.00
Collateral: 100 shs. Bankers Mortgage Co. (Com.)
1 M. Brown Hotel, 6%, '37,
1 M. Book Cadillac, 6%, '36,
Type of collateral undesirable.

Olaf Anderson (City National Bank, Fulton, Ky.) 10,457.00
Collateral: $10,150. R.E. Bonds, Olaf Anderson to Louisville Trust Co., Trustee (Date 6-15-21 - 10 yrs. 6%)
$10 M. Insurance Policy - Assigned to National Bank of Kentucky.
Type of collateral undesirable.

Wm. T. Baker (Crab Orchard (Ky.) Banking Co.) 2,500.00
Collateral: 25 shs. Tobam & Head,
80 " Bankers Mtg. Co., Com.
15 " Harbison & Cathright, Com.,
5 " " " Pfd.
Type of collateral undesirable.

Lena M. Barnett (Bank of Whitesville, Ky.) 5,300.00
Collateral: 15 shs. Crummies Creek Coal Co.,
100 " Hoffman Heater Co., Com.,
40 " Louisville Gas & Elec., 7%, Pfd.
Type of collateral undesirable.

F. G. Breslin (National Bank of Middlesboro, Ky.) 14,252.35
Collateral: $1 M. Illinois Central R.R., 4% '53
153 shs., Standard Oil of Ky.
Insufficient margin.

Geo. Buechel (Bank of Pembroke, Ky.) 4,150.00
Collateral: 85 shs. Cities Service Company, Com.
Insufficient margin.

Geo. Buechel (Farmers & Peoples Bank, Campbellsville, Ky.) 8,500.00
Collateral: 745 ½ shs. Sutcliff Co., Com.
Type of collateral undesirable.

J. L. Bullock (Farmers National Bank, Madisonville, Ky.) 4,250.00
Collateral: 225 shs. Clifton Lumber & Coal Co.,
576 " Parkland Lumber Co.,
30 " Carey-Scheffel Lumber Co.
Type of collateral undesirable.

F. P. Concod (Farmers National Bank, Scottsville, Ky.) 5,000.00
Collateral: 100 shs. Crummies Creek Coal Co.
Type of collateral undesirable.

L. W. Cooley (Peoples Exchange Bank, Beattyville, Ky.) 2,500.00
Collateral: 31 shs., Greensburg, (Ky.) Deposit Bank.
Type of collateral undesirable for a sold loan.

P. V. Cole (Farmers National Bank, Scottsville, Ky.) 5,000.00
Collateral: 50 shs. Harlan (Ky.) National Bank.
Type of collateral undesirable for a sold loan.

W. J. Cunningham (Union National Bank, Providence, Ky.) 4,000.00
Collateral: 125 shs. Crummies Creek Coal Co.
Type of collateral undesirable.

EXTRA SHEET PAGE 3-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1488—Reports.—Bd. 3,000—T. C., Oct. 26-12.

No. of Bank 5312 *Date of Report* April 23, 1927.

Hattie Dimmiddie	(Farmers National Bank, Scottsville, Ky.)	$ 3,000.00
Collateral: 100 shs., Standard Oil of N. Y.		
No margin in collateral.		
Hilmar Ehrman & Co.	(Far. & Pac. Bk., Campbellsville, Ky.)	11,000.00
Collateral: 2 M. Anaconda Copper 5's, 1953		
2 M. Lou. Gas & El. 5's, 1952		
1 M. Goggan &Woolworth Bldg.		
1 M. Exchange Place Bldg., 6's 1928		
2 M. Courtlandt Apts., 1st 6's 1928		
50 shs. Greater Lou. S. & L. Full paid.		
Value of collateral $11,100. No margin.		
Wm. A. Fischer	(Bank of Whitesville, Ky.)	3,500.00
Collateral: 135 shs., Standard Oil of N. Y.		
Insufficient margin.		
Friedburg Bros.	(Bank of Whitesville, Ky.)	4,200.00
Collateral: Tobacco said to have a value of $5,899.00.		
J. W. Gaines	(Farmers Bank, Constantown, Ky.)	6,151.10
Collateral: 30 shs. Anderson National Bank, Lawrenceburg, Ky.		
12 " Van Buren State Bank, Van Buren, Ky.		
$2 M. Dean and Sherk Corp. 6's, 1927.		
Unlisted securities. Should not sell.		
W. G. Giles	(Farmers National Bank, Madisonville, Ky.)	5,500.00
Collateral: 169 shs. Monarch Auto Co.,		
100 " " Equip. Co.		
100 " " Sales Co.		
$1 M. Cities Service Co. 6's 1966		
Type of collateral undesirable.		
J. Kemp Goodloe	(Bank of Wingo, Ky.)	5,000.00
Collateral: 50 shs. Pickrell Motor Co., Pfd.		
Type of collateral undesirable.		
Douglas Graham	(Farmers National Bank, Clay, Ky.)	4,000.00
Collateral: 80 shs. Bank of Pembroke, Ky.		
Loan on this character of collateral should not be sold.		
Douglas Graham	(First National Bank, Buffalo, Ky.)	2,000.00
Collateral: 40 shs. Bank of Pembroke, Ky.		
J. T. Graves	(National Bank of London, Ky.)	6,000.00
Collateral: 20 shs. Pagli,(Ind.) State Bank,		
70 " Boss Motor Co.		
80 " Farmers State Bank, Salem, Ind.		
20 " Pagli, Hdw. Co.		
Type of collateral undesirable.		
J. M. Greer	(Citizens Deposit Bank, Calhoun, Ky.)	5,000.00
Collateral: 72 shs. Standard Oil of Ind.		
10 " Bankers Trust Co.		
Margin of collateral insufficient.		
J. M. Greer	(Farmers National Bank, Glasgow, Ky.)	18,000.00
Collateral: Various listed stocks and bonds with an aggregate market value of $20,346.00. Margin in collateral insufficient.		
J. M. Greer	(National Bank of Middlesboro, Ky.)	15,000.00
Collateral: Various listed stocks and bonds with an aggregate market value of$17,350.00. Margin in collateral insufficient.		

To the Comptroller of the Currency, EXTRA SHEET PAGE 3-5 *Examiner.*
Washington, D. C.

Exhibit 13

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1580—Reports.—Ed. 10-26—P. C., Cal. 16-12.

No. of Bank 5312 *Date of Report* APRIL 23, 1927.

J. M. Greer (Commercial Dep. Bank, Winchester, Ky.) Collateral: 161 shs. Standard Gas & El. Com. 15 " Penna. R.R. Com. No margin in collateral.	$10,000.00
C. E. Griffin (Farmers Dep. Bank, Brandenburg, Ky.) Collateral: 20 shs. Axton Fisher Tob. Co.	3,000.00
W. F. Hall (First National Bank, Georgetown, Ky.) Collateral: 300 shs. Crummies Creek Coal Co. Type of collateral undesirable.	10,000.00
L. L. Harris (Peo. Banhg. Bank, Beattyville, Ky.) Collateral: 300 shs. U. S. Foil Co. B. Com. 19 " Stand. Oil of Ky. Insufficient margin.	18,000.00
Ray Hoar (Farmers Bank, Centertown, Ky.) Collateral: $4,500. R/E lien notes, Allen & Mary Hall.	3,800.00
Fred A. Kratch (Farmers National Bank, Madisonville, Ky.) Collateral: 75 shs. Woodson & Kratch Mon. Co. Unlisted stock, no statement on file. Undesirable type of collateral.	6,000.00
A. E. Latta (First National Bank, E. Bernstadt, Ky.) Collateral: Listed stocks and bonds with an aggregate market value of $5,600.00. Margin insufficient.	5,000.00
A. E. Latta (Henderson Co. Sav. Bank, Henderson, Ky.) Collateral: 130 shs. Consolidated Realty Co., Pfd. Type of collateral undesirable.	9,000.00
D. Leidhardt (Bank of Whitesville, Ky.) Collateral: 187 shs. Jefferson Co. Bank, Jeffersontown, Ky. 25 shs. Builders Finance Co. Type of collateral undesirable for a sold loan.	6,599.67
C. P. McClean (Bank of Wingo, Ky.) Collateral: 40 shs. Myer-Bridges & Co., Com. Type of collateral undesirable.	3,091.00
H. H. Martin Leaf Tob. Co. (Bank of Whitesville, Ky.) Collateral: 35 Hogsheads of tobacco.	2,700.00
C. H. Mengel (Citizens Savings Bank, Paducah, Ky.) Collateral: 500 shs. S.O. of N. J., Com. 100 " Mengel Box Co. Pfd. Margin insufficient.	25,000.00
Chas. J. O'Connor (Bank of Whitesville, Ky.) Collateral: 80 shs. Pittsburg Coal Co. Type of collateral undesirable for a sold loan.	2,500.00
W. H. Palfry & Chas. Terry (Farm. Natl. Bank, Clay, Kentucky) Collateral: 101 shs. 1st Natl. Bank, Jackson, Ky. Type of collateral undesirable for a sold loan.	5,000.00
Jacob Rosenheim (Bank of Whitesville, Ky.) Collateral: 150 shs. Chas. Rosenheim Co. Type of collateral undesirable for a sold loan.	6,101.67
Wm. Schneider (Farmers Bank, Centertown, Ky.) Collateral: $8 M.R/E lien notes, Adolph Von Gruenigen.	4,400.00

EXTRA SHEET PAGE 3-4

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1580—Reports—Ed. 10,000—P. C. Oct. 24-25.

No. of Bank 5718 *Date of Report* April 23, 1927.

John H. Shime	(National Bank of Middlesboro, Ky.)	$ 15,000.00
Collateral: 78½ shs. New Albany National Bank, 25 " Conservative Life Ins. Co. 20 " Period Cabinet Mfg. Co.		
Max L. Simons	(Green River Dep. Bank, Rochester, Ky.)	4,000.00
Collateral: 45 shs. Stand. San. Mfg. Co. 40 " Stand. Mtg. Co. Value of collateral $4,809. Latter stock is undesirable type for a sold loan.		
Standard Mortgage Co.	(Un. Nat. Bank, Providence, Ky.)	5,000.00
Collateral: $7,250. installment real estate notes, 2nd. mortgages. Type of collateral undesirable.		
Standard Mortgage Co.	(Bank of Whitesville, Ky.)	5,000.00
Collateral: $6,900. installment 2nd mtg. real estate notes.		
Frank D. Thompson	(Henderson Co. Sav. Bank, Henderson)	6,000.00
Collateral: 50 shs. Thompson State Bank, Edinburg, Ind. Undesirable type of collateral for a sold loan.		
D. T. Varies	(Farmers National Bank, Glasgow, Ky.)	13,500.00
Collateral: 1350 shs. Northern Dist. Warehousing Corp., 8% pfd., par value $10. per share. No margin.		
Wakefield & Co.	(1st National Bank, Jeffersonville, Ind.)	15,000.00
Collateral: Various listed and unlisted stocks with a value furnishing less than 20% margin.		
Wakefield & Co.	(Farmers National Bank, Somerset, Ky.)	15,000.00
Collateral: Various listed and unlisted stocks and bonds with an aggregate market value which does not furnish a 20% margin.		
E. K. Warden	(Commercial Dep. Bank, Winchester, Ky.)	5,000.00
Collateral: 75 shs. Consol. Realty Co. Pfd. Type of collateral undesirable for a sold loan.		
Thos. Wilson	(First National Bank, Buffalo, Ky.)	2,500.00
Collateral: 25 shs. Citizens State Bank, Salem, Ind. Type of collateral undesirable for a sold loan.		

EXTRA SHEET PAGE 3-6.

To the Comptroller of the Currency,
Washington, D. C

Examiner.

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency—Examiners
Form 1425.—Page 4

No. of Bank, 5312

LOANS AND DISCOUNTS—Continued

The loans and discounts and other securities must be carefully verified and every discrepancy noted In balance

Total loans and discounts, $ 31,361,562.83

OVERDUE PAPER

A. Total bad debts, as defined by Section 5204, U. S. R. S.,		$ 968,658.12
Of which there are carried in loans and discounts,	$ 547,304.84	
*Carried elsewhere,	421,353.28	
B. Other overdue paper,		$1,204,169.36
Total overdue paper (including all bad debts),		$ 2,172,827.48

Examiner should advise bank interest on demand or time loans should be collected at least every six months, and that mere payment of interest is not considered a renewal of the loan unless formal extension agreement is signed by all parties or the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity, dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6.

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
425.00 G. M. & F. K. Adams Said to be protected by endorsement of Sid Douthit, but not reduced. Should collect.	425.00		425.00		
25.00 E. B. Allen, due 1-26		25.00	25.00		
200.00 R. S. Ayers Collateraled with 2 shs. Mammoth Cave Development Company, considered of doubtful value. It is claimed maker will pay note.			200.00		
15,000.00 Badger Aluminum Company, Inc., due 1-27 The bank relies on a first mortgage on 212 acres of land in Johnson County, Oklahoma. It is claimed that land is of sufficient value to protect debt, but no liquidation is being obtained.		15,000.00	10,000.00	5,000.00	
35,000.00 Bagby-Howe Drug Company 752.38 Rediscounts, Bagby - Howe Drug Company The direct line is secured by 3,500. cases of whiskey, which has been sold under contract and is being drawn down gradually, payment being made on the note at the rate of $10. per case. Rediscounts are believed to be collectible, partially from the makers themselves, and balance from the assets of the Bagby-Howe Drug Company, which is in bankruptcy.	35,000.00 752.38		35,000.00 752.38		
	SEE EXTRA SHEET				
TOTAL,					

Use Form 1425-c for continuation of list.

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1496 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
115.00 H. J. & A.T. Bell Being slowly reduced.			115.00		
1,716.00 Stella M. Van Dyke Bell Secured by 52 shs. Louisville Railway, Com. Collateral is worth slightly more than the amount of the loan. It should be foreclosed and debt retired.	1,716.00		1,716.00		
2,264.81 H. Geo. Elinom The endorsement of Chesley H. Searcy is said to protect $1,715.00. The balance is unsecured and doubtful. It is claimed, however, that Mr. Searcy is willing to sign the full debt, and that the past due part will be renewed with his endorsements		549.81	1,715.00	549.81	
1,715.00 Charles H. Boden Secured by 5 shs. Funeral Auto Company, said to have a value of $875.00, and a chattel mortgage on a 1924 model Jordan Sedan. W. J. Young, who endorses $1,000., is said to own a $12,000.00 farm, subject to a small encumbrance. Reduction should be required.		700.00	1,715.00		
2,000.00 R. C. Bowdin Collateraled with 100 shs. Common and 48 shares preferred stock in the Weatherly-McKennie Company. This company is in liquidation and indications are that the preferred stock will pay out at the rate of about $75. per share. The borrower is believed to be good for any balance that the collateral might not liquidate.			2,000.00		
1,500.00 C. W. Bransford Secured by 50 shs. Florence Wagon Company, which is believed to have sufficient value to secure the loan. The bank also holds 10 shares of Bransford Mills stock of doubtful value. Loan reduced $50.00 since last examination.			1,500.00		

EXTRA SHEET PAGE 4-1

TOTAL

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON.
Form 1488 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
20.00 W. H. Brinkerhoff, due 8-20-26 Endorsed by Edwin S. Keller.	20.00			20.00	
4,500.00 Robert L. Brown Secured by 5607 shs. Brown Coal Company. The company's statement shows the stock to have a book value of approximately $200.00 per share, but the loan has been in the bank for several years and it is desirable that it be paid out. Reduced $1,500. since last examination.			4,500.00		
6,820.00 Buchanan Motors Corporation, due 9-28-26 Loan is endorsed by 5 individuals, but they are believed to add little strength. The bank relies on the value of $10,000. first mortgage bonds of the Willis-Harlan Coal Company. The company is in receivership, and the receiver estimates that the property should sell for about $35,000.00. The total bond issue is $25,000.00. It appears, therefore, that the bonds adequately secure the debt, but it is very slow and should be liquidated at the earliest practicable date.	6,820.00		6,820.00		
25,000.00 Wm. L. Burford Company Portion of debt classed as slow is net balance above amount secured by certificate of deposit. Statement dated 9-30-26 shows: Quick Assets $137,000.00, Current Liabilities $115,000.00, Fixed Assets $29,000.00, Net Worth $51,000.00. This statement discloses a badly extended condition and shows a loss to net worth of $34,000.00 over previous year's statement. The company is liquidating a large inventory of tobacco and it is claimed that they will pay out within a few weeks.			25,000.00		
225.00 J. T. Caldwell Secured by 30 shs. Industrial Ownership Company, 1st Pfd. Note reduced $25. since last examination.			225.00		
EXTRA SHEET PAGE 4-2					
TOTAL					

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Campbell Heath & Company Secured by $100,000.00 1st mortgage bonds of the Murray Rubber Company and $25,000.00 preferred stock in same company. The bank relies largely on the value of the collateral, for which there is no ready market. Loan carried several years without reduction.	100,000.00			100,000.00		
D. P. Campbell Bank holds as collateral 50 shs. Lewis Implement & Seed Company stock, considered of doubtful value. Reduced $25.00 since last examination.	775.00			775.00		
Fred J. Campbell Secured by chattel mortgage on a 1924 Durant sedan. Debt being slowly reduced.	575.00			575.00		
Carter Guaranty Company $30,000.00 not classed as slow secured by $30,000.00 C/D's on this bank. The company's statement shows a badly extended condition with debts of $1,339,000.00, leaving a net worth of only $523,000.00. This statement, however, does not give effect to the company's liability on a collateral enterprise, known as the Brownsboro Land Company, with debts of $662,000.00 and a net worth of $13,000.00. When these two statements are combined, with duplications eliminated, the result is: Total Assets $2,338,000.00, Debts $1,701,000.00, Net Worth $637,000.00. Included in assets is an item of $335,000.00, described as "Investments in subsidiaries". No information is furnished in regard to the subsidiaries, or what direct or contingent liability they might involved on the part of the Carter Guaranty Company. The bank holds as collateral to this line $70,000.00 first mortgage bonds of Eugene Straus Cabinet Works, $10,000.00 first mortgage bonds of International Bolt Company, and $32,000.00 first mortgage bonds of the Brownsboro Land Company. They also hold sundry real estate	178,000.00			148,000.00		
TOTAL						

EXTRA SHEET PAGE 4-3

Exhibit 13

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1498 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Carter Guaranty Co. (Cont'd.) notes, aggregating $42,000.00, all believed to have some connection with the Brownsboro Land proposition, and miscellaneous automobile notes aggregating $13,000.00. It is believed that this collateral would protect the indebtedness, but it is undesirable in character and the whole proposition appears to be very slow at the best.					
17,000.00 Ellerbe W. Carter Debt is partially secured by $3,000.00 C/D on this bank, and $4,000.00 real estate note of C. Douglas Carter, and the endorsement of E. L. Taylor on $8,000. Bank also holds as collateral 194 shs. of the Carter Guaranty Company stock, which is not regarded as of any value for collateral purposes.			12,000.00	2,000.00	
22,500.00 Central Consumers Company Secured by $7,500. C/D issued by this bank and 8,035 shares of stock in the Metropolitan Realty Company, a real estate holding company with properties appraised recently at $678,000.00, subject to a mortgage debt of $350,000.00. Loan not reduced.			15,000.00		
2,323.45 Rediscounts Central Paint & Roofing Company These are also endorsed by the National Roofing Company, to whom the bank looks for payment. The latter endorsement is said to make the debt good, but no recent reduction has been obtained.	2,323.45			2,323.45	
6,652.19 John H. Chandler Partly secured by 1120 second mortgage real estate notes and $955.00 unsecured note. Part of line also endorsed. Borrower is an attorney of nominal means and debt should be adequately secured or collected.		470.00	6,652.19		
3,654.48 Rediscounts John H. Chandler The notes making up this line have practically all been renewed one or more times.		406.00	3,654.48		

EXTRA SHEET PAGE 4-4

TOTAL

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1498 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
172,163.03 Chess & Wymond Audited statement dated 11-30-26 shows: Quick Assets $664,000.00, Current Liabilities $385,000.00, Fixed Assets $958,000.00, Deferred Liabilities $288,000.00, making a total debt of $671,000.00 against a Net Worth of $951,000.00. The company shows a loss of $103,000.00 for the year ending 11-30-26, a loss of $20,000.00 for the previous year, and $151,000.00 loss for 1924. In 1924, the fixed assets were written up $200,000.00, which was added to surplus. Since that time, no depreciation reserves have been set up against fixed assets. The debt is partially secured by the pledge of $106,000.00 in bills receivable, which also secure a portion of the company's debt to the Citizens Union National Bank. The company has made no progress in three years, and in spite of the sale of part of the fixed assets have not made satisfactory reduction in their debt to this bank.			142,163.03		
15,460.00 Clay County Coal Company, due 5-15-25 Secured by mortgage on property for which the company paid $21,000.00. The court is being asked for an order for the receiver to sell the property under foreclosure to liquidate this debt.	15,460.00		15,460.00		
520.00 Henry F. Cohn Endorsed H. V. Cohn.			520.00		
2,010.75 H. V. Cohn Secured by a diamond brooch, valued at $500. and 31 shares of the Louisville Anzeiger Company. No reduction.			2,010.75		
2,200.00 Cole Brothers Manufacturing Company Secured by $6,000. second mortgage note on land in Clark County, Indiana, valued at $18,000.00, prior lien $7,500.00. The loan is being slowly reduced and $100.00 was paid during examination.			2,200.00		
			EXTRA SHEET PAGE 4-6		
TOTAL					

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1235 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$4,000.34 Ogler Cinema Company 6,244.01 Rediscounted Ogler Cinema Company. The direct line of the company is secured to the extent of $15,000. by a C/D for that amount, and the balance by endorsements of G. H. Clark, Lehan Phelps, Geo. Ogle, Charles Bymer and J. B. Brown. The rediscount line depends upon the strength of the individual makers, part of whom are considered doubtful pay.		4,000.34 5,907.81	11,000.34 1,899.25		4,644.65
8,155.17 Rediscounts Ogler Cinema Productions Company This line is of the same status as the rediscount line above, except that all the individual makers are believed to be good.		4,806.39	8,155.17		
15,227.50 Columbia Phosphate Company This is a part of a $45,000.00 loan, secured by third mortgage on 600 acres of land near Columbia, Tennessee, the prior liens aggregating $50,000.00. The land is rich in phosphates and it is stated that Armour & Company is desirous of leasing the land at a royalty of 65¢ per ton. The present estimate is that there are six million tons in this phosphate deposit. If some such arrangements could be consummated, the debt should pay out.			15,227.50		
5,000.00 J. Parker Conn, due 12-30-26 Secured by endorsements and a first mtg. on city real estate, valued at $11,000.00. Money borrowed for a wholesale candy business, which is being liquidated.		5,000.00	5,000.00		
$522,110.63 Consolidated Realty Company.(Including loans of individuals, as per Excessive Loan Schedule). 185,702.28 Rediscounts Consolidated Realty Company Collateral: $105,000.00 C/D's of this bank, 724 shs. Louisville Realty Corp.(a subsidiary), 1,115 shs. Louisville Trust Company, 800 shs. General Realty Company (A subsidiary).			478,400.00 185,702.28		
TOTAL					

EXTRA SHEETS USED 4-6

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Consolidated Realty Co. (Contd.) 1,000 shs. Cons. Realty Company, Com., $32,500. first mortgage bonds, Cons. Realty Company, $10,000.00 real estate notes of Gordon Community Corporation, (a subsidiary), $725,000.00 miscellaneous first and second mortgage real estate notes, of which $60,000.00 is past due. The value of the Louisville Trust Company stock pledged is approximately $250,000.00. It is difficult to estimate values on the other collateral, although it is claimed that the mortgage notes pledged are all good. The Consolidated Realty Company has 5 subsidiaries in which it owns a majority of the stock—in some cases owning all of the stock of the subsidiary. Individual audited statements are furnished on each of these company, as well as the Consolidated Realty Company, but no consolidated figures are furnished. Your examiner attempted to consolidate these figures, eliminating inter-company transactions, with the following result: Assets. Cash $161,000.00 Receivables 3,577,000.00 Stocks & Bonds 411,000.00 Real Estate 8,542,000.00 Miscellaneous 48,000.00 Total Assets $12,539,000.00 Liabilities. Bills Payable $ 2,252,000.00 Mortgage Debt 4,250,000.00 Rediscounts 1,770,000.00 Miscellaneous Debts 202,000.00 Reserves 302,000.00 Net Worth 3,663,000.00 Total Liabilities $12,539,000.00 During the year 1926, the company wrote up its real estate values in the amount of $2,144,000.00, adding this figure to their surplus, and then paying a 100% stock dividend. If the above consolidated statement had been made on the basis of 1926 book values of the real estate, the company would have shown a net worth of only $1,489,000.00. The company's debt expanded $2,900,000.00 during the					
TOTAL.					

EXTRA SHEET PAGE 4-7

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1436 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Consolidated Realty Co. (contd.) year 1928 without any additional investment on the part of the stockholders. All of the real estate owned by the company and its subsidiaries is encumbered with the exception of about a dozen parcels with an aggregate book value of about $250,000.00. The company's expansion policy is not at all conservative and any credit extended them should be on a basis of satisfactory collateral.					
205.00 now 100.00 H. A. Cook, due 12-10 Should collect or charge off.		205.00		205.00	62
64,949.76 63152.00 Cotton Seed Products Company This, together with $20,000.00 owing to the American National Bank of Rockville, is secured by a first mortgage on a plant valued at considerably in excess of the total debt. The Cotton Seed Products Corporation has purchased this plant and assumed the debt, which is due March 1, 1930.			64,949.76		51.2
91.31 Chas E. Comrieux		91.31		91.31	ok
7,200.00 now 5600 - 10/7=900 - Cascaden Ice Cream Works Statement dated 9-30-26 shows: Current Assets $6,000.00, Current Liabilities $12,000.00, Other Assets $25,000.00, Net Worth $27,000.00. Company is short of working capital and is a continuous borrower. Reduced $960. since last examination.			7,200.00	Paid in full	
1,050.00 now 495 - Arthur B. Cascaden Secured by 10 shares, Cascaden Ice Cream Works.			1,050.00		
500.00 now 150 - Harry Cascaden Secured by 10 shares, Cascaden Ice Cream Works.			500.00		
1,987.41 now 1785 - L. L. Daugherty Loan collateraled with $5,000.00 life insurance policy, no cash value, and 195 shares, Industrial Ownership Corporation, considered of no value. Maker is an officer in a neighboring bank and is slowly reducing debt.			1,987.41		
TOTAL					

IT PAGE 6-B

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
50,000.00 Dawson Daylight Coal Company Statement dated 2-28-27 shows: Quick Assets $66,000.00, Current Liabilities $153,000.00, Other Assets $455,000.00, Deferred Liabilities $153,000.00, Net Worth $214,000.00. The company is believed to be making some progress, although no reduction is made on this bank's debt. $50,000.00 first mortgage bonds of the company are held as collateral.			50,000.00		
200.00 Johnathan C. Day, due 12-18 Endorsed by Albert R. Miller.		200.00		200.00	
1,375.00 Lilly W. Dohoney & R.W. Dohoney These parties are said to own 7 pieces of City real estate, all encumbered. They are arranging with a second mortgage concern to borrow enough to retire this debt.		1,375.00	1,375.00		
250.00 Edward F. Denser, due 3-7 Endorsed by Joseph P. Denser.		250.00	250.00		
1,729.50 Joseph P. Denser Endorsed by Edward F. Denser and secured by first mortgage real estate note in the amount of $1,666.00.			1,729.50		
158.20 Anna Diemt Secured by second mortgage on city property.			158.20		
1,100.00 O. M. Dillman Sales Company 553.53 Rediscounts O. M. Dillman Sales Company Debt being gradually reduced.			1,100.00 553.53		
1,151.26 South Chemical Company Debt is being reduced by small liquidating dividends and it is expected to pay out.	1,151.26			1,151.26	
10,000.00 Leonard Mining Sales Company Statement dated 1-31-27 shows a slight improvement over the one reported in last report of examination, but debt is not reduced.			10,000.00		
			EXTRA SHEET PAGE 4-9		
TOTAL					

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1608 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
3,700.00 Henry Drentman Endorsed by Abe C. Levi. Borrower has not been out of the bank's debt since 1923; is employed by the Abe C. Levi Company, to whom he owes $11,000.00. Assets believed to be nominal.			3,700.00		Judgment
1,000.00 W. H. Dugan Loan believed to be largely moral risk, but is being reduced.			1,000.00		400
50.00 Minnie M. Eckart, due 3-1-27 Should collect.		50.00	50.00		Collect
1,625.00 C. P. Edwards J. P. Edwards endorses $425.00 and Charles F. Ogden endorses $1,200.00. The maker and the endorser on the larger note are believed to be of nominal means. Debt is being slowly reduced.			1,625.00		Suit
600.00 Ella Erpeldinger		600.00			Principal 600.00
27,400.00 Eureka Products Company Loan endorsed by J. H. Wilkes, but this is believed to add no strength. Company's statement dated 1-31-27 shows total tangible assets of $19,000.00 with a debt of $30,000.00. This shows the company to be insolvent, and it is apparent that the bank has at least a $10,000.00 loss on this loan with the work-out value of the balance a doubtful proposition.			12,400.00	5,000.00	10,000.00
669.45 Maria E. Farmer, due 9-3-26 Endorsed by Hugh B. Fleece, who is believed good and should be required to pay.	669.45		669.45		Paid
18,362.50 Fuhr Realty Company Secured by the excess collateral on the loan of the Central Conservers Company.			18,362.50		Suit

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TOTAL

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—Examining
Form 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
14,600.00 George H. Fisher Company Statement dated 5-31-26 shows: Total Assets $148,000.00, Debts $57,000.00, Net Worth $91,000.00. Of the total assets, $85,000.00 consists of 100 acres of land near Sarasota, Florida. The actual value of this land is not known. This debt should be satisfactorily secured.			14,600.00		
111.65 Elmer D. Forst Note is uncollectible from borrower, but it is endorsed by Charles H. Musgrove, who is dead, and whose estate is said to be solvent.	111.65		111.65		111.65
700.00 Martin and C.W. Cable Makers operate a small machine shop in which they are said to have a valuable equity. Loan reduced $100.00 since last examination.			700.00		
800.00 Bert H. Garstein, due 1-24		800.00			800.00
74,000.00 Gibbs-Inman Company Statement dated 12-31-26 shows: Current Assets $80,000.00, Current Liabilities $37,000.00, Fixed Assets $926,000.00, Mortgage Debt $600,000.00, Reserves $10,000.00, Net Worth $409,000.00. This statement shows a slight improvement over the previous one, but it is evident that the company is still badly in need of additional working capital. Loan not reduced.			74,000.00		
20,000.00 Gibraltar Coal Mining Company Endorsed Robert L. Brown.		20,000.00	20,000.00		
22,000.00 Mercer Coal Company Endorsed Gibraltar Coal Mining Company and Robert L. Brown. The Gibraltar Coal Mining Company is said to own all of the stock of the Mercer Coal Company, although this ownership is not clearly evidenced in the company's statement. A consolidated statement of the two companies as of 5-31-27 shows Quick Assets $48,000.00, Current Liabilities $206,000.00, Fixed Assets $1,874,000.00, Mortgage $93,500.00, Net Worth $1,577,500.00.			22,000.00		
TOTAL					

EXTRA SHEET PAGE 6-11

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1428 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Gibraltar Coal Mining Co. and Mercer Coal Co. (contd.) These two companies have inadequate working capital and their loans have been continuous in the bank for several years with nominal reductions from time to time.					
14,000.00 F. S. Graham & H. A. Perry, due 7-27-26 Partially secured by $10,000.00 stock in the Atlantic Bank & Trust Company of Daytona Beach, Florida. It is said that a few months ago, a bona fide offer of $10,000.00 was made for this stock. The bank also is said to have a second lien on securities pledged to secure the debts of H. A. Perry to several banks in Tampa, Florida. The value of the equity in this collateral is not known.	14,000.00		10,000.00	4,000.00	
87.70 George H. Graham, due 2-28-27 Endorsed by F. H. Straub.		87.70		87.70	
1,600.00 H. H. L. Greenbaum Endorsed by L. A. Rosenbaum. Neither maker nor endorser seem to have much financial responsibility. The former is a public accountant and is making small reductions from his income.				1,600.00	
5,113.60 E. L. Greene The bank holds title to a residence and a small business property in Fountain Run, Kentucky, the two said to have a fair value of $5,000.00. They also hold a past due note of $1,000.00 on Lawrence Brothers on which a payment of $100. was received during examination. The management anticipates no further loss on the debt.	5,113.60		3,000.00	2,113.60	
15,200.00 Stuart Graves Maker is dean of the University of Louisville, College of Medicine. Loan began about three years ago with the understanding it was to be a temporary loan to be taken up with a real estate mortgage. No statement of borrower on file, but he is said to own about $40,000.00 of unencumbered real estate.			15,200.00		
TOTAL					

EXTRA SHEET PAGE 4-12

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1496 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS.

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Harlan Coal Company	21,365.49			21,365.49	10,000.00	
Harlan Coal Company. As endorser on notes of Day Coal Company. Secured by 370 shares, Dawson Daylight Coal Company, Pfd., and a mortgage on 55/100's interest in 492 acres of coal land. This interest is valued at $53,000.00. The value of the rest of the debt depends upon the ability of the Dawson Daylight Coal Company to work out its affairs in satisfactory shape. The prospects for their accomplishing this are fairly good at present.	5,600.00			5,600.00		
F. P. Harter Motor Company	15,000.00			15,000.00		
Company's audited statement as of 12-31-26 shows: Current Assets $37,000.00, Current Liabilities $27,000.00, Fixed Assets $38,000.00, Net Worth $48,000.00. This statement shows a loss of $12,000.00 over previous year. Goodwill is carried at $14,000.00, which would further reduce the net worth of the company. $7,000.00 of the debt has been converted into stock since above statement was made, but still leaves the company's statement far from satisfactory. The company's statement includes $18,000.00 inventory of used cars, which is a considerable increase over previous year. Debt should be satisfactorily secured or collected.						
W. L. Head, Clarksdale, Mississippi	500.00	500.00				500.00
This came out of the Planters Bank of Clarksdale account. Maker is said to be receiving a good salary and the bank has not note, with an attorney for collection.						
John Helfrich & H. V. Cohen	747.95			747.95		
Secured by 21 shs. Louisville Anzeiger Company. Being slowly reduced.						
V. T. Hendrickson & C.J. Hartfield	250.00		250.00	250.00		
Maker is dead and bank relies on the surety for payment. His means are limited and he is reducing debt slowly.						

EXTRA SHEET PAGE 4-13

TOTAL.

Exhibit B

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELLSWORTH
Form 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
275.40 Abe Herman, due 7-1-25	275.40				275.40
515.00 Andrew Hedapp, due 2-8 F. R. Hedapp, surety.		515.00	515.00		
1,320.00 F. R. Hedapp Loans are collateraled with stocks and bonds of the Color Cinema Company, which are of very doubtful value. It is claimed that maker will pay these notes. Should be collected or properly secured.		1,320.00	1,320.00		
760.00 Mrs. F. R. Hedapp Endorsed by F.R. Hedapp.			760.00		
30,000.00 Joseph Hubbuch & Sons A statement furnished by the company as of 12-31-24 shows: Current Assets $181,000.00, Current Liabilities $105,000.00, Fixed Assets $86,000.00, Mortgage Debt $20,000.00, making a total debt of $125,000.00, with a Net worth of only $93,000.00. The company deals in wall papers and carries a larger inventory than their business appears to justify. Their merchandise inventory on this statement is $118,000.00, while total sales for the year were only $169,000.00. The debt has not been paid out of the bank since 1924 and there has been no change in the amount owing here since 8-2-25.			30,000.00		
29,500.00 Louis C. Humphrey Secured by 50 shs. Belknap Hardware & Manufacturing Company, Pfd. and 785 shs. Herald-Post Company, Com. Maker is dead and it is claimed that his estate is solvent. The value of the Herald-Post Company stock cannot be determined.			29,500.00		
68,000.00 Hyman Pickral Company The company is operating under the supervision of a creditors' committee, and if operations are not successful during the coming two years the business will be liquidated. The company appears to have sufficient assets to pay its debts as evidenced by the following statement as of 12-31-26: Quick Assets $250,000.00, Current Liabilities $189,000.00, Fixed Assets $108,000.00, Net Worth $169,000.00.			68,000.00		
TOTAL					

EXTRA SHEET PAGE 4-14

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1458 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,585.34 Hyman Pickel Company, by H. B. Grushy, Agent Secured by an assigned account.			1,585.34		
3,890.16 Industrial Ownership Corporation Secured by 1,275 shs. of Calco Chemical Company, Pfd. This balance should be collected.	3,890.16		3,890.16		
10,151.67 International Belt Company			10,151.67		
2,791.25 E. T. Hutchings Endorsed International Belt Company. The small notes was discounted by the bank as trade paper, but has been renewed a number of times with small reductions. Company's direct line is endorsed by John B. Pirtle, said to be worth over a million dollars, and 4 other endorsers. Company's statement is very poor and they make no reduction in their debt.			2,791.25		
550.00 Carrie Pace Johnson Endorsed by E. T. Johnson. Loan was classed as doubtful at last examination, but has since been increased $50.00. If not collected or secured within a reasonable time, it should be charged off.		550.00		550.00	Paid
67,500.00 Kahn Brothers, Chicago, Illinois. The company has been making considerable progress in reducing the indebtedness both to this bank and to outside creditors and it now appears that the bank will work out without any loss. Another reduction of $10,000.00 was promised within the next thirty days.			67,500.00		
2,000.00 A. Keller Maker is dead and his estate is being administered by the trust department of the bank. It is claimed that it will pay in full.		2,000.00	2,000.00		
480,000.00 Kentucky Jockey Club Represented by demand notes carried for several months without payment of interest. The failure to pay interest could not be fully explained, but it was stated that the notes would be paid as to principal and interest within 30 days.	35,000.00	445,000.00			
TOTAL					

SEE NEXT PAGE 4-15

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Plumbing & Heating Company	7,040.00		350.00	7,040.00		
Kentucky Plumbing & Heating Company.	10,932.12					
Rediscounts:						
G.K. Benjamin			1,827.00	1,827.00		
Mrs. Wm. A. Brady			2,500.00		2,500.00	
Sam Z. Lortch			1,020.50	1,020.50		
M. Neville			3,384.00		3,384.00	
Parkway Lbr. & Const. Company				1,010.00		
Henry J. Tilford				280.62		
Union Labor Temple			810.00	810.00		
The company has suffered heavy losses, and according to their statement dated 10-15-26 they have total assets of $40,000.00, debt $31,000.00, net worth $9,000.00, but included in assets were doubtful accounts of $11,000.00, which, if eliminated, would make the company insolvent. The direct loan is secured by $9,000. worth of real estate notes, about which the bank has no adequate information. The rediscounts are classified in accordance with the estimated ability of the makers to pay, as no value can be placed on the endorsement.						
Kentucky Refrigerating Company	100,000.00			85,000.00		
Goodwin Preserving Company note--rediscounted by Kentucky Refrigerating Company	858.58			858.58		
This company owns a cold storage plant, said to be worth $1,500,000.00, subject to a mortgage of $675,000.00. Company's other assets are nominal. The debt has been very slow and can only be liquidated by additional financing on the part of the company.						
Kentucky Wagon Manufacturing Co. (For the discussion on this line and the detailed items making up the total, see Large Line Schedule).	1,802,930.59	665,166.02	229,092.54	402,930.59	300,000.00	100,000.00
Harry R. King	2,614.75		2,614.75			2,614.75
Kessler & Lucas	117,000.00			80,000.00	42,000.00	
In addition to the loan, the company also has an overdraft of $9,713.86. Debt is secured to the extent of $35,000.00 by certificate of deposit on this bank. The slow and doubtful classification is largely a matter of guess work, inasmuch as there are no late figures						
TOTAL						

WORK SHEET PAGE 4-16

Exhibit 13

TREASURY DEPARTMENT
CONTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kneller & Lucas (contd.) available on the company's financial condition. A Mr. MacNeal, who is experienced in the line in which this company is engaged, has taken over the management and expects to put in new capital. It is claimed that he will be able to work the debt out without any further loss. On account of the substantial charge-off made at the last examination, it was considered proper to allow the bank to carry the balance for the time being in order to see what the effect of the new management would be on the company's affairs.					
27,371.97 Lampton, Crane & Ramey 109.05 Rediscounts	27,371.97		15,500.00	11,871.97	
Lampton, Crane & Ramey Debt is partially secured by a $15,500. note of the Sterling Paint & Color Company, which is secured by 150 shs., com., and 5 shs., pfd. stock of the H. S. Ramey Realty Company. The stock behind this note is based upon a substantial real estate equity and is believed to be worth par. Lampton, Crane & Ramey is being operated under the supervision of a referee in bankruptcy. Last year's operations showed a profit of $5,300.00. Company is said to have current assets sufficient to pay 50% of its debts. From this it would appear that the bank should suffer no loss on the amount they are carrying, but the debt is a very unsatisfactory one and should be satisfactorily adjusted at the earliest practicable date.	109.05			109.05	
200.85 Anna B. Leachman		200.85		200.85	
98,500.00 Abe C. Levi Company Partly secured by $15,000.00 C/D on this bank. Company's statement dated 1-15-27 shows: Current Assets $204,000.00, Current Liabilities $112,000.00, Fixed Assets $21,000.00, Net Worth 113,000.00. An operating loss of $28,000.00 was shown for 1926. Company also suffered a loss on their operations for the previous year. The debt has been continuous in the bank for some time.			83,500.00		
TOTAL		EXTRA SHEET PAGE 4-17			

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency—Examiners
Form 1488 C

No. of Bank, 5518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
4,000.00 Abe G. Levi No statement of maker on file and loan is carried without reduction.			4,000.00		
5,254.87 Lewis & Ryye Bank holds a mortgage on 259 acres in Breckinridge County, Kentucky. The land is being conservatively estimated worth $4,000.00, while Edgar G. Lewis, the owner of the land, claims it is worth $15,000.00.	5,254.87		4,000.00	1,254.87	
4,000.00 R. E. Louis Secured by 5 endorsements, said to be good. Maker is treasurer of the L. & N. Railroad and receives a good salary but makes no reduction on his debt.			4,000.00		
29,422.00 Dennis H. Long 27,000.00 Inter-City Coal Company Endorsed by Dennis H. Long. 22,650.00 Swiss Cleaners & Dyers Endorsed by Dennis H. Long. 480.54 Rediscounts Swiss Hosiery Mills These are all enterprises of Dennis H. Long and are so closely affiliated that they can all be better discussed as one line. The bank holds as collateral 2000 shares of the Fourth Avenue Amusement Company, which is believed to have a conservative value of $54,000.00. This would leave only about $25,000.00 to be liquidated from the assets of the various companies. The companies are all bordering on a state of insolvency, but there would seem to be no doubt that this portion of their debt could be liquidated from their assets.			29,422.00 27,000.00 22,650.00 480.54		
15,000.00 Louisville Provision Company Endorsed by Henry & Charles Knight. Company's statement dated 12-31-26 shows: Current Assets $975,000.00, Current Liabilities $619,000.00, Fixed Assets $540,000.00, Mortgage Indebtedness $321,000.00, Net Worth $570,000.00. The company has paid dividends on both its common and preferred stock in spite of an operating loss in 1926 of $150,000.00 and profits in previous years insufficient for			15,000.00		

Total.

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1601 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Amount Louisville Provision Company, (Contd.) dividend requirements. The bank is endeavoring to work this account off its books.					
1,291.00 Wm. Lynch, due 10-25-26 Secured by 35 shs. Louisville Railways, Com., and $1,000.00 1st Consolidated Mortgage Bond of Louisville Railway Company. Collateral is sufficient to cover the loan and the bank plans to foreclose and retire the debt.	1,291.00		1,291.00		
850.00 Etta Belle Mattox Secured by diamond ring with an appraised value of $1,000.00. Debt has been running in varying amounts since 1924.			850.00		
250.00 Wm. G. McBride, due 10-6-26 Maker is employed by the C. & O. Railway and it is said if he does not make regular payments on the debt, as agreed, his salary will be garnisheed.	250.00			250.00	
800.00 H. B. & W. E. McCormick Borrowers live in Bedford, Indiana. Bank relies on the moral risk and the loan is being slowly paid.				800.00	
59.00 Margaret McCormick, due 3-18		59.00			
2,500.00 J. A. McDermott, due 12-4-26 Loan was renewed during the examination. It is secured by 50 shares, First State Bank, Barbourville, Kentucky, of which bank the maker is president.			2,500.00		
2,000.00 Mary and [illegible] McDevitt Maker's assets consist of a home. They are making reductions on the loan from time to time.			2,000.00		
14,000.00 Eagle Soap Company Secured by mortgage on a business building said to have a ready sale value of $40,000.00, subject to a prior lien of $22,000.00. The collection of debt has been delayed due to the fact that the company is asking $75,000.00 for the property.	14,000.00		14,000.00		
Total.					

EXTRA SHEET PAGE 4-19

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
8,300.00 John T. Malone Secured by 108 shares, Aqua Pura Company, 100 shs., Merchants Ice & Cold Storage Company and $1,000. certificate of deposit. Maker is dead and it is believed that the value of the collateral is sufficient to liquidate the loan.		7,300.00	8,300.00		
455.92 E. D. Marshall, due 4-18-25 Maker is dead and the loan is being gradually reduced. Payment of balance expected within a short time.	455.92		455.92		
60,500.00 W.S. Matthews & Sons Statement dated 12-31-27 shows: Quick Assets $261,000.00, Current Liabilities $282,000.00, Other Assets $182,000.00, Net Worth $244,000.00. This statement shows a much less extended condition than the one of the previous year, and the company has reduced its debt with this bank $67,500.00 since the last examination. They are expected to liquidate in full within the next few months.			55,000.00		
816.00 E. E. Moehling Secured by 180 shs. Swiss Cleaners & Dyers, $5,000.00 Union County Mining Company Bonds, and endorsement of D. E. Long. Loan is being slowly reduced.			816.00		
23,397.54 C. J. Meriwether			23,397.54		
62,121.54 Rediscounts. C. J. Meriwether Statement dated 3-24-27 shows: Quick Assets $113,000.00, Current Liabilities $110,000.00, Other Assets $283,000.00, Mortgage Debt $140,000.00, which makes a total debt of $250,000.00, with a Net Worth of only $191,000.00. This statement does not give effect to any liability for paper rediscounted. The rediscounts are largely renewals. The borrower is a speculator and as disclosed by the above statement is himself in a badly extended condition. Line should be closely watched if a loss is to be avoided.			62,121.54		
			EXTRA SHEET PAGE 4-20		
TOTAL					

audit statement

Exhibit 13

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELLSWORTH
Form 1458 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
C. J. Meyer Endorser on note of Charles J. Meriwether, rediscounted. This is a note given by Meriwether to Meyer for a plumbing contract, and has been renewed a number of times.	3,552.82			3,552.82		
H. L. Middleton and Joseph L. Steuerle, due 2-18	440.00		440.00	440.00		
Albert Miller Coll: $1,000. bond, Color Cinema Company.	450.00		450.00		450.00	Bribes
E. C. Monheimer Said to be secured by endorsement of A. J. Monheimer. Paid $125. during examination.	325.00		325.00	200.00		
George D. Morrison Endorsed by L. M. Render, James R. Duffin, W.E. Massey & Robert V. Beard. Debt represents Morrison's share in a venture known as the New Mammoth Cave Development Company. The maker seems unable to pay and it is not certain that the debt could be collected from the endorsers. Loan has been renewed a number of times with interest added.	5,947.63				5,947.63	
H. B. Norman Company	257,453.00			257,453.00		
19,896.00 Rediscounts, H. B. Norman Company These rediscounts consist of a note of T. B. Harris for $9,896.00 and W.P. Brown & Sons Lumber Company for $10,000.00, both of which have been renewed. Loan is secured to the extent of $30,000.00 by certificate of deposit on this bank. Company's audited statement dated 1-1-27 shows: $263,000.00 Quick Assets, $338,000.00 Current Liabilities, $645,000.00 Other Assets, $364,000.00 Deferred Liabilities, and a Net Worth of $306,000.00. This statement reflects a badly extended condition, with debts nearly twice net worth, but is an improvement over statement issued eight months before in that total debt remains about the same while net worth shows an increase of				19,896.00		
TOTAL.						

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER
Form 1138 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
E. B. Norman Company (contd.) $57,000.00. The company has a contract with The Texas Corporation to pay for a large tract of timber land in lumber, and while eventually the company should realize big profit on this transaction, for the time being it has been very burdensome to them due to the fact that a large part of their output has gone to meet the terms of this contract, leaving an insufficient amount to be turned into cash for operating expenses.					
6,700.00 E. B. Norman Secured by 218 shs. E.B. Norman Company and by endorsement of A.E. Norman, Jr. and V.E. Norman. Reduced $400.00 since last examination.			6,700.00		
2,500.00 E. B. Norman, Jr. This stock has a book value of about $75. a share. Its sale value would be very uncertain. Loan reduced $150. since last examination.			1,250.00	1,250.00	
2,550.00 J. Colgan Norman Secured by 53 shs. E. B. Norman Company. Debt has been allowed to increase $600. since last examination.			1,250.00	1,300.00	
2,200.00 Charles F. Ogden & J. P. Edwards. The financial responsibility of the former is very uncertain, but Edwards is said to have enough real estate equities to protect the debt.			2,200.00		
125.00 Ellis Coen Endorsed by George C. Kilmer Mgr. who is an employee of the bank.		125.00		125.00	
48,839.00 Parkway Lumber & Construction Co. 9,000.00 Rediscount Parkway Lumber & Construction Co. The bank holds as collateral O/D on themselves for $5,000. first and second mortgage real estate notes aggregating $55,840.00 and 1,182 shares of the Standard Mortgage Company. Company's statement as of 10-1-26			48,839.00 9,000.00		
Total.		EXTRA SHT'S PAGE 8-22			

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1488 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Parkway Lbr. & Const. Co. (contd. shows: Current Assets $47,000.00, Current Liabilities $220,000.00, Fixed Assets $242,000.00, Mortgage $36,000.00, Net Worth $133,000.00. The company owns a large number of real estate equities over the city, consisting largely of finished houses ready for sale. It is be- lieved that the collateral protects the loan.					
4,000.00 C. H. Pate Secured by 100 shs. Graham Stove & Heating Company, and 100 shs. Chess & Hymond Company, Pfd. Collateral is of an unliquid character, but probably of sufficient value to cover the debt. Bank will insist upon payment of the loan.			4,000.00		JSA
204.10 Elliott Pennebaker, due 2-10-27		204.10	204.10	—	
171.44 Mrs. H. K. Phillips, due 4-22 Endorsed by Robert H. Phillips. Renewed in full during the exam- ination.		171.44	171.44		
1,200.00 Pirtle Electric Company Paid Partly secured by $200.00 certificate of deposit. Company's statement shows: Current Assets $8,000.00, Current Lia- bilities $7,000.00, Other Assets $5,000.00, Networth $6,000.00.			1,000.00		Paid
32,400.00 Progress Chair Company The company is being liquidated for the benefit of its creditors and a statement dated 12-22-26 shows: Current Assets $21,600.00, Current Liabilities $21,200.00, Fixed Assets $48,600.00, Net Worth $50,000.00. While there is likely to be con- siderable shrinkage in the liqui- dation of the fixed assets, there is a possibility that the bank may come out without a loss.		32,400.00	20,000.00	12,400.00	JSA
240.00 J. H. Ray Secured by $4,000. Michigan Railway Company bonds, in default since 1924. Based on current quotation, the bonds have a value of $600.00. Larger part of this debt has been charged off.	240.00		240.00		
Total.			21 4-25		

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER'S
Form 1455 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
26,964.05 Rediscounts, Rentlinger Company The makers on all of the rediscounted notes are either slow or doubtful pay, and the notes have been renewed one or more times in each instance. This is a very unsatisfactory character of paper to discount as business paper and the endorsers should be required to take it up.			26,964.05		
41,500.00 Thomas S. Ray A. G. Ray endorsee $6,500.00. Collateral: 129 shs. Southern Deposit Bank, Russellville, Kentucky, 80 shs. Bank of Russellville, Ky., 15 shs. Citizens National Bank, Russellville, Ky. Loan has been carried since 1923 with small reductions from time to time. Reduced $1,250. since last examination.			41,500.00		
2,000.00 Ritter-Henning Company			2,000.00		
6,300.00 Edwin & Amelia Ritter Endorsed Ritter-Henning Company. Secured in part by $1,834.00 second mortgage real estate notes and $2,000. certificate of deposit. There is no statement of the company or individuals on file, but Amelia Ritter is said to own about $25,000. worth of real estate. Debt reduced $200. since last examination.			6,300.00		
3,500.00 R. C. Rosen Manufacturing Company			3,500.00		
8,198.60 Rediscounts, R. C. Rosen Manufacturing Company The largest item in the rediscounts is a note of Citizens Hotel Company for $5,654.30, which is believed to represent a loss to the endorsing company. The R. C. Rosen Manufacturing Company deals in office fixtures, and their last statement dated 12-27 shows: Current Assets $19,000.00, Current Liabilities $6,000.00, Fixed Assets $30,000.00, Mortgage $5,000.00, Net Worth $44,000.00. Debt reduced, but not paid out in some time.			8,198.60		
		EXTRA SHEET PAGE 4-34			
TOTAL					

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 53.2

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
2,500.00 Leon A. Rosenbaum Secured by stocks and bonds with an estimated value of $2,035.00. The balance is largely a moral risk.			2,000.00	500.00	
$75.00 W. Edwin Russel. Louise R. Russel, joint maker. Reduced $75. since last examination.			575.00		
175.00 Jacob Schmohman Maker is a druggist and is said to be good for this amount.		175.00	175.00		
250.00 Dr. A. M. Scott Maker is deceased and while little is known as to the value of his estate, it is said that it is sure to be good for this amount.		250.00	250.00		
3,062.03 Shapin Manufacturing Company The company is in liquidation and it is believed that the total loss has been previously charged off. A dividend of $683.60 was received during examination.	3,062.03		2,378.43		
6,300.00 C. A. Singer Maker owns 10 pieces of property, all but 2 of which are heavily encumbered. His statement does not entitle him to unsecured credit, and his loan should either be satisfactorily secured or collected.			6,300.00		
375.00 Lillian Crutchfield Skillman and Henry C. Skillman, due 8-23-25. Maker has been out of work, but now has a new position and is expected to make periodical reductions.	375.00			375.00	
400.00 John V. Smart Secured by 4 shares, Portland Bank. This bank recently sold its business to the First National Bank for the establishment of a branch. It is not known just what settlement the stockholders of the Portland Bank received, but it is believed they will have to liquidate slow assets to realize on their stock.			400.00		
		EXTRA SHEET PAGE 4-25			
TOTAL.					

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
5,000.00 J. A. Smith Secured by 101 shares, Brown Coal Company and 46⅔ shs. Gibraltar Coal Mining Company. Collateral is not known to have any ready market and the loan has been carried continuously for over three years.			5,000.00		Paid
6,238.34 Rediscounts, Southern Brick & Tile Company These rediscounts are on makers who are regarded as slow and all of them renewed one or more times. The company's statement is good, but it does not show how much contingent liability exists on account of paper rediscounted.			6,238.34		
30.00 Elmer R. Springer, due 6-28-26 Endorsed Robert E. Dundon. Should collect or charge off.	30.00			30.00	
14,000.00 Standard Lumber Company Endorsed H. Carnihan. Debt is secured to the extent of $4,000. by certificate of deposit. Company's statement (Unaudited) dated 12-31-26 shows: Current Assets $601,000.00; Current Liabilities $342,000.00; Fixed Assets, less Reserves, $210,000.00; Mortgage Debt $95,000.00; Net Worth $374,000.00. This statement represents a substantial decrease in the debt shown on previous statement, but also shows a loss to net worth of $60,000.00. It will be noted that total debt is substantially in excess of the company's net worth. Bank is endeavoring to collect this loan.			10,000.00		
16,032.60 State Journal Company 5,000.00 C. T. Dearing Printing Company 2,356.75 C. T. Dearing Printing Company. Endorser on Porter Paint Company note. The State Journal Company owns all of the stock of the C. T. Dearing Printing Company. A consolidated statement of the two companies, with duplications and inter-company transactions eliminated, as of 9-30-26 shows: Current Assets $118,000.00, Current Liabilities $114,000.00, Fixed Assets $284,000.00.			16,032.60 5,000.00 2,356.75		
			EXTRA [illegible] DATE 4-26		
TOTAL					

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
State Journal Co. (contd.) Deferred Liabilities $54,000.00. Net Worth $234,000.00. The company's condition is steadily improving, but the statement still does not show the proportions expected from a credit standpoint. The loans have been continuous in the bank for several years, but have been gradually reduced.					
300.00 Clarence Steinbeck Secured by 5 shares, E.B. Norman Company. Collateral is not the satisfactory type. Loan should be properly secured or collected.			300.00		
1,125.00 C. B. Stelgenpohl Endorsed by John Small. Secured by $1,160.00 past due note of C.W. Schweickhardt. This debt has been reduced from $1,300.00 since 2-10-25.			1,125.00		
7,500.00 Strube's Garage Secured by 195 shs. Strube-Petit Motor Company. This stock represents a one-half interest in the equity in a building valued at $80,000.00, subject to a mortgage of $35,000.00. The building is under lease at a rental of about $300. per month in excess of fixed charges. None of this rental appears to be coming to the bank, however, since the loan is not being reduced.			7,500.00		
2,100.00 E. E. Smith Secured by 40 shares, Portland Bank Stock. (See loan of John W. Smart for discussion of this collateral.)			2,100.00		
2,833.00 W. A. Thomas Company 177.63 Rediscounts W. A. Thomas Company The direct line is partially secured by C/D of $650.00. There is no statement of the company's affairs on file, but it is believed to be of doubtful financial responsibility. Loan has not been reduced any since the previous examination and should be charged off if not properly secured or collected within a reasonable time.		2,150.00	177.63	2,483.00	
TOTAL.			SEE PAGE 4-27		

Exhibit 13

TREASURY DEPARTMENT.
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
102.03 Mrs. Wm. V. Thompson & S.S. Thompson, due 6-7-26 This debt has been reduced from an original amount of $2,000.00 and the balance is believed collectible.	102.03		102.03		
40,472.51 W. V. Thraves.	40,472.51		40,472.51		
990.11 Thraves-McCullough & Lancaster These two notes are secured by a second mortgage on 180 a. of land near Lexington, Kentucky, subject to a prior lien of $50,000.00. This property is noted as a showplace and there have been recent offers of $150,000.00 for it from one or more wealthy individuals, but the borrowers are reluctant to sell. It would seem that the loansare secured, but owing to their long past due condition and the fact that they are dependent upon a second mortgage equity, are of a very unsatisfactory character. They will only be liquidated by the bank's forcing some action to foreclose or bring about the sale of the collateral.	990.11		990.11		
1,800.00 O. T. Trent Secured by 30 shares, Citizens Bank, Cynthiana, Kentucky. Loan carried since 1920 with very little reduction. Has been reduced $100. since last examination.			1,800.00		
139,090.74 Trumbo-Schupp & Schmidt Endorsed Giles B. Van Cleave.			89,090.74	50,000.00	
65,645.75 Rediscounts, Trumbo-Schupp & Schmidt These consist of the following notes: J. Dolfinger & Co. $50,000.00 Giles B. Van Cleave 8,160.00 Wilson Bell Co. 7,485.75.			65,645.75		
56,261.97 Overdraft, Trumbo Schupp & Schmidt				56,261.97	
134,917.17 J. Dolfinger & Company Endorsed Giles B. Van Cleave.			134,917.17		
9,084.25 Giles B. Van Cleave Secured by 199 shares Gold Trading Stamp Company, Com. These interests are all closely affiliated and large liabilities			9,084.25		
			EXTRA SHEET PAGE 4-28.		
TOTAL					

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—REAMINING
Form 1498 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Giles B. Van Cleave (cont'd.) exist between the companies and the individual endorsers. Eliminating these transactions, the three companies appear to have $266,000.00 in current assets and $178,000.00 in fixed assets to pay liabilities of $600,000.00. From this it will be seen that only a small portion of the debt will be collectible out of the assets of the companies. The bank has taken a second mortgage on 13 acres of ground in Cherokee Park, which has been appraised by local realtors as having a value of from $375,000.00 to $400,000.00. The exact amount of the prior lien could not be stated, but it is said not to exceed $15,000.00. In addition, the bank has an assignment of a lease on property in the main business part of town, which is said to have a present value of $150,000.00. The companies, which are engaged in the house furnishing business, are being allowed to continue operations under close supervision. If it is found that they cannot show any profits, they will be required to liquidate, and if anything like the assigned values are realized, on the additional security pledged, it should be ample to take care of any deficiency arising out of liquidation of the assets of the companies. This is one of the most unsatisfactory lines of credit in the bank and should have the closest attention with the purpose in view of getting it into more satisfactory shape at the earliest practicable date.					
1,900.00 J. C. Utterback Secured by 40 shs. Palmer Hotel Company stock. The stock has no ready market and its actual value is not known. Debt has been carried several years with nominal reductions and shows a reduction of $50.00 since previous examination.			1,900.00		
570,726.97 Van Camp Packing Company It is partially secured by assignment of 38 cars of crude cotton seed oil, said to have a market value of approximately $150,000.00. This line has been continuous in the bank for several years. The			570,726.97		
TOTAL					

PAGE 4-29

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES OF LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Van Camp Packing Co. (contd:) company is [illegible] to be getting in better shape, but past requests from the examiners for financial statements have met with no response on the part of the bank management. It is again requested that adequate credit information be supplied on this line.					
1,125.00 Forest B. Vaughan					
358.00 Forest B. Vaughan As endorser on Kentucky Plumbing & Heating Company note. Maker is a public accountant of limited means, and seems unable to make satisfactory reductions. All but $250. of the direct line is secured by endorsement or cash value of life insurance. The discount is taken in payment of an audit and has been renewed without reduction.			875.00	250.00 358.00	
80,000.00 H. Verhoeff & Company One of the partners in this company recently died and when auditors were engaged to draw up the figures on the basis of which the partnership was to be dissolved, it was found that the company was insolvent. The audited statement shows total assets of $45,000.00 with liabilities of $62,000.00. Included in assets, however, are $19,000.00 in partners' overdrafts, which are considered negligible. This would create a deficiency of $35,000.00 between the assets and liabilities. The deceased partner made a statement to the bank showing ownership of a home valued at $20,000.00. After his death it was discovered that this property had always stood in his wife's name. The other two partners have no assets subject to their debts, their homes being held in joint tenancy with their wives. The deceased partner is beneficiary to the extent of about $14,000.00 in an estate being administered by the bank. The officers of the bank believe that the widow will turn over all of this to help liquidate this line. They are also endeavoring to get her to deed her home to the bank. Under the most favorable conditions the bank is likely to sustain a loss of 25 to 30% on the debt, and it is probable that an even larger loss will be realized.		60,000.00	30,000.00	20,000.00	10,000.00
TOTAL					

EXTRA SHEET PAGE 4-30

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1480 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
2,335.00 John A. Fetter $135. is secured by certificate of deposit. The balance depends upon a very doubtful equity in real estate, subject to two prior liens. Inasmuch as the bank is unable to obtain any reduction or adjustment on this loan, it is thought best to have it charged out.	2,335.00				2,200.00
659.75 L. E. Watts Endorsed by Charles C. Perry Co. Note protested for non-payment on 4-30-27 and still unpaid at the closed of examination.		659.75	659.75		
23.75 John Welsh		23.75	23.75		
250,022.50 White and Associates Secured by note of Campbell, Heath & Company for $154,500.00, which is in turn secured by 56,766 shares Cadet Knitting Company, Com. and 4094 shares Murray Rubber Company, Com. The debt is also additionally secured by: $25,000. note Liberty-Washington-Cedar Street Corporation, 50,000. note of W.D. Campbell, 750 shares of the Liberty-Washington-Cedar Street Corporation stock, 554 shs. Cadet Knitting Company, Com., 126 shs., Cadet Knitting Company, pfd. This debt has been in the bank for several years. Its liquidation depends upon realising on the collateral pledged. The best prospect would seem to be from sale of Cadet Knitting Co. stock, inasmuch as this company has been constantly getting its affairs into better shape, and is reported to be entering a consolidation with several other companies, with the result that there may be an established market for the new stock. On account of the uncertainty as to the value of the collateral, the loan should be liquidated as rapidly as possible.			250,022.50		

EXTRA SHEET PAGE 4-31

TOTAL

Exhibit 13

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1498 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
John White & Company The financial statement furnished by the company is now very intelligible, inasmuch as it shows in the assets large amounts due from certain partners and in the liabilities large amounts due to certain partners. The net result, however, would appear to be about $45,000.00 in assets to pay $28,000.00 in debts. One of the partners has real estate and other outside means of an aggregate value of about $25,000.00.	25,362.50			25,362.50		
Oscar A Monita Wilder Secured by mortgage on property estimated worth about $6,500.00, against which there are tax claims amounting to about $2,500.00. Bank also holds as collateral, certificate of deposit for $1,000. This debt is about two years past due and is carried without reduction. Some satisfactory adjustment should be made without further delay.	5,850.00	5,850.00		5,000.00	850.00	
Wilkes & Seaman Company This company has gone out of business, having turned its affairs over to the Eureka Products Company. The company is not known to have any assets.	3,500.00					3,500.00
J. H. Wilkes Bank holds as collateral 300 shares of the Eureka Products Company, which is considered of no value, since the company's statement makes it appear that the company is insolvent.	2,040.33					2,040.33
W. H. Willis Secured by $500. certificate of deposit and 224 shares, Chess & Wymond Company, Com. The value of this stock is very uncertain, but the borrower is making regular reductions on the note. It has been cut down $1200. since last examination.	8,700.00			8,700.00		
Julian Yager, due 3-3-26 Endorsed by C. H. Speed.	200.00		200.00	200.00		
TOTAL						

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R 4-32

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
S. Zorn & Company	200,000.00			200,000.00		
S. Zorn & Company As endorser on Gold Proof Milling Company. The direct line of S. Zorn & Company is partially secured by warehouse receipts covering corn and oats, with an estimated value of $160,000.00. As collateral to the Gold Proof Milling Company notes, the bank holds $140,000.00 first mortgage bonds on the property of the Gold Proof Milling Company, which is valued at $225,000.00, the total bond issue being $170,000.00. A few months ago, one of the partners in this business died and the bank loaned Harry A. Volz, the other partner, funds to pay out the interest of the deceased partner's estate. This cut the net worth of the company in two and largely increased its liabilities. Statement of S. Zorn & Company dated 4-1-27 shows: Current Assets $348,000.00, Current Liabilities $249,000.00, Fixed Assets $4,000.00, Net Worth $104,000.00. The firm should also be required to introduce additional capital into the business or to curtail its operations to a point that would be consistent with the amount of capital now invested.	150,000.00			150,000.00		
Corydon National Bank (In liquidation) As the bank has received dividends from the receiver, they have been put into cashier's checks and these cashier's checks, aggregating $2,500.00, are attached to the notes. The liquidation of the balance depends upon the ability to collect a note for $1,100.00 from Wm. E. Best.	3,700.00	3,700.00			1,200.00	
Peoples Bank, Springfield, Tenn.	12,396.11	12,396.11				
Peoples Bank, Springfield, Tenn. (Claim carried in Bond Account) The bank holds a $10,000. second mortgage on some property near Springfield, which the officers believe will be realized on in full, and they still have about $35,000. worth of collateral notes, but it is believed that a large portion are uncollectible. In addition, they have their claim	13,606.80	13,606.80		16,002.91	10,000.00	
TOTAL.				EXTRA 5	33	

Exhibit 13

TREASURY DEPARTMENT
OFFICE OF THE COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1432 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Peoples Bank, Springfield, Tenn. (contd.) as a general creditor against the bank for a much larger sum than is now carried, owing to previous substantial charge-offs. It is the belief of the officers of this bank that no further loss will be realized on this line, but owing to the uncertainty of final outcome, it is thought propertc class a substantial portion of the debt as doubtful. $8,373.35					
Planters Bank, Clarksdale, Miss. The amount now carried by the bank is only about one-fourth of a total claim against the Planters Bank, which amounts to $199,365.00 exclusive of accrued interest. The assets of the old Planters Bank are being liquidated by all the creditor banks, and while very slow, it is estimated that this balance should be realized without any further loss.	$8,373.35		$8,373.35		
Sundry other overdue loans, aggregating.		$82,369.62			
EXTRA SHEET PAGE 4-54 TOTAL.	968,658.12	1,204,169.36	5,000,160.12	567,353.47	137,175.16

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
FORM 1456.—Page 2

No. of Bank, 5512

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate
	SEE EXTRA SHEET*	

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.
Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility, under Section 5239, U. S. R. S., for all loans mentioned as excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	223,386.53
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	186,934.47
3. Aggregate amount on which real estate security has been taken in violation of law, (Include unlawful real estate bonds.)	
TOTAL,	410,320.80

* These items need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
			SEE EXTRA SHEET*				
TOTAL,							

Are properly executed certificates (Forms 1415, 1416, 1416a) attached to loans? No

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Stenc.—Ed. 10,000—F. C., Oct. 26-27.

No. of Bank 5312 *Date of Report* April 23, 1927.

EXCESSIVE LOANS.

Consolidated Realty Company	$ 478,400.00
C. C. Heiatt	413,610.00
H. J. Scheirich, C.C. and G. Y. Heiatt	30,100.83
Total.	$922,110.83

The loans of the individuals are for the accommodation of the Consolidated Realty Company. This is evidenced by the fact that the securities pledged as collateral on the notes of the individuals are the property of the Consolidated Realty Corporation. (See Slow Loans for detailed account).
Management agreed to obtain reduction to legal limit at an early date.

Kentucky Jockey Club	488,000.00
Notes at main bank	
Notes at branch	31,200.00
Cash item at branch	11,000.00
	530,200.00

The practice of carrying cash items is always objectionable, and especially so when it causes an excessive loan.

Wakefield and Company	75,000.00
Collateral: $25 M. Cert. of Dep. on this bank.	
$100 M. notes of the Kentucky Jockey Club.	
J. M. Greer	300,000.00
Collateral: 1000 shs. Van Camp Pkg. Co. Com.	
3478 " do. Pfd.	
1500 " Continental Oil	
5000 " Lou. Gas & Elec. "A"	
929 " Ky. Jockey Club Pfd.	
100 " Lou. & Nash.	
The first four stock are registered in the name of Wakefield & Co., and the latter two in the name of J. B. Brown.	
L. I. Harris	300,000.00
Collateral: 270 shs. Wells-Elkhorn Coal Co.	
2500 " Continental Oil	
5100 " Van Camp Pkg. Co. Pfd.	
1000 " " " " " Com.	
100 " Nat. Candy Co. Com.	
The first item is registered in the name of J. B. Brown and the other four in the name of Wakefield and Co.	
Leo A. Meagher	300,000.00
Collateral: 3000 shs. Stand. Oil of Kentucky, registered in the name of J. B. Brown.	
	$975,000.00

This is an excessive loan set up against Wakefield and Company. The three individuals whose loans are included are employees of Wakefield and Company, a brokerage firm. The proceeds of the three loans were credited to the account of Wakefield and Company on the books of the bank, and the interest on the loans was paid by Wakefield and Company at each of the quarterly interest paying periods, that is, 9-30-26, 12-31-26 and 3-31-27. All of these facts tend to show that the loans are nothing more than accommodation loans for the firm of Wakefield and Company and thereby constitute an excessive line of credit to that firm. President Brown would not agree that this classification was correct, stating that the bank made such loans on the basis of the collateral and that it was felt that there was no obligation on the part of the bank to determine who got the benefit of the proceeds of the loans. In view of the difference of opinion on this matter, it is respectfully requested that your office furnish the bank with a ruling on this matter. In this connection, it may be stated that none of the three loans to the individuals are properly margined.

To the Comptroller of the Currency, EXTRA WEST PAGE 5-1
Washington, D. C.

Examiner.

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY — Washington.
Form 1429.—Ed. 10,000—Apr. 28-2.

Exhibit 13

No. of Bank, 5312

LIST OF REAL ESTATE LOANS

1 Name of borrower.	2 Amount of loan.	3 Prior lien.	4 Estimated value of property.	5 Date mortgage taken.	6 Maturity of mortgage.	7 State whether secured by improved farm or other property.	8 Is property located within legal boundary.
#1.							
Badger Aluminum Co.	15,000.00		20,000.00	2-28-24	6-29-26	Farm	No
Clay Co. Coal Co.	15,460.00		16,000.00	2-15-24	Serial	City	Yes
Columbia Phosphate Co.	15,227.50	$60M.P.L. Jt.$30M.	75,000.00	2-21-23	?	Other	No
Cottonseed Prod.Co.	64,949.76	$250M. Jt.	450,000.00	-	-	Both	Yes
Harlan Coal Co.	41,363.49		38,000.00	9-10-25	9-10-26	Other	"
Anna Diemst	158.20	?	12,000.00	4-28-26	7-27-26	"	"
Lewis & Drye	5,254.87		4,000.00	3-30-26	1-1-27	Farm	"
Magic Soap Co.	14,000.00	22 M.	60,000.00		Serial	Other	"
Regent Sand Co.	5,000.00		75,000.00		"	"	"
G. B. Reeves	3,600.00		12,000.00	3-16-22	4 yrs.	"	"
W. V. Thraves	40,472.51	60 M.	140,000.00	3-2-25	Serial	Farm	"
Monita B. Wilder	2,900.00		7,500.00	6-10-17	Dem.	City	"
	223,386.33						
#2.							
Cong. of the Res.	56,405.56						
Harry G. Talamnis	51,935.17						
E. H. Woods	98,595.74						
	196,936.47						
TOTAL							

9A SHEET PAGE 5-2

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488.—Page 6

No. of Bank, 5712

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
SEE EXTRA SHEET.		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

SEE EXTRA SHEET.		

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1208—Reports—M. 8,000—T. C. Cir. 10-22.

No. of Bank 8812 *Date of Report* April 23, 1927.

LARGE LINES.

	Subtotal of Line.	Total of Line.
KENTUCKY WAGON MANUFACTURING COMPANY LINE:		
Kentucky Wagon Mfg. Co. - Bal. on direct loan	$ 22,696.29	
" " " " Rnd. by Assoc. Motors Industries, Inc.	5,651.42	
" " " " Overdraft	229,092.54	
" " " " Current trade discounts	8,672.03	
W. E. Massey, Rnd. by Ky. Wagon Mfg. Co.	7,500.00	
R.C. Kinkead " " " " " "	1,964.85	
National Motors Corp. end. by Ky. Wagon Mfg. Co.	86,000.11	
" " " " " Jas. R. Duffin, R.V. Beard and W. E. Massey	22,230.00	
" " " direct loan. Coll. $409 M.bonds Assoc. Motors Inds.	211,578.47	
James R. Duffin and R. V. Beard	1,718.40	
Kentucky Wagon Mfg. Co., claim carried in bond a/c	407,746.48	
		$1,022,930.59

The reorganized Kentucky Wagon Company recently bought in at foreclosure sale, the physical properties of the old company. The new company already had control of the inventory. In bidding in the properties, about $80 M. additional cash had to be advanced by the bank, which is represented by an increase in the company's overdraft. The new company is also liable to outside holders of the first mortgage bonds under which the foreclosure was instituted to the extent of about $125 M. The company is said to have current assets, consisting of accounts and inventory, amounting to about $750 M. It is claimed that the balance of the increase in the overdraft amounting to $60 M. is offset by a commensurate increase in the value of the current assets. The value of the plant, of course, is problematical. Its reproductive value would probably exceed the total value of the debt. Its sale value, except under favorable conditions, would probably be considerably less. As a going concern, the company up to the present has been unable to make any reduction in the obligations, but rather have they increased as evidenced by the gradual increase in the overdraft. It is hoped that some satisfactory adjustment may be made of this property within the near future in order that the bank may see just where it stands on the matter. Until such time as this can be brought about, however, it is believed to be the part of conservatism to write the debt down periodically in substantial amounts until the bank can feel sure that the amount carried may be realized even on the basis of an unfavorable settlement. It was agreed to charge off $100,000.00 at this examination.

EXTRA SHEET PAGE 8-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1488—Reports—2d. 8,000—F. C., Oct. 26-25.

No. of Bank 8312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Acme Printing Company — $ 5,500.00
This is a small concern with inadequate working capital. They have a substantial investment in real estate, which makes the loan safe, but it is carried continuously.

George R. Adams — 1,550.00
Secured by 20 shares, W. W. Hite Company.
The company makes a good statement. The stock appears to have a book value of slightly more than par. Loan has been continuous in the bank, however, since 1919 with small reductions from time to time.

Advance Battery Manufacturing Company — 10,000.00
Audited statement as of 12-31-26 shows: Current Assets $56,000.00, Current Liabilities $25,000.00, Fixed Assets $32,000.00, Mortgage $7,000.00, Net Worth $57,000.00.
Note is endorsed by J. L. Klapheke, who is said to be worth more than $100,000.00. Loan has been continuous in the bank for several years and shows no recent reduction.

Allgeier & Koch — 6,000.00
J. C. Koch — 2,250.00
Part is secured by endorsement of Perry Parnsley.
The bank also holds $5,570.00 worth of real estate notes and 50 shares of Allgeier & Koch Company stock, which would appear from the statement to have little value.

American Iron Works — 11,000.00
Statement dated 10-31-26 shows: Current Assets $9,800.00, Current Liabilities $7,500.00, Fixed Assets $18,100.00, Net Worth $20,400.00.
The company owns some valuable real estate, unencumbered, but is in need of more working capital. A trade checking shows them running fifteen to thirty days slow on some of their accounts payable.

Armstrong-Young Realty Company — 5,000.00
Endorsed H. L. Henderson and J. B. Armstrong.
No statement on file for company or endorsers.

Guy D. Atchisson — 5,000.00
Maker is a life insurance man, who has been in the bank's debt continuously since 9-7-26. He has no financial statement on file.

W.F. and E. B. Axton — 22,000.00
An unsecured loan carried for some time with no reduction. No statement on file.

B. & B. Laundry & Toilet Supply Company — 7,200.00
Endorsed by Murray J. Bailey.
Maker's assets consist almost entirely of real estate and machinery. A loan of this character should be handled as a real estate mortgage proposition.

Bankers Mortgage Company — 113,000.00
Collateral: $140,700.00 1st Mortgage Real Estate Bonds issued by the Bankers Mortgage Company.
These bonds are the obligations of various individuals whom the Bankers Mortgage Company finances, issuing the bonds of the individuals with the Mortgage Company's guarantee. The supply of these mortgage loans on hand is evidently considerably in excess of the public demand, otherwise they would be more readily absorbed and the Bankers Mortgage Company would not find it necessary to carry a large line of bills payable at all times to carry these bonds.
The statement of the Bankers Mortgage Company dated 12-31-26 shows: Total Assets $3,496,000.00, Liabilities $2,444,000.00, leaving a Net Worth of $1,052,000.00. Included in the assets is an item of $90,000.00 representing organization expense, which has not been amortized any since the organization of the company over three years ago.

To the Comptroller of the Currency, EXTRA SHEET PAGE 6-2
Washington, D. C. *Examiner.*

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports.—Rd. 28,000—F. C., Oct. 24-27.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Thomas A. Barker - Endorser on note of Goodsin Preserving Company	$ 3,673.20
Barker is said to be an attorney worth in excess of $50,000.00. The note which he rediscounts is pretty slow.	
Bingham-Hewitt Grain Company	9,000.00
Endorsed by L. A. Hewitt.	
Company's statement dated 12-31-26 shows: Current Assets $124,000.00, Current Liabilities $72,000.00, Other Assets $1,000.00, Net Worth $53,000.00.	
This is an improvement over the previous statement and debt to bank has been reduced $19,000.00 since last examination.	
Wolf Blitz Glass Company	21,500.00
The company's statement dated 1-1-27 shows: Current Assets $69,000.00, Current Liabilities $62,000.00, Fixed Assets $73,000.00, Net Worth $80,000.00.	
During the year 1926, the company's debt expanded from $6,000.00 to $62,000.00. This was largely invested in real estate and other fixed assets, which were increased $47,000.00. Debt was reduced $5,000.00 during examination.	
C. A. Block	6,090.99
Endorsed by C. J. Meriwether.	
Mr. Block is an officer of the bank and gave this note in purchase of real estate. On account of Mr. Meriwether's involved condition, this is not considered a desirable investment for the bank.	
A. Brandeis & Son	165,000.00
Partially secured by listed securities with a market value of $23,800.00.	
Company is engaged in the wholesale grain business, but it is apparent that practically all of their borrowings are invested in stocks and bonds.	
Their statement dated 12-31-26 shows: Current Assets $45,000.00, Current Liabilities $177,000.00; Other Assets $481,000.00, Net Worth $349,000.00.	
The Other Assets consist of real estate $181,000.00, stocks and bonds $300,000.00.	
It would seem proper to have this line fully secured by collateral with satisfactory margin.	
Elliott Brashear	1,300.00
Secured by 20 shs. Perry County State Bank, Hazard, Kentucky.	
Loan has been carried since 1919 and has been reduced from an original amount of about $3,000.00.	
Bray Robinson Clothing Company	125,000.00
Secured to the extent of $20,000.00 by certificate of deposit.	
The company's statement dated 1-1-27 shows: Current Assets $256,000.00, Current Liabilities $116,000.00, Fixed Assets $138,000.00, Reserves $77,000.00, Net Worth $201,000.00.	
The current ratio is considerably improved over the previous statement, but the company continues to lose money.	
H. G. Brooks & Company	105,000.00
Secured by certificate of deposit for $10,000.00, 810 shares Standard Oil of California, and 426 shares, Grocers' Baking Company.	
The value of the collateral, including the certificate of deposit, is estimated at about $60,000.00.	
The company's statement dated 1-1-27 shows: Current Assets $72,000.00, Other Assets $339,000.00, Mortgage $96,000.00, Net Worth $194,000.00.	
The borrower appears to have himself in an extended condition and has made no improvement in this respect during the past year.	
J. C. Brown	10,151.67
Secured by 110 shs. Kentucky Refrigerating Company, Com. and 110 shs. pfd.	
This stock is not satisfactory collateral, but borrower is said to have other large interests.	

EXTRA SHEET PAGE 6-3

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
FORM 1480.—REPORTS.—ED. M.500—F. C., Oct. 26-25.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

W. P. Brown & Sons Lumber Company	Direct	$ 500,000.00
do.	Rediscounts	165,808.20

This company owns all of the capital stock of several subsidiary companies, therefore, only a consolidated statement would be of any value for purposes of analysis. The auditors had not completed this consolidated statement at date of examination, therefore, there is nothing to add to the comment contained in last report of examination.

George A. Burkley — 2,200.00
Secured by 100 shares of Glidden Company,
Market value of collateral is $1,900.00, which is insufficient to cover loan.

Bush Brothers & Company — 39,000.00
Statement dated 6-30-26 shows: Current Assets $102,000.00, Current Liabilities, $67,000.00, Other Assets $25,000.00, Net Worth $60,000.00.
This statement reflects a poor current ratio and excessive debt compared to net worth.

John W. Clare & Company — 12,000.00
Endorsed by John W. Clare
No later figures available than those quoted in last report. The debt, however, has been increased $3,000.00. Satisfactory current credit data should be obtained.

C. M. Clark — 257,000.00
Collateral: 400 shs. Standard Oil of Kentucky,
456 " Merchants Ice & Cold Storage Company,
121 " Louisville Title Company.
The value of the collateral based on present market quotations is $112,000.00.
Makers statement dated 6-18-26 shows: Real Estate $400,000.00, Stocks and Bonds $920,000.00, Bills Payable $229,000.00, Net Worth $1,091,000.00.
Since the loan is continuous in the bank, having been carried since 1922, it should properly be fully secured by collateral.

James T. Clark — 48,550.08
Collateral: 400 shs. Standard Oil of Kentucky,
20 " Majestic Theatre,
$1,750.00 real estate note of Abbott McMillan.
The value of the collateral is $49,050.00, which does not furnish the proper margin on the loan. This loan has been listed in the two previous reports for the same reason.

E. J. Cleem — Rediscounts — 7,702.42
There is no statement of Cleem on file and the rediscounts have all been renewed one or more times.

W. C. Coleman — 6,934.00
Secured by past due real estate note of the Consolidated Realty Company for $12,734.00. This is said to be a first mortgage note.

Ida M. and C. D. Cunningham — 1,500.00
Secured by 1222 shs. Graham Stave & Heading Company.
This is an unlisted stock, the value of which cannot be readily determined.

George L. Danforth — 1,065.93
Collateral: $1,000.00 Swart Packing Company, 6½'s, 39
10 shs. Swart Packing Company, Pfd.,
40 " " " Com.
This collateral is of an unsatisfactory character.

L. J. Dittmar — 14,742.00
Collateral: $2,500.00 certificate of deposit,
100 shares, Majestic Theatre,
$10,000.00 Color Cinema Company Bonds, 7's, 1935.
The value of the collateral other than the Color Cinema Company Bonds is $13,000.00, which does not cover the loan. These bonds are regarded as

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 6-4

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1564—Reports—Rd. M.200—F. C. Oct. 26-25.

No. of Bank 8512 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

L. J. Dittman (contd.)
of little value. No reduction since last examination. $ 5,000.00

Duse Company of Kentucky, Inc. 12,000.00
Endorsed G. F. Everbank and C. L. Alderson.
No statement on file.

Duffy Ice Company 1,000.00
Endorsed by Thomas J. Duffy.
Company's statement dated 11-30-26 shows: Current Assets $7,000.00, Current Liabilities $26,000.00, Other Assets $82,000.00, Mortgage $15,000.00, Net Worth $56,000.00.
Loan has been continuous since November, 1925. Endorser said to be man of considerable means, but his statement is not on file.

Martin J. Duffy
Collateral: 12 shares Standard Oil of N.Y.
26 " Kentucky Jockey Club, Com.,
2 " " " " Pfd.
The value of collateral is $1,070.00, which furnishes no margin.

George M. Rady Company 26,000.00
Endorsed by George M. Rady.
George M. Rady Company Rediscounts 17,823.17
Statement dated 12-31-26 shows: Current Assets $122,000.00, Current Liabilities $109,000.00, Fixed Assets $42,000.00, Net Worth $55,000.00.
The rediscounts are notes of the Brownsboro Land Company and are of a very slow character, although they are said to be secured by real estate.
George M. Rady personally is said to have stocks and bonds worth 40,000.00 or $50,000.00 in the safe-keeping department of this bank. On account of the extended condition of the company, it would be well to have these securities up as collateral.

Bennett Packing Company 150,000.00
Statement dated 10-31-26 shows: Current Assets $382,000.00, Current Liabilities $266,000.00, Fixed Assets $610,000.00, Bonded Debt $78,000.00, Net Worth $672,000.00.
Company shows an operating loss of $83,000.00 for 1926 and $9,000. for 1925.

Julia R. Fahy 24,850.00
Endorsed James E. Fahy.
Secured by 250 shares, Standard Oil of Kentucky, with a market value of $28,000.00, which does not furnish a satisfactory margin.

Falls City Plumbing & Supply Company 83,318.82
Endorsed by L. P. Hyman.
Louis P. Hyman Company 9,816.89
Discounts of the above companies 2,930.70
The statement of the Falls City Plumbing & Supply Company shows: Total Assets $167,000.00, Debts $76,000.00, Net Worth $91,000.00.
Bank holds as collateral certificate of deposit for $10,000.00, 57 shares, Security Bank of Louisville, worth $10,175.00, and 5442 pieces of copper ingots, said to be worth about $30,000.00.
The statement of the Louis P. Hyman Company shows: Total Assets $184,000.00, Debts $113,000.00, Net Worth $71,000.00.
Louis P. Hyman personally owns real estate equities valued at about $120,000.00.
Companies both seem to have a very full debt.

EXTRA SHEET PAGE 8-6

To the Comptroller of the Currency, *Examiner.*
Washington, D. C.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports.—M. M.—P. C. Oct. 26-27.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Finance Mortgage & Realty Company Endorsed M. F. and S. J. Greenstein. Company is engaged in the business of purchasing second mortgage real estate notes. They have up as collateral $96,486.00 face value real estate notes, but if the payments have been made on these notes according to contract, the present value would only be about $60,000.00, which does not furnish sufficient margin of security. Loan is a continuous one.	$ 56,770.00
Hugh B. Fleece Secured by 133 shs. Bankers Mortgage Company, Com., and 2 shares, Bankers Mortgage Company, Pfd. Collateral is not of a satisfactory character and regular reductions should be required on the loan.	3,100.00
Fred Forcht Endorsed J. C. Brown. Loan is unsecured and no statement of individuals on file. Has been reduced from $31,250.00 since 7-21-24.	13,500.00
Frankfort Distillery Company This is an unsecured line, which has been continuous for two or more years. No statement on file.	85,000.00
Gloss-Brenner Motor Company Endorsed by J. H. Gloss Brenner. There is no recent statement of the company on file, but it is not believed to be in a very strong financial condition. Debt has been reduced $000.00 since last examination.	1,800.00
Goodwin Preserving Company Statement as of 12-31-26 shows: Current Assets $308,000.00, Current Liabilities $177,000.00, Other Assets $262,000.00, Bonded Indebtedness $67,000.00, Net Worth $524,000.00. The company has not been in an "easy" financial position for several years, but has been operating with a small profit and it is gradually improving its condition. The loan is secured by pledge of warehouse receipts covering canned fruits and preserves. A portion of line is also secured by assigned invoices.	139,060.00
Walker B. Gossett Irving Ibell is endorser on $550.00. Balance is secured by $1,500.00 Liberty Loan Bonds and 20 shares of Standard Sanitary Manufacturing Company, Com., the total value of the two securities being $3,160.00, which does not cover the loan.	3,850.00
E. A. Gradfelder Secured by 140 shares of Atlantic Realty Company, which has a book value of about $300. per share. The value of this stock is represented by an equity in a business building on one of the main streets in town. The collateral is of an unliquid character and the loan is not satisfactorily reduced.	15,150.00 Paid
B. Grinstead & Company Secured by warehouse receipts covering navy beans and canned cherries. It is difficult to estimate the value of this class of security and the loan is not supported by financial statement.	14,896.75
Mrs. Bessie Hannan Partly secured by 50 shs. Louisville Gas & Elec., 6% Pfd., worth $4,900.00. Maker is said to own real estate and other securities. No statement on file.	11,000.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1489—Reports.—M. M. 500—F. C. Oct. 24-25.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

A. H. Hargis Secured by 300 shares, Hargis Commercial Bank & Trust Company, Jackson, Kentucky, and $166,000.00 of real estate lien notes carrying title to a hotel property at Hazard, Kentucky. Mr. Hargis is foreclosing on these notes, and when he gets title to the hotel will finance the proposition as a real estate loan.	$ 76,150.00
Ray Neer Part secured by Liberty Bonds and building and loan stock worth $6,000.00. The bank also holds $6,240.00 of second mortgage real estate notes as collateral. Maker is a building contractor and has his funds tied up in real estate construction and second mortgage real estate notes, which do not constitute a satisfactory form of collateral.	14,542.00
Hegan Magruder Company Last statement under date of 6-30-26 shows: Current Assets $71,000.00, Current Liabilities $34,000.00, Other Assets $17,000.00, Net Worth $54,000.00. Included in assets are $9,700.00 due from officers and $4,500.00 in goodwill. Company's profits are small and they appear to be making little progress.	12,300.00
E. L. Henderson $6,000.00 is endorsed by J. B. Armstrong and $10,000.00 is secured by 100 shares of Standard Oil of Kentucky, worth $11,300.00. No statements on file for the maker or endorser, and the collateral loan is not sufficiently margined.	16,000.00
Herald-Post Company Endorsed J. B. Brown.	400,986.11
Herald-Post Company Overdraft This loan has been continuous in the bank for about three years. It is carried on the endorsement, there being no financial statement of the company on file. The overdraft is a habitual one and has averaged about $65,000.00 daily since February of this year.	74,917.82
Hilton-Collins Company Endorsed L. V. Casselly.	13,750.00
L. V. Casselly Secured by $8,250.00 notes of the Louisville Enamel Products Company. The company's statement dated 4-10-26 shows: Current Assets $53,000.00, Current Liabilities $11,000.00, Fixed Assets $20,000.00, Net Worth $41,000.00. Since this statement was made, the company is said to have lost about $20,000.00. The business is being liquidated and it is believed that the debt will soon be paid down to within the value of the collateral.	1,542.50
Hirsch Brothers & Company The company's statement as of 12-31-26 shows: $700,000.00 Current Assets, $356,000.00 Current Liabilities $296,000.00 Fixed Assets, $636,000.00 Net Worth. The company carries its trade marks and goodwill at $67,000.00 without amortising them. Their operating loss for 1926 was $101,000.00 compared to a profit of $41,000.00 the year before.	205,000.00
Margaret Hoerts Secured by 100 shares of Standard Sanitary Manufacturing Company, Com., with a market value of $8,300.00. The value of the collateral does not secure the loan.	8,715.78

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To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 13

TREASURY DEPARTMENT,
Office of Comptroller of the Currency.
Form 1480—Reports—M. M. 2,000—T. C., Oct. 24-25.

No. of Bank 5318 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Hoffman Heater Company — $ 100,000.00
Company's audited statement as of 12-31-26 shows: Current Assets $520,000.00, Current Liabilities $245,000.00, Fixed Assets $519,000.00, Mortgage Debt $100,000.00, Net Worth $696,000.00.
Goodwill, deferred charges and other doubtful items, aggregating $240,000.00, are carried in the assets, so that net worth should be depreciated to that extent.
During 1926, the company lost $41,000.00 on the sale of a plant and $10,000.00 on operations. In spite of this, they paid a dividend of $7,000.00. For the past few months, the company has been under new management and it is believed that an improvement will soon be noted.

Home Circle Publishing Company — 21,000.00
Endorsed by John H. Sutcliffe.
The company's tangible assets amount to $27,000.00 - its liabilities aggregate $59,000.00 . In addition to the tangible assets, they carry $100,000.00 goodwill as an asset, which they claim is the conservative value of the circulation.
The company does not appear to have been making any money, since goodwill was written up from $50,000.00 to $100,000.00 between 11-1-25 and 4-1-26, while during the same period the surplus increased only $42,600.00. This would indicate an operating loss of $7,400.00.
The endorser, John H. Sutcliffe, makes a statement showing a net worth of $148,000.00, which consists entirely of stocks and bonds. It would seem proper to ask that he pledge part of these to secure his endorsement on this loan.

I. J. Hess — 1,512.00
Collateral: 12 shares, Armour & Company of Illinois, Pfd.
Market value of stock is only $756.00.

Hynes & Company — 10,000.00
Endorsed T. J. Campion.
Company is engaged in wholesale produce business, which was unsuccessful and is now in the process of liquidation. Endorsement will protect the bank against any loss.

Indian Hills Development Company — 70,000.00
do. Indirect — 13,919.92
The company's statement dated 6-19-26 shows: Total Assets of $587,000.00, Debts $319,000.00, Net Worth $268,000.00.
As the name indicates, the company is a real estate development proposition and is backed by some of the wealthiest people in Louisville. They do not appear as endorsers on the paper, however.

Irvine Construction Company — 12,000.00
Endorsed by James A. Wallace.
No statement of the company on file. Bank has very old statement of James A. Wallace, which shows a net worth of $772,000.00, made up largely of real estate and unlisted stocks and bonds. Loan has been reduced from $20,000.00 since 1925.

Lawrence Jones — 25,000.00
Maker is the principal owner of the Frankfort Distillery Company.
No statement of this company or Mr. Jones on file.

Fred Keller — 7,000.00
Secured by 17 shares of Louis Keller & Sons.
The bank has no statement of the maker or collateral.

Edward C. Keller Company — 2,100.00
The company owns a line of bill-poster boards. Their debt has been continuous in the bank since 1925.

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
Office of Comptroller of the Currency.
Form 1208—Reports—M. & S.—U. S. Cir. 10-28.

No. of Bank 8312 *Date of Report* April 28, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Kentucky Consumers' Oil Company — $ 22,000.00
Endorsed by E. E. Hilpp & S. C. Hahnstab.
Statement dated 12-31-26 shows: Current Assets $39,000.00, Current Liabilities $49,000.00, Other Assets $45,000.00, Net Worth $35,000.00.
This statement reflects a current ratio of 1.82 to 2.89, the previous year, additional borrowings having been invested in fixed assets.
Company lost $220.00 in 1926 and made a profit of only $1,745.00 in 1925.

Kentucky Public Elevator Company — 77,000.00
Company's statement dated 6-30-26 shows: Total Assets $748,000.00, Debts $97,000.00, Net Worth $651,000.00.
The debt is all current, while current assets amount to only $19,000.00.
A loan of this character would appear to be more properly financed through a mortgage.

Kentucky Rock Asphalt Company — Direct — 50,000.00
do. — Rediscounts — 196,060.98
Company's statement as of 12-31-26 shows: Current Assets $726,000.00, Current Liabilities $172,000.00, Fixed Assets $5,652,000.00, Deferred Liabilities $1,700,000.00, Net Worth $4,515,000.00.
Of this net worth, over $3,000,000.00 is the result of writing up the values of the fixed assets. Net worth is subject to a depreciation of $406,000.00 on account of deferred charged in that amount carried in assets.
The rediscount land consists of large notes of road contractors, ranging in amount from $1,000.00 to $48,000.00. Practically all of these have been renewed at least once, and some of them a number of times.

Kentucky Tobacco Warehouse Company — 48,500.00
do. — Rediscounts — 38,770.00
The rediscount line consists largely of notes of the individual members of the firm, therefore, is really a direct obligation.
The company's statement as of 10-31-26 shows: Current Assets $230,006.00, Current Liabilities $106,000.00, Other Assets $12,000.00, Net Worth $124,000.00.
On account of the individual debts of the partners to the company and the joint accounts in which the partners are interested, it is difficult to properly analyse the statement. It is noted that the company suffered a loss of $26,000.00, and probably still has a considerable loss in its accounts receivable, aggregating $214,000.00. It is suggested that this line be adequately secured in some manner.

C. A. Kraner & Company — 50,425.61
Secured by note of the Herald-Post Company for $50,000.00, due 10-9-26.
The collateral note is endorsed by J. B. Brown.
It is apparent that the borrowing company is awaiting the payment of the debt of the Herald-Post Company to them before liquidating their obligation to the bank.

Shirley A. Kriner — 1,000.00
Secured by 10 shs. Niles Silk Shop, Lexington, Kentucky.
Stock is an unlisted one and there is no statement of the company on file.

Larimore Auto Company — 9,700.00
Endorsed by J. S. Larimore.
Larimore Auto Company — Rediscounts — 21,962.11
Statement dated 8-1-26 shows: Current Assets $40,000.00, Current Liabilities $19,400.00, Other Assets $700.00, Net Worth $21,100.00.
This statement does not show the company's contingent liability for notes rediscounted. Company suffered a heavy loss in a previous venture, but have lately taken the agency for the Oakland and Pontiac and are said already to be showing some improvement.

S. J. and G. V. Leachman — 2,827.43
No statement on file, and information as to worth of makers inadequate.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 6-8

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports.—Ed. 8,000—F. C., Oct. 24-25.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Fred Levy Realty Company — $102,527.78
Endorsed by Fred Levy.
No statement of the company on file, but it is said to own a building worth $1,500,000.00, subject to an original mortgage of $1,200,000.00. The mortgage is believed to have been reduced somewhat.
This appears to be a very slender equity on which to base a loan. It is said, however, that the endorsement of Fred Levy adds considerable strength, he being estimated worth about $1,000.00.

Abraham M. Liebling — $5,000.00 PA
Secured by 500 shares, Imperial Realty Company and 750 shares, Liebling Realty Company.
These stock represent equities in an office building and a hotal building. The information at hand in regard to the values of the buildings and the amount of the mortgages is not adequate.

Lincoln Fields Jockey Club, Inc. — 200,000.00
This company owns the race track at Chicago, Illinois. There is no statement of the company on file.

Long & Evans — 23,500.00
Company's statement dated 12-31-26 shows: Current Assets $76,300.00, Current Liabilities $35,400.00, Net Worth $40,900.00.
Of the current assets, $52,000.00 is accounts receivable. This seems excessive for a firm of merchant tailors and would indicate that the company might be carrying some very slow accounts.

Louisville Clothing Company — 13,000.00
Endorsed by W. H. and Asa Harned and W. J. Jones.
Statement of the company as of 12-31-26 shows: Current Assets $98,000.00, Current Liabilities $84,000.00, Fixed Assets $58,000.00, Net Worth $72,000.00.
Surplus account has shown a steady decrease for three years, loss since 1924 amounting to $20,000.00. The one favorable feature is that $41,000.00 of the current liabilities is due to the endorsers on this note.

Louisville Hotel Company — 8,584.00
Secured by endorsements.
Reduced from $10,000.00 since 2-10-25.

Louisville Ice & Storage Company — 183,600.00
Endorsed by Lawrence W. Breed.
All of the ice companies of Louisville guarantee proportionate parts of this debt. They borrowed this money to purchase the business of the Louisville Ice & Storage Company and thus eliminate a competitor. The plant is now being operated.

Louisville Textile Company — 18,787.63
Statement dated 12-31-26 shows: Current Assets $40,000.00, Current Liabilities $34,000.00, Fixed Assets $137,000.00, Mortgage $22,000.00, Net Worth $122,000.00.
The company is operating at a profit, but is under-capitalized.

Luckett-Lake Tobacco Company — 210,000.00
Endorsed by W. O. Roehm and C. F. Luckett.
Statement dated 12-31-26 shows: Current Assets $608,000.00, Current Liabilities $318,000.00, Fixed Assets $166,000.00, Net Worth $456,000.00.
The largest item among the assets is the inventory, which amounts to $520,000.00. The company appears to have bought heavily for speculative purposes. $117,000.00 of the current liabilities is owing to officers two of them are endorsers on this paper.

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1580—Supersedes Ed. 8-30—F. C. Oct. 34-32.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

J. S. Luscher Collateral: 20 shs., Cole Brothers Mfg. Company. The stock has no value. Maker is an attorney and said to be good for the debt.	$ 1,500.00
Fulton Mandeville M. W. Lewis, Jr. is endorser on $1,500. and balance secured by collateral worth $5,000.00. Margin of collateral is not large and loan is not satisfactorily reduced.	4,190.00
Mann Insurance Agency Statement of the agency dated 12-31-26 shows: Current Assets $35,000.00 Current Liabilities $22,000.00, Other Assets $6,000.00, Net Worth $19,000.00. Assets consist chiefly of accounts receivable $34,000.00. The debt has been continuous in the bank since 1925 and has not been reduced any in over a year.	9,500.00
Thomas K. Manson Secured by 2126 shares, P. Lorillard, Com., and certificates of deposit for $9,000.00. The total value of the collateral is $62,400.00, which does not furnish an adequate margin.	57,000.00
Marrett & Miller The firm's statement shows a poor current ratio, with assets largely of a fixed character. They make good profits, but the members draw out too much and no reduction is made on their debts.	9,500.00
W. R. Martin & Company This debt is partly secured by 52 shs. of Kentucky Utilities Company, Pfd., worth $4,940.00, and certificate of deposit for $1,000.00. Company's statement is very poor and they have been continuous borrowers from the bank since 1925.	9,000.00
S. C. Mengel Secured by endorsement of C.R. Mengel and 1200 shs. of Foreign & Domestic Veneer Company. This loan has been in the bank with little reduction since 1921. The stock is not a particularly desirable type of collateral.	24,736.00
L. W. Moorhouse Endorsed by C.H. Cheems, on whom the bank relies for payment. Loan is collateraled with 64 shs. of Moorhouse Corporation, which is believed to have little value.	2,334.50
Perda Z. N. Moren Secured by 200 shs. Continental Oil Company, worth $3,600.00. This does not furnish any margin.	3,500.00
Joseph W. Morris Collateral: 500 shs. Standard Oil of New Jersey, Com. 225 " " " " California, 100 " U.S. Industrial Alcohol, Com., The total value of the collateral is $34,375.00, which furnishes only any margin on the loan.	33,500.00
Murray Rubber Company	229,330.94
do. Discounted notes and acceptances	60,982.51
There is no recent statement of the company on file, but it is said to have made some improvement over that shown in the statement set out in the last report of examination. The company recently won a compromise on a suit against Sears, Roebuck & Company, which it is said, will net them over $300,000.00 in cash. The debt here is partly secured by bills receivable aggregating $115,000.	

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1287—Reports—R.S. 5136—P. L. Con. 12-23

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Nelson Creek Coal Company — $ 5,000.00
Endorsed by C. R. Fulkerson, R.S. Lytle, John W. Price, Jr. and J. W. Easton.
Loan has been carried two years without change. Said to be amply protected by the endorsements.

C. L. Nelson — 1,750.00
Collateraled with stock of the Citizens Hotel Company, which is believed to have no value. It is claimed, however, that maker is good for the debt and he has been making nominal reductions.

Norman Lumber Company — 50,000.00
do. Rediscounts — 20,000.00
The company's statement dated 12-31-26 (not audited) shows: Current Assets $96,000.00, Current Liabilities $53,000.00, Other Assets $71,000.00, Net Worth $114,000.00.
The other assets consist chiefly of stock in subsidiary companies, the largest holding being in Norman Kiln Drying Company, whose loan is set out next below. The company's current ratio is poor, and while they state they made a profit of $10,000.00 for the year 1926, net worth actually shows a decrease of $3,000.00 over statement submitted 3-31-26. 60 % of the rediscounts consist of notes of the Norman Kiln Drying Company.

Norman Kiln Drying Company — 7,000.00
The company's unaudited statement dated 12-31-26 shows: Current Assets $15,000.00, Current Liabilities $20,000.00, Fixed Assets $32,000.00, Net Worth $59,000.00.

A. E. Norman — 4,500.00
Secured by 90 shs. Norman Lumber Company.
Loan has been reduced $250.00 since last examination.

F. Marion Ogden — 1,200.00
Secured by 10 shares, Taylor-Ogden Drug Company.
No quotation available on stock, but it is said to have a value of $125.00 per share. This does not furnish any margin on the loan.

Ohio River Sand Company — 50,000.00
Endorsed by Thomas J., J. T. and J. E. Duffy, J. M. Settle and Charles S. Bohmer.
There is no statement of the company or the endorsers on file. The endorsers are said to be men of large means. No reduction since last examination.

Parkland Tire & Rubber Company — 15,000.00
Endorsed by Henry W., Ben H. and W. J. Lourdo, George Miller, Jr. and E. T. Faure.
Parkland Tire & Rubber Company Rediscounts — 10,565.12
The company's statement dated 12-31-26 shows: Current Assets $44,000.00, Current Liabilities $37,000.00, Fixed Assets $17,000.00, Net Worth $24,000.00.
The company suffered a loss of $42,000.00 during the 10 months ending 12-31-26. The loan is said to be perfectly good on the endorsements.

J. E. Pettie — 6,000.00
Collateral: 270 shs. Clarksville Coca Cola Bottling Company.
This is a local enterprise in Clarksville, Tennessee. There is no statement of the company on file. A letter from the bank's correspondent there states that the stock is worth $150. per share. Loan has been reduced from $9,100.00 since 3-9-26.

Annie L. and J. R. Peabody — 7,715.00
Partially secured by 180 shs. Centrifugal Pipe, worth $1,620.00, and a diamond ring appraised at $4,000.00.
Loan should be fully secured by satisfactory collateral or supported by financial statements.

To the Comptroller of the Currency,
Washington, D. C.

SEE REVERSE PAGE 6-12

Examiner

Exhibit 13

TREASURY DEPARTMENT.
Office of Comptroller of the Currency.
Form 1580—Reports.—Ed. 10-26—F. C. Co. 24-12.

No. of Bank 5518 *Date of Report* April 25, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Peggy & Lucy	$6,000.00
Collateral: $1,500.00 Liebling Realty Company, 6% Bonds,	
3,000.00 Norfolk & West Pocahontas, 4%, 1941,	
2,000.00 Berlin City Electric, 6%, 1951.	
The value of the listed collateral is $4,766.00. Valuing the other bonds at par, there is no margin.	
E. A. Pennington and W. L. Hollis	9,100.00
Unsecured loan with no statements on file.	
Piggly-Wiggly-Valley Company	30,000.00
The company's audited statement as of 12-31-26 shows: Current Assets $721,000.00, Current Liabilities $344,000.00, Fixed Assets $476,000.00 (including goodwill of $46,000.00) Deferred Liabilities $121,000.00, Net Worth $612,000.00.	
If goodwill is eliminated from statement, the company shows a debt of $588,000.00 as compared to a net worth of $566,000.00. The company's current ratio is only 1.55.	
Henry Pilchers Sons	47,000.00
do. Rediscounts	19,370.50
Statement dated 12-31-26 shows: Current Assets $619,000.00(of which $548,000.00 is bills and accounts receivable) Current Liabilities $138,000.00, Fixed Assets $185,000.00, Deferred Liabilities $180,000.00, Net Worth $276,000.00.	
It will be noted that total debts exceed the net worth. The company manufactures pipe organs and always have a large amount tied up in bills receivable, running from a few months to three or four years.	
C. H. Peers	3,800.00
Secured by 100 shs., Louisville Textile Company, Com.	
Loan reduced $900.00 since last examination.	
Lee Preher and Ben H. Schrader	3,200.00
Maker's statement shows Total Assets $42,600.00, Debts $12,300.00, Net Worth $21,300.00.	
Assets composed chiefly of real estate, part of which is mortgaged. Maker also lists in his assets a $6,000.00 real estate note, which is pledged as collateral on the loan of Bernadine C. Preher. His statement does not show any liability for the loan on which this asset is pledged.	
Bernadine C. Preher	3,000.00
Secured by $6,000.00 real estate note.	
No information at hand as to whether this is a first or second lien note, nor in regard to the property on which it carries a lien.	
Reed & Reed	2,500.00
Endorsed Stanley Reed and McKay Reed.	
Makers are general insurance agents. They have no financial statement on file.	
Stanley Reed	22,447.33
Partially secured by 1,050 shares Continental Oil Company, worth $17,850.00.	
No statement on file,	
H. W. Reece Woolen Company	21,000.00
do. Rediscounts	8,834.10
Loans bear 4 endorsements.	
Unaudited statement dated 12-31-26 shows: Current Assets $84,000.00, Current Liabilities $36,000.00, Other Assets $1,000.00, Net Worth $59,000.00. Contingent liability for Rediscounts not shown.	
The company's profits are very small and this statement shows a debt three times that shown on the previous year's statement. Loan has been continuous in the bank for two years.	

To the Comptroller of the Currency, Washington, D. C.

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Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports.—Rd. 10,000—F. C., Oct. 24-25.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Edwin A. Reid Secured by 21 shares, Bank of Taylorville, Kentucky. Bank has a capital of $50,000.00 and surplus and profits of $42,000.00, but carry in their assets: Other Real Estate $56,000.00, Live Stock and Farm Equipment $4,000.00, and Banking House, Furniture and Fixtures $30,000.00.	$ 1,250.00
Ridell Furniture Company No recent statement on file. The concern is said to have been merged with another company, and it is believed this loan will be paid within the near future.	3,700.00
Ridell-Robinson Manufacturing Company Endorsed J. E. Ridell and C.C. Heiatt. No financial statement on file.	30,000.00
Rogers Brothers Coal Company - Rediscount This is an acceptance of the Carroll Ridge Clay Products Company, which company is very slow pay. Rogers Brothers are said to be very wealthy. They have no statement on file.	5,000.00
Russell & Garibaldi No statement on file.	12,000.00
F. W. Samuel Secured by listed stocks with a market value of $23,500.00. This falls short of the accepted margin.	21,344.00
Frank C. Schulz $1,500.00 is taken on the endorsement of Betty Schulz, while $3,550.00 is based on collateral with a market value of $5,000.00.	5,050.00
H. U. Shrader Secured by trust receipts for 11 Essex Automobiles and 17 Hudsons. This loan is for the benefit of the Kennedy-Shrader Motor Company, whose affairs are somewhat involved. It is claimed that this line will be fully liquidated at the end of this summer.	26,903.06
Simpson Realty Company Secured by past due real estate note for $1,250.00. Information inadequate in regard to the collateral.	1,000.00
Standard Mortgage Company Secured by second mortgage real estate notes with a face value of $197,500.00. These are largely installment notes, a number of which are past due. It seems probable that the company has accepted payments on the notes which are not endorsed, and the value of the collateral may be less than the amount of loan. This is a continuous line in the bank.	162,000.00
Standard Printing Company Endorsed by Edward Settenhalk and D. B. Rose. The company's statement dated 9-30-26 shows: Current Assets $501,000.00, Current Liabilities $184,000.00, Fixed Assets $536,000.00, Mortgage Debt $150,000.00, Net Worth $503,000.00. The loan has been continuous in the bank for several years and is being reduced at the rate of $500.00 at each renewal. The company has insufficient working capital and are constantly expanding their business.	102,500.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports—84,000—T. C., Oct. 26-25.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Starks Realty Company Endorsed by John P. and Isaac F. Starks. The company's statement dated 12-31-26 shows: Real Estate valued at $5,095,000.00, Mortgaged for $2,000,000, Other Assets $1,045,000.00, Other Liabilities $593,000.00, Net Worth $1,547,000.00. It will be noted that the company's liabilities are greatly in excess of its net worth. The endorsers are said to be men of considerable outside means.	$175,000.00
J. W. M. Stewart Joint makers: John Buckingham, Alice Mayo Potter, Leon Isaacson, W.P.D. Haley, R.W.Bingham and James B. Brown. The joint makers on this loan are all individuals of large means, but the loan has been carried in the bank for several years without any reduction.	230,529.57
Stimpson Computing Scale Company Statement dated 12-31-26 shows: Current Assets $1,158,000.00 (of which $758,000.00 is receivables) Current Liabilities $521,000.00, Fixed Assets $170,000.00, Mortgage Debt $15,000.00, Reserves $14,000.00, Net Worth $778,000.00. When receivables of $758,000.00 are compared with the company's sales of $1,215,000.00, for the year 1926, the slow turnover will become apparent. The company does a large consignment business, and about one-third of their inventory of $356,000.00 has been out on consignment since 1925 or before. The character of their inventory and the installment feature of their receivables would make more working capital in the company highly desirable.	319,300.00
Herman Straus & Sons Company Last statement of the company available dated 1-31-26 shows: Current Assets $635,000.00, Current Liabilities $233,000.00, Fixed Assets $419,000.00, Mortgage Debt $61,000.00, Net Worth $751,000.00. This statement shows a substantial decrease in net worth over the previous year, and when the company's new statement is available particular attention should be paid to their progress during the year 1926.	75,000.00
O. P. Theisen M. J. Brennan is endorser on $2,500.00 and John M. Golden is on $1,500.00, which $2,500.00 is secured by unlisted bonds with no margin. Borrower is a man of small means and the loans are carried with only small reductions.	4,500.00
Thomasen Oil Company Endorsed by W. A. Thomson. Statement dated 12-1-26 shows: Current Assets $71,000.00, Current Liabilities $21,000.00, Fixed Assets $58,000.00, Deferred Credits $21,000.00, Net Worth $26,000.00. The net worth is subject to a reduction of $6,800.00 on account of goodwill carried in the company's statement. The bank relies largely on the endorsement, which is said to carry about $300,000.00 outside worth.	10,457.00
Tip Top Baking Company Endorsed by T. H. Murphy. Statement dated 12-31-26 shows: Current Assets $29,000.00, Current Liabilities $107,000.00, Fixed Assets $204,000.00, Net Worth $126,000.00. The company is said to make good profits, but evidently withdraws them all in dividends, since net worth shows an increase of only $4,000.00. This credit is based largely on the company's fixed assets.	58,000.00

EXTRA SHEET PAGE 6-15

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Bd. M.480—F. C., Oct. 26-27.

No. of Bank 5312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

J. Marvin Tucker — $ 10,152.07
Endorsed by Alma P. Tucker.
Maker is engaged in the real estate and insurance business and his assets appear to be chiefly real estate equities. It is noted that he holds a larger part of his real estate in joint title with his wife, which would make these properties exempt from his debts.

R. S. Tyler Company — 50,000.00
Statement dated 12-31-26 shows: Current Assets $148,000.00, Current Liabilities $136,000.00, Other Assets $174,000.00, Net Worth $186,000.00. This statement shows liabilities three times those listed on the statement, dated 12-31-25, without any increased in capital. Assets consist chiefly of accounts receivable for road work.

Robert P. Vaughn — 4,218.00
Secured by 335 shs. Hoffman Heater Company, Com.
The company whose stock is pledged shows lack of progress and stock is not considered satisfactory collateral. Loan is being reduced.

Henry Vogt Machine Corporation — Rediscounts — 95,427.14
There is no statement of the company on file. $60,600.00 of the rediscounts are on one name.

H. W. Walsh — 66,500.00
Collateral: 500 shs. Standard Oil of Kentucky,
100 " National Candy, Com.,
200 " Market Street Railway, Pfd.
The market value of the collateral furnishes only a 12% margin.

Ben S. Washer — 70,000.00
Secured by 700 shs. Standard Oil of Kentucky, which furnishes a margin of 1%.

Wheeler Realty Company — 35,000.00
Endorsed Blakemore Wheeler and W. C. Wheeler.
Statement dated 12-31-26 shows: Total Assets $174,000.00, Liabilities $126,000.00, Net Worth $48,000.00.
Included in assets is real estate valued at $119,000.00, mortgaged for $60,000.00. Blakemore Wheeler has an equity of $17,000.00 in the collateral pledged on his personal loan to the bank, but this does not appear to lend sufficient additional protection.

W. P. Williams — 3,570.00
Collateral: 226 shs., Swiss Oil Corporation,
25 " W.T.B. Williams & Sons, Bankers, Irvine, Kentucky.
The market value of the oil stock is $452.00, while the book value of the bank stock is$110.00 a share. Loan does not appear to be secured.

J. Winter, Jr., & Company — 4,050.00
Last statement of the firm on file is dated 8-16-24.

E. H. Woods — 98,595.74
Secured by 1st mtg. on 2500 acres of land in Allen County, Kentucky, variously estimated at worth from $125,000.00 to $200,000.00.
The loan is also additionally secured by mortgage on 350 head of cattle and 140 hogs.
This is an unsatisfactory loan for the bank and should be eliminated at the first opportunity.

G. A. Wurtele — 15,500.00
Endorsed by John Wurtele.
Makers are truck gardeners and are said to owns farms near the city. They have no statements on file and the loan has been carried continuously since 1925.

EXTRA SHEET PAGE 4-16

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT
Office of Comptroller of the Currency.
Form 1556—Reports.—Ed. 10-26—T. C. Cir. 24-A.

No. of Bank 8312 *Date of Report* April 23, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Anna Yeager — $ 9,875.00
Statement dated 1-1-27 shows Current Assets $45,000.00, Current Liabilities $27,000.00, Other Assets $5,000.00, Net Worth $21,000.00.
Maker's statements habitually show a poor current ratio and debt in excess of net worth.

R. T. Yee — 1,600.00
Secured by listed collateral with a market value of $1,690.00, which does not furnish sufficient margin.

T. L. Young — 20,600.00
Secured by 353 shs. of Crummies Creek Coal Co. and $25,000.00 note of S. H. Stone, dated 7-10-25.
The coal stock is said to be worth par, although the company's statement is not quite up to standard. Loan has been carried for a considerable length of time without reduction.

Jefferson County Bank, Jeffersontown, Kentucky — 27,000.00
Secured by $47,400.00 bills receivable, of which $8,000. are past due.
Last statement of the bank on file dated 3-8-27 shows bills payable of $50,000.00, which in excess of the bank's capital and surplus of $38,000.00.
Deposits are only $459,000.00. Previous statements disclose an habitually extended condition.

J. M. Carson Banking Company, Morrantown, Kentucky — 8,000.00
Secured by $16,242.00 bills receivable.
Has been continuously in this bank's debt since February, 1925. The credit files contain no statement of the borrowing bank.

Farmers Exchange Bank, Nicholasville, Kentucky — 50,000.00
Secured by $67,502.00 bills receivable.
Statement dated 3-28-27 shows:

Assets:		Liabilities:	
Loans	$1,215,000.00	Capital	$100,000.00
Cash	108,000.00	Surplus	126,000.00
Bank House	17,000.00	Deposits	1,110,000.00
Other Real Estate	17,000.00	Borrowed Money	140,000.00
Liquidation Account	121,000.00		
Total	$1,478,000.00		$1,478,000.00

This bank took over another small bank about two years ago, and has evidently found considerable difficulty in liquidating its assets, as evidenced by the large item carried as Liquidation Account. It has been a continuous borrower from this bank since January, 1925.

Orange County Bank, Paoli, Indiana — 22,000.00 PL
Secured by bills receivable aggregating $27,306.00, of which $6,500.00 is an unsecured note on one individual.
This debt has been continuous in the bank since May, 1925. The margin of collateral is insufficient and the distribution is poor.

Bank of Russellville, Kentucky — 37,500.00
Secured by bills receivable aggregating $97,000.00.
There is no statement of the bank on file, but the Bankers' Directory shows that it habitually carries a large line of borrowed money.
It has been a continuous borrower here for 18 months.

EXTRA SHEET PAGE 4-17

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1456—Reports—Ed. 8-20—P. C., Oct. 24-27.

No. of Bank 5312 *Date of Report* April 23, 1927.

The following loans to officers of the bank were made to enable them to purchase stock in the bank. These loans are all personally guaranteed by President J. B. Brown and he holds the stock to secure his endorsement.

These loans are not being reduced as rapidly as might be desired.

C. A. Bleak	$ 1,900.00
Isham Bridges	19,300.00
W. H. Dosker	16,300.00
L. L. Fontaine	7,100.00
H. R. Grant	5,300.00
Thos. G. Green	4,000.00
J. J. Hayes	11,000.00
C. F. Jones	20,500.00
Edw. R. Lee	7,100.00
A. P. Ramsay	8,500.00
W. T. Zurschmiede	7,000.00

EXTRA SHEET PAGE 6-18

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—BLANKS
Form 1436.—Page 7

No. of Bank, 8818

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes*	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off (See note below)
	#5. U.S. BONDS PLEDGED TO SECURE CIRCULATION.			
2,500,000.00 2	U. S. Consols 1930	2,500,000.00		
	#6.U.S. BONDS PLEDGED.			
50,000.00 4½	4th Liberty Loan Bonds	50,000.00	52,000.00	To Secure U. S. Deposit
	#7. U.S. BONDS NOT PLEDGED.			
2,400.00 2½	1st Lib. Loan Bonds	2,400.00	2,424.00	
4,500.00 4½	" " " "	4,500.00	4,542.20	
184,700.00 4	Third Liberty Loan Bonds	184,700.00	186,547.00	
437,500.00 4½	4th " " "	437,500.00	455,000.00	
547,100.00 4½	U.S. Treas. Notes 1947-52	547,100.00	623,694.00	
10,039,300.00 2½	U.S. Treas. Notes dated 3-15-27, 5 yr.	10,039,300.00	10,039,300.00	
		11,215,500.00		
	Less Reserve:	66,781.19		
		11,148,718.81	11,311,507.20	
	#10 OTHER BONDS, SECURITIES, ETC.			
	MUNICIPALS.			
10,000.00 5	Board of Commissioners, Port of N.O. Harbor Imp. 1927	10,000.00	10,000.00	To secure U.S. & Postal Savings Deposits.
1,000.00 5	Board of Commissioners, Port of N.O. Harbor Imp. 27	1,000.00	1,000.00	do.
4,000.00 5	Board of Commissioners, Port of N. O. Harbor Imp. 27	4,000.00	4,000.00	do.
5,000.00 5	Board of Commissioners, Port of N. O., Jan. 1, 1932	5,000.00	5,167.50	do.
15,000.00 5	Board of Commissioners, Port of N. O., Jan. 1, 1937	15,000.00	15,909.00	do.
5,000.00 4½	Board of Commissioners, Port of N. O. Mar. 1, 1942	4,800.00	5,165.50	do.
10,000.00 4½	Port of New Orleans, La. 41	9,400.00	10,315.00	do.
14,000.00 2½	City of Louisville, 1945	12,110.00	13,125.00	do.
20,000.00 4½	City of Louisville, Hospital 1951	20,400.00	21,500.00	do.
64,000.00 2½	City of Louisville, Refg. 1941	57,220.00	60,720.00	do.
10,000.00 4½	City of Louisville, School Bonds 1954	10,100.00	10,400.00	do.
25,000.00 4	City of Louisville, Sewer Bonds 1947	24,375.00	25,125.00	do.
29,000.00 5	City of Louisville, Sewer & Park 1941	23,625.00	28,275.00	do.
10,000.00 4½	City of Omaha, Neb. Sewer Bonds, 1925	10,000.00	10,235.00	do.
9,000.00 4	Parkersburg, W. Va. Water Works, Gen. Fd., Ser. J. 29	8,640.00	9,054.00	do.
25,000.00 5	City of Rocky Mount, N. C. Imp. 1953	25,000.00	27,500.00	do.
5,000.00 4	Porto Rican Bonds 1953	4,950.00	4,921.50	do.
10,000.00 4	State of Tennessee, Rfdg. Ser. "A", 1949	9,500.00	9,856.00	do.
5,000.00 4½	City of Louisville, Sch. Imp. Apr. 1954	5,252.00	5,408.00	
328	TOTAL, EXTRA SHEET.			

*If short-term or long-term notes carried in this account caused in any case, the limit prescribed by Section 5200, U. S. R. S., they should be listed also with respective loans.

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1438, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, state, if possible, the amount of the original indebtedness.

9—1928

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1406—Examining
Ed. 6-30—Apr. 15, 1926

Exhibit 13

No. of Bank 8518

Date of Report April 23, 1927.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value.	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	MUNICIPALS. (contd.)			
409,617.71	State of Ky. Warrants	409,617.71	409,617.71	
10,000.00	City of Frankfort, Warrants	10,000.00	10,000.00	Int. paid to 7-14-26
521.00	Ohio County Warrants	521.00	521.00	1926 Levy - Int. paid to date
		420,738.71	420,738.71	
	PUBLIC UTILITIES.			
10,000.00 4½	City of Los Angeles, Elec. Plant, 1946			
100,000.00 5	Buffalo Railway Co. 1931	9,000.00	10,250.00	
		85,250.00	85,000.00	To secure U.S. and Postal Savings Deposits.
100,000.00 5	Crosstown Street Ry. of Buffalo, 1952	85,226.00	90,000.00	do.
170,227.50 4½	Kentucky & Indiana Term. 61	145,243.74	155,000.00	do.
122,000.00 6	Louisville Gas & Elec. Co. 37	115,900.00	124,440.00	$110 M. Under Repurchase Agmt.
200,000.00 5	Louisville Gas & Elec. Co. 11-1-1952	250,500.00	261,625.00	
7,000.00 5	Louisville Home Tel. Co. 52	7,000.00	7,000.00	
500,000.00 6	Louisville Ry. Co. 6-1-23	500,000.00	500,000.00	
95,000.00 5	" " " 1930	87,892.50	92,150.00	
185,000.00 5	" " " 1950	194,277.00	140,500.00	$175 M. under Repurchase Agmt.
25,000.00 5	Nova Scotia Tramway & Pr. Co. 36 Yr. Gold 1946	21,000.00	22,750.00	
		1,450,695.24	1,468,025.00	
	RAILROADS.			
2,500.00 5	Ohio. Indpls. & Louis.Ry. May. 1, 1946	2,206.25	2,525.00	
2,400.00 5	International Ry. Ref. 11-1-1962	1,840.00	1,450.00	
		4,046.25	3,975.00	
400.00 7½	**REFINING.** Associated Motors, Inc., 1st Mtg. 7-1-32	250.00		
10,225.00 4½	Chic. Milwaukee & St. Paul, Ref. Ser. "A" Jan. 1, 2014	7,575.00	6,514.00	
		7,825.00	6,514.00	
	STOCKS, B.P.C. & SUBSIDIARIES			
315 shs. Pfd.	Inter. Planters Corp.			
2765 " Com.	do.			
200 " "	Lou. Ry. Co.			
5 " Pfd.	L.N. & St.L. Ry.	175,000.00	175,000.00	
7200 "	Rich. Potash Land Co.			
800 " Pfd.	Industrial Ownership Corp.			
800 " "	Murray Rubber Co.			
149,950.00 8	Industrial Ownership Corp. Notes, Due 6-7-26, Int. to 6-7-28, Sec. by 6897 shs. Van Camp Pkg. Com. Endorsed Walmsfield & Company and stock in their name.	149,950.00	149,950.00	
286,500.00 5	Liberty Washington Cedar St. Corp. 1st Mtg. 27-54 Gtd. White & Associates	106,500.00	106,500.00	D. P. C.
	EXTRA SHEET PAGE 7-1 Total			

To the Comptroller of the Currency,
Washington, D. C.

Examiner

Exhibit 13

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1466.—Examining
Rd. 8480—Apr. 12, 1927

No. of Bank 8512 Date of Report April 23, 1927

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	STOCKS, BPC & MISCELLANEOUS.			
$30,000.00 7	Murray Rubber Co. 1st 44	$26,499.00	$26,499.00	D.P.C.
187,000.00 6	E. K. Rees Coll. Tr. 27-35	187,000.00	187,000.00	do. Paid during the examination.
141.09	Unmatured coupons	141.09	141.09	
15,000.00 6	Columbia Phosphate Mining Co. note, dated 12-31-25 due 12-31-26, int. to 12-31-25. Gpd. Campbell, Heath &Co.	15,000.00	15,000.00	D.P.C.
64,186.70 6	Graphite Products Co. note dated 2-10-22 due 1 yr. sec. by 3209 shs. Graphite Products Corp.	14,844.34	14,844.34	Doubtful
13,606.80	Claim vs. Peoples Bank of Springfield, Tenn. (closed)	13,606.80	13,606.80	
35,000.00	A. E. Latta	35,000.00	35,000.00	

This item represents other real estate purchased by the bank, the title to which is in the name of A. E. Latta, the bank merely holding a memo to that effect. The property was purchased for future banking quarters and the title vested in the name of A.E. Latta to prevent any outside parties from ascertaining where the bank intended to locate, so that any adjoining property could be purchased without exhorbitant prices being demanded. The bank, of course, should hold title to this property and set the item up as other real estate.

50 shs. com.	National Candy Com.	3,750.00	4,800.00
22,000.00	1st Mtg. R.E. bond, E. J. Strauss due 4-5-30	22,000.00	22,000.00
225.06	Claim vs. Shapin Mfg. Co.	225.06	225.06
8,000.00	Claim Harry T. Best	10,120.60	10,120.60
407,706.88	Claims Ky. Wagon Mfg. Co.	407,746.08	407,746.08
		1,467,382.97	1,468,452.97

RECAPITULATION.		
Municipals	680,790.71	697,796.31
Public Utility	1,490,693.84	1,503,023.00
Railroads	3,866.25	3,983.00
Defaulted	7,933.63	6,314.00
Stocks, D.P.C. Misc.	1,467,382.97	1,468,452.97
	3,650,667.40	3,679,549.18
Less reserve	108,106.82	
	3,542,560.58	
Estimated appreciation		136,988.60

EXTRA SHEET PAGE 7-2

*TOTAL

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1466.—Page 2

No. of Bank, 8818

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate bought for use as branch office	14,816.56	14,816.56
2. Aggregate amount acquired in violation of law,		
TOTAL,	14,816.56	14,816.56

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease-4th and Guthrie purchased for use as branch office, but not used, due to later decision to secure another location.	14,816.56	-0-	14,816.56			700.	1-I-23
TOTAL,	14,816.56		14,816.56				

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation?
Yes
2. Is banking house suitable and convenient? Free of incumbrance and adequately insured?
Yes
3. Are vault and safe secure? Are contents adequately insured? Is banking room used by any other banking institution?
Yes Yes No

RESERVE

1. Was reserve with Federal Reserve Bank sufficient on date of examination? If not, give the deficiency in dollars.
Yes
2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid?
None

NOTE.—The directors should be advised of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is intact, and that the law requires reserve to be maintained each day even though penalty is assessed only on average deficiency.

BANK ACCOUNTS

1. State rate of interest received on open accounts.
1½ - 3%
2. State rate of interest paid on open accounts.
3% & 3%

OVERDRAFTS

1. State whether habitually granted. What amount is unsecured? Secured?
Yes $488,960.96
2. Did you verify amount at date of examination?
No
3. Did you compare amount stated in last report of condition with amount shown by the books for same date?
Yes
4. Is overdraft account shown on the general ledger?
Yes
5. Does bank keep detailed daily record of overdrafts? Did you instruct?
Yes
6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

SEE EXTRA SHEET

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.

SEE EXTRA SHEET.

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Did you instruct?
Yes

Describe any irregular items	Itemize losses estimated
SEE EXTRA SHEET	SEE EXTRA SHEET.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1489—Reports.—Rd. 28,310—F. C., Oct. 26-25.

No. of Bank 8312 *Date of Report* April 23, 1927

OVERDRAFTS REMAINING IN BANK SIX MONTHS OR LONGER.

Mrs. H. S. Funk, Treas.	$ .04	10-13-26	
Mrs. J.E.H. Gailbraith	14.07	10-26-26	
John T. Isaacs, Trustee	.14	10-26-26	
J. K. Ferguson	.50	1-3-26	
Mrs. R. A. Hughes	.96	7-28-26	
George T. Ellis	2.65	12-14-26	Loss
Ellis Owen	9.07	7-21-26	
N. J. Taylor	.13	7-19-26	
T. J. Smith	.01	7-30-26	
Kentucky Wagon Mfg. Co.	229,092.54	8-1-25	See
Trumbo Schupp & Schmidt	56,261.92	12-24-26	Slow Loans.
J. Dolfinger & Co.	9,449.45	4-23-27	
Knadler & Lucas	9,713.86	8-14-26	
J. A. Vetter, Treas.	8.67	8-4-26	
H. V. Stuart	8.00	8-26-26	
Dena Stein	5.63	9-8-26	Loss

EXTRA SHEET PAGE 8-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT
[illegible]
Form 1430 Reports [illegible]

No. of Bank 2212 *Date of Report* April 23, 1927.

[illegible]

James [illegible] Brown $ 10,333.44 Capital.
Withdrawn since Nov. 17, 1926 - No interest paid.

Herald-Post Co. 24,117.52 Capital.
Withdrawn since Dec. 22, 1926 - No interest paid.

To the Comptroller of the Currency

Exhibit 13

TREASURY DEPARTMENT,
Office of Comptroller of the Currency.
Form 1456—Reports.—Rd. 10,000—T. C. Cir. 24-12.

No. of Bank 8212 *Date of Report* April 23, 1927.

IRREGULAR CASH ITEMS.

Main Office

Forged check, Edw. Anderson	$ 20.00 - Loss	
640 shs. Kentucky Jockey Club common stock bought from Fleming Chambers & Co. a/c E. J. Winn.	13,062.34	
Van Camp coupons, due 5-1-27	115.50	
Expense charge due from Kentucky Wagon Co.	87.84	
Check L. Winer 5-21-26 in suit	182.00	Doubtful
do. 5-24-26 do.	25.00	"

Branch.

Check debited by National City Bank	184.00	Loss
Check, L. R. Hemmid 1-8-27	468.00	"
Debit tickets representing purchases of stock for the following customers:		
Mrs. Emily T. Hengel 3-18-27	679.00	
Chas. Green 4-14-27	686.00	
R. B. McMeller 4-14-27	8,430.00	
Andrew Hearts 4-23-27	12,592.50	
Mrs. E.B. Portney 4-21-27	4,042.56	
Debit ticket 4-18-27 with no notation on it supposed to be for Kentucky Jockey Club	11,000.00	

EXTRA SHEET PAGE 8-6

To the Comptroller of the Currency, Washington, D. C. *Examiner*

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488.—Page 9

No. of Bank, 8812

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept and amount outstanding stock does not agree, give particulars.
   Properly kept - agrees
2. If bank owns any shares of its own stock, so state and advise how and when acquired.
   None owned
3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.
   SEE EXTRA SHEET
4. Is stock registered by outside registrar?
   No
5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?
   SEE EXTRA SHEET.

NOTE.—Examiner should note and report if surrendered certificates are not properly assigned, canceled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Give (1) Date of declaration of last dividend. 3-18-27 Payable 4-1-27 Annual dividend rate is 20 %

(2) Amount of last dividend, $ 125,000.00 (3) State when reported. 3-30-27

1. Was last report of earnings and dividends correct? If not, give details.
   Yes
2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses (items 2b and 2c) as required.
   Yes
3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books.
   None noted
4. Is itemized expense account kept, and did you inspect that account and interest-paid account to date of previous examination?
   Kept - inspected
5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Examined by Public Accountant annually.
   Do the minutes record such action?
   Yes
6. Did you inspect all earnings accounts from date of last examination?
   Superficially
7. State amount of losses charged off since last examination on loans, $ 171,473.46 Bonds, $ Other, $ 1,358.70
8. State amount recovered on charged-off assets since last examination. $722.08 SEE EXTRA SHEET.

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. 2% - 5.91 % Certificates of deposit. 3% & 4%
2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose.
   Yes
3. Does bank retain all canceled certified checks or take receipts for any delivered?
   Yes
4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited.
   Verified at each entry. 3% int. paid semi-annually - Last credited 1-1-27
5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for.
   30 days notice provided for
6. Give total of dormant ledgers. $72,710.38 How are withdrawals safeguarded? Auditing department maintains control
7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing.
   Yes
8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination.
   Yes
9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination.
   Yes

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list.
   None disclosed
2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere.
   No
3. Average borrowings since last examination.
   $336,037.81

List outstanding liabilities for money borrowed whether on bills payable, rediscounts, open accounts, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Reserve bank:							
War Finance Corporation:							
TOTAL,							
Other: Stewart Dry Goods Co., Louisville, Ky.	200,000.00				$95 M. Louisville G. & El. Co. 6/57 105 M. " Rys. Gen. 5/50 Bonds.		
TOTAL,	200,000.00						
GRAND TOTAL,	200,000.00						

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 10,000—F. C., Con. 10-28.

No. of Bank 5218 *Date of Report* April 23, 1927.

BANK'S OWN STOCK HELD AS COLLATERAL.

5 shares held on loan, Katherine D. Mooney. This is claimed to be additional collateral, but value of other collateral is not of sufficient margin. Loan has been in bank for some time. Amount of loan $2,270.00.

5 shares held on loan, Thos. L. Barrett. This is also claimed to be additional collateral, but value of other collateral is not of sufficient margin. Loan has been with bank for some time. Amount of loan $5,000.00.

EXTRA SHEET PAGE 9-1

To the Comptroller of the Currency,
Washington, D. C

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 10,000—F. C., Oct. 26-27.

No. of Bank 5312 *Date of Report* April 23, 1927.

STOCK OF THIS BANK SIGNED IN BLANK AND HELD IN SAFEKEEPING.

Name	Number of Shares.
Block, O. C.	12
Bridges, Isham	64
Booker, W. H.	69
Fountain, L. L.	25
Grant, H. H.	21
Green, Thomas	25
Hayes, J. J.	50
Jones, C. P.	77
Lee, Edw. E.	25
Ramser, A. P.	30
VerSchmiede, W. T.	25

Above stock held to secure President Brown for his guaranty of their notes to the National Bank of Kentucky.

EXTRA SHEET PAGE 9-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports—Ed. 8,000—T. C., Oct. 24-25.

No. of Bank 5513 *Date of Report* April 25, 1927.

CHARGE-OFFS AND RECOVERIES SINCE LAST EXAMINATION.

1926		Notes	Bonds	Other	Recoveries
Nov. 24	Over & Short				$ 1.00
Dec. 6	Note, Stella Vandyke				104.00
	Chas. G. McGratis	$ 775.00			
	R. W. Hunter	7,900.00			
	Kentucky Inv. Co.	475.00			
		900.00			
	Saul S. Lord	68.51			
	Geo. R. Newman	85.00			
	R. H. Ray	340.00			
	Allen E. Smith	90.00			
	Albert Schwartz	80.00			
	Shapin Mfg. Co.	10,000.00			
		5,000.00			
		7,500.00			
	Margaret Van Ragnlert	110.00			
	Pearl Wertheimer	2.75			
	Kindler & Lucas	35,000.00			
	Kentucky Wagon Co.	100,000.00			
	John Welsh	60.00			
	Oscar Porcht	661.50			
	Alexander Andersen	300.00			
	Interest on Past Due Notes	1,298.29			
15	Liberty Bonds & Coupons				67.00
18	R. W. Hunter (note)				100.00
31	Over & Short	499.70			
Jan. 3	John Welsh (note)				60.00
12	Ch. of James J. Hartman, Leavenworth, Kansas	22.69			
18	Old Bank, Perrysville 10%				7.24
22	Eberts & Bro. (Dividend)				219.61
24	N. H. Selyers	96.91			
	W. B. Hopkins (note)				15.00

EXTRA SHEET PAGE 2-3

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 2183—Reports.—24 30397—F. C., Cm. 24-28.

No. of Bank 5312 *Date of Report* April 25, 1927.

CHARGE - OFFS AND RECOVERIES SINCE LAST EXAMINATION.

		Notes	Bonds	Other	Recoveries
Jan.	24	Allen Smith (note)			$ 10.00
	25	Check lost Dec. 10, 1926		$ 1.54	
	31	Overdrafts		127.68	
Feb.	3	Elizabeth Hilbert	$ 184.33		
	8	Overdraft, R.S. Dewey			2.00
	15	Allen E. Smith (note)			10.00
Mar.	2	Corbin Lbr. Co. (note)			42.75
	9	Forged check of J.J. Block		11.50	
	10	Check paid after payment stopped		4.00	
	12	Protest fees in error		1.50	
	24	2 bad check on Jeffries, Tenn.		135.00	
	25	Chas. McGratis (note)			27.00
Apr.	1	Shelby Schuster (note)			17.50
	5	Stella V. Bell (Dividend on stock)			52.00
	20	Forged check, W.H. Bowen		2.00	
	21	Accrued interest on Bagley - Howe Co. (not collected)		1,075.48	
			$171,473.46	$1,358.70	$722.06

EXTRA SHEET PAGE 9-4

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488.—Page 10

No. of Bank, 5512

BOOKS AND ACCOUNTS

GENERAL LEDGER.

1. Is satisfactory general ledger kept? Yes — By whom kept? Mr. Williams — Is daily statement taken? Yes
2. Are accounts with correspondent banks reconciled at least monthly? Yes — By whom? Auditing Department
3. Are reconcilements verified? No — By whom? — Is reconcilement book kept? Yes
4. Are the general and control accounts carried on the general ledger? Yes — If not, give full explanation.
5. Are loans and discounts proved at least monthly? Proved quarterly — Does custodian verify? Proven by auditing department.
6. Are certificates of deposit proved frequently by listing outstanding items? Proved quarterly
7. Does the employee verifying them issue the certificates? Auditing department verifies.

INDIVIDUAL AND SAVINGS LEDGERS.

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers. Yes
2. Is satisfactory individual ledger kept. Yes
3. State whether bank verifies balances with depositors periodically. No
4. State form of individual and savings ledgers. Machine posted.
5. State how often individual or savings ledgers are proved. Individual proved monthly - Savings every two months.
6. Whether by some one other than clerk keeping same. By auditing department.
7. Is balancing of pass book or statement noted on the ledger? — In what manner? All accounts balanced monthly.
8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? — State name. No
9. Are officers and employees required to take annual vacations? Yes
10. Is interest properly credited every six months on savings accounts? Yes

IN GENERAL.

1. Are paid and canceled drafts filed satisfactorily? Yes
2. Are proper entries made in Redemption Fund and Circulation Accounts? — If not, were instructions given? Yes
3. Are the books so kept that the examiner can readily make a thorough and complete examination? Yes
4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection. Good
5. Is all business for each calendar day included in proper account for that date? Yes
6. Are erasures made of entries on books by the use of acid or otherwise? — If so, did you give proper instructions? No
7. Does the bank keep a liability ledger? Yes — How often balanced? With notes — Is it a practicable book? Yes
8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions? Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held. Weekly - Friday
2. In what manner do they authorize or approve loans or discount? Approve all loans made since last meeting.
3. State whether they have an active discount committee. No - officers act — Are their meetings and actions properly recorded? No
4. State whether they have an active examining committee. Examined annually by Public Accountant — Is complete and satisfactory report on file? Yes
5. Give date of last committee examination. — Do minutes record report? Yes — Are active officers only on committee? Yes
6. State whether loans and discounts to their firms and corporations are specially acted upon by the board. No
7. Are the by-laws adequate? Yes — Are their provisions regularly observed by the officers and directors? Yes
8. Was copy of report of last examination by examiner considered by directors and noted on minutes? Yes
9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes? None noted.

Exhibit 13

TREASURY DEPARTMENT
Comptroller of the Currency—Examiner
Form 1466.—Page 11

No. of Bank, 5512

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

See Trust Agreement filed herewith.

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state.

ITEMS FOR SAFE KEEPING

Is a proper record kept of securities left for safe-keeping? Yes

Were securities checked against such records? Yes

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
"Bad debts,"				
Other overdue paper,	5,000,160.19	567,253.47	137,175.16	
All other loans and discounts,				
Overdrafts,		19,162.31	6.16	
Premium on U. S. bonds,				
Bonds, securities, etc.	805,294.66	14,844.34		
Banking house,				
Furniture and fixtures,				
Other real estate,	14,816.56			
Cash items,		157.00	594.00	
Shortages,				
Judgments,				
Unpaid bills,				
TOTAL,	5,820,271.41	601,516.12	137,775.32	

Were estimated losses charged off during examination? Agreed to charge off June 30th.

List items requiring attention and note any corrections made or promised during examination.

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	2,500,000.00
Net undivided profits,	1,548,102.27
All reserve accounts,	286,683.15
TOTAL,	4,334,785.42

SEE EXTRA SHEET.

Vance L. Sailor
Examiner.

Per John S. Wood
Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 8.

W. J. Wolff
Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 13

TREASURY DEPARTMENT.
Office of Comptroller of the Currency.
Form 1600—Reports—M. 10,000—7. C., Oct. 24-28.

No. of Bank 5312 *Date of Report* April 28, 1927.

ITEMS REQUIRING ATTENTION AND CORRECTIONS MADE OR PROMISED.

Statutory Bad Debts and Other Overdue Loans.	Larger part consists of old work-out lines which are receiving the constant attention of the management.
Slow and Doubtful Loans.	Continued careful attention to be given.
Losses.	Examiner's classification of losses concurred in and agreed to charge off by June 30, 1927. List left with Auditor.
Loans Otherwise Especially Mentioned.	Due consideration to be given to the examiner's reasons for listing.
Excessive Loans.	a. The excessive loan to the Kentucky Jockey Club was said to have been due to an oversight owing to the fact that part of the notes were made at the Main Bank and part at the Branch. Reduction could not be obtained during the examination, but was definitely promised within a reasonable time. b. The loan to C.C. Heistt, classed as part of the excessive loan to the Consolidated Realty Co., was originally made in good faith by the bank to Mr. Heistt personally. A few months ago, Mr. Heistt transferred the Louisville Trust Co. stock pledged on the loan to the Consolidated Realty Co., and the company assumed the loan without the knowledge of the bank. The matter came to the attention of your examiner from reviewing the auditors report of the company as of 12-31-26. It was agreed to eliminate the personal loan to Mr. Heistt as soon as it could reasonably be accomplished. c. The management of the bank disagrees with your examiner on the classification of the Wakefield & Company excessive loan, and therefore a ruling from your office on the matter is desired.
Overdrafts.	The larger items on the overdraft list as of the date of examination were: Hy. Wagon Mfg. Co. $ 299,092.84 Trumbo, Schupp & Schmidt 54,261.97 J. Dolfinger & Co. 9,449.45 Kneller & Burns 9,718.86 Herald Post Co. 74,917.82 Pres. J. B. Brown 28,995.44 The first four items are part of work-out lines and there is no prospect of eliminating them soon unless they are transferred to the claims account. The latter two items were covered during the examination. The Herald-Post overdraft had been continuous since Feb. 25, 1927, and has averaged about $55 M. The interest was not calculated and paid during the examination, but it was promised that this would be done.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 11-1

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports.—Ed. 10,000—T. C., Oct. 26-25.

No. of Bank 5512 *Date of Report* April 23, 1927.

ITEMS REQUIRING ATTENTION AND CORRECTIONS MADE OR PROMISED.

Irregular Cash Items: Items considered losses Debit ticker against Ky. Jockey Club. Stock purchased for customers and carried in cash items until such time as customers find it convenient to take up. One item at Main Bank and five items at Branch.	Charged off during the examination. Taken out during the examination. The irregularity of this practice has previously been called to the attention of the management and should be discontinued.
Credit Files.	The credit files have shown great improvement during the past two years, but are still incomplete as to correspondence, officers memos, trade checkings and other collateral information. The files on borrowing banks are very meagre and unsatisfactory.
Sold Loans.	The bank continues to sell to country correspondents many loans on which the collateral is not of a satisfactory type for this purpose or which are made on too close a margin. This matter should be more carefully watched by the officers.

EXTRA SHEET PAGE 11-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
FORM 1489—REPORTS.—Ed. 10,000—P. C., Con. 10-12.

No. of Bank 5312 *Date of Report* April 25, 1927.

TOTALS - 4th STREET BRANCH.

Loans	$ 3,249,345.60
Individual Deposits	5,488,619.84
Overdrafts	102,064.65
Savings	1,032,881.35
Certificates of Deposit	4,587,555.49
Cashier's Checks	15,604.30
Certified Checks	4,969.16
Christmas Savings	38,754.45
	$14,519,794.84

EXTRA SHEET PAGE 11-3

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

Federal Reserve District
National Bank of Kentucky, Louisville, Ky.
Examined by Tyree L. Sadler
April 28, 1927

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1466 D—Rd. 4,000—May 15-26.

No. of Bank 9828

BALANCE SHEET OF ACTIVITIES AS TRUSTEE, EXECUTOR, AND ADMINISTRATOR.

ASSETS.				LIABILITIES.			
1. Investments (other than No. 2)	$ 1,811	470	18	1. Private Trust Accounts	$ 782	239	65
2. Deposits in Savings Bank @ %				2. " " " Income	84	195	44
3. Deposits in other Banks @ %				3. Court Trusts (Executor, Administrator, etc.)	1,208	843	75
4. Deposits in own Bank @ %	87	497	74	4. " " Income	14	504	66
5. Cash on hand				5. Profits due Bank			
6. Advances to Trusts	4	831	65	6. Other Liabilities (List)			
7. Other Assets (List)							
TOTAL	$ 2,183	179	83	TOTAL	$ 2,183	179	83

CORPORATE TRUSTS.

1. Total amount of collateral trust bonds outstanding where bank acts as trustee ..... $ 4,870,000.00
   (a) Ledger value of securities deposited with bank to secure same $4,870,000.00
2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee $2,250,000.00
3. Ledger value of securities held for account of sinking funds ..... —
4. Total amount of sinking funds uninvested ..... —
5. Face amount of unissued bonds held: (a) Certified $250,000.00
   (b) Uncertified $1,000.00
6. Face amount of canceled bonds held ..... —

(a) Are receipts filed for all canceled bonds delivered?
Yes
(b) Are certificates filed for all cremated bonds?
None cremated

IN GENERAL.

1. What trust powers have been granted to bank?
Full powers under Sec. 11 K Fed. Res. Act.
2. What trust powers is bank now exercising?
Executor, Adm., Trustee, Agent, Registrar, Transfer Agt. etc.
3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors?
Yes
4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
Yes
5. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another?
Yes

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
FORM 1486 B—Ed. 5,000—May 13-30.

No. of Bank 8818

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Yes

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
No

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department?
Yes

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?
No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes

12. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Approved by committee

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.
None

20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.
None

21. What audit or examination of trust department books and securities is made by or for the directors?
Annual audit made by public accountant

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes

23. List criticisms, if any.

60 trusts aggregating $2,128,967.92

Exhibit 13

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 2,500—F. C., Oct. 24-12.

No. of Bank 5312 *Date of Report* April 25, 1927.

THE NATIONAL BANK OF KENTUCKY ACTS AS REGISTRAR OR TRANSFER AGENT FOR THE FOLLOWING STOCK ISSUES.

Louisville Gas & Electric Company - 7% Pfd.
" " " " - 6% "

Louisville & Nashville R. R. Company

Swift Packing Company, Common
" " " Preferred

Standard Petroleum Company

The Sutcliffe Company, Common
" " " Preferred

Stimpson Computing Scale Company, Common
" " " " Preferred

Louisville Heating Company, Class A, Common

Continental Car Company, Common
" " " Preferred

Jefferson Island Salt Mining Company, 1st Preferred
" " " " " 2nd "
" " " " " Common

Kentucky Jockey Club, Common
" " " Preferred

West Penn. Electric Company, 7% Preferred
" " " " Class A

Kentucky Refrigerating Company

West Penn Railways Company

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 13

TREASURY DEPARTMENT
COMPTROLLER OF CURRENCY—EXAMINING DIVISION
Form 1461—10,000—Oct. 30, 1922.

No. of Bank, 5312

ACCEPTANCES.

No

1. Does the bank make acceptances for account of customers?
2. In accepting drafts for customers under the provisions of the Federal Reserve Act, does the bank require an adequate written agreement or guarantee from its customer to provide funds to meet the acceptance at maturity?
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of such acceptances?
4. Does the bank purchase its own acceptances? If so, state amount now held.
5. Are purchases of its own acceptances included in loans and discounts?
6. Remarks.

LETTERS OF CREDIT AND TRAVELERS' CHECKS.

1. Does the bank issue letters of credit and travelers' checks? Yes - through New York Correspondents.
2. In issuing letters of credit and travelers' checks (other than for cash) does the bank require an adequate written agreement or guarantee from its customer? Yes
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of letters of credit and travelers' checks outstanding or honored? Yes

Exhibit 14

CHIEF NATIONAL BANK EXAMINER

TREASURY DEPARTMENT

OFFICE OF
COMPTROLLER OF THE CURRENCY

St. Louis, Missouri,

November 26, 1927, 19

To the Board of Directors:

By direction of the Comptroller, I inclose copy of the report of an examination of your bank made October 14, 1927 by National Bank Examiner John S. Wood, with the request that it be considered at your next monthly meeting, and a record of the action taken thereon entered upon the minutes.

Please also fill out and return the form attached.

John S. Wood
Chief National Bank Examiner.

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—Examiner
Form 1488.—Ed. 10,000—Mar. 26-28

State whether special or regular examination REGULAR

A copy of this report of examination is furnished to the Board of Directors of the examined bank for their information and consideration. The information contained therein is based upon the records and books of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources believed to be reliable, and prepared by the Examiner to be correct.

Much of the information in regard to the assets of the bank is of such a character as to make it necessary for the Examiner to rely upon the good faith and assurances of his informants, and while the Examiner regards the statements so accepted by him as correct, he is, necessarily, not in a position to guarantee the accuracy of such part of the information as may not have been obtained at first hand.

Name of Examiner, John S. Wood No. of Bank, 5512 Fed. Res. Dist. No., -8-

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kentucky, Louisville (City), Jefferson (County), Kentucky (State)

Examination commenced at 3:00 o'clock P M., on October 14, 1927

Examination closed at 6:00 o'clock P M., on October 29, 1927

Jas. B. Brown, President. Chas. P. Jones, Cashier.

Resources	Amount	Liabilities	Amount
1. Loans and Discounts,	30,485,502.12	1. Capital Stock Paid in,	4,000,000.00
2. Overdrafts,	342,797.38	2. Surplus Fund,	2,000,000.00
3. Interest earned not collected,	218,514.29	3. All other Undivided Profits, 522,415.61 Less expenses, etc. 48,064.38	474,351.23
4. Customers' liability account of "Acceptances,"	8,742.03	4. Reserved for Depreciation and Losses,	175,839.62
5. U. S. Bonds to secure circulation,	2,500,000.00	5. Reserved for [illegible], Taxes, etc.,	432,657.50
6. U. S. Bonds and certificates pledged,	4,251,100.00	6. Interest collected, not earned,	136,781.12
7. U. S. Bonds and certificates not pledged,	7,014,400.00	7. Due to Federal Reserve Bank,	
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,	15,595,978.72
9. War Savings Stamps,		9. Certified Checks,	158,781.69
10. Bonds, Securities, etc. (pledged and unpledged),	4,406,409.58	10. Cashier's Checks Outstanding,	82,757.37
11. Federal Reserve Bank Stock,	150,000.00	11. Dividends Unpaid, 9,622.00	
12. Banking House, Furniture and fixtures, 27,000.00 143,380.67	177,380.67	12. Demand Deposits: Ind. Dep. subject to check, (including those subject to notice of less than 30 days.) 24,870,890.52 Ctfs. of Dep. due in less than 30 days,	24,880,512.52
13. Other Real Estate Owned,	14,466.52	13. Time Deposits: Ctfs. of Dep. due on or after 30 days, 6,870,053.04 Deposits subject to 30 or more days' notice, 2,936,470.99 Postal Savings, 58,107.89	9,864,631.92
14. Due from Federal Reserve Bank,	3,146,771.98	14. United States Deposits: (Including U. S. Disbursing Officers)	
15. Due from Federal Reserve Bank Transit Account,	4,017,989.62	15. Circulation rec'd, Less on hand and returned 2,500,000.00	2,500,000.00
16. Due from Trust Companies, Banks, and Bankers,	2,425,026.94	16. Bonds sold, agreement repurchase	200,000.00
17. Exchanges for Clearing House,	809,100.53	17. Bills Payable with Federal Reserve Bank and War Finance Corporation,	3,050,000.00
18. Checks on other Banks in same place,		18. Other Bills Payable,	
19. Cash,	806,402.82	19. Notes and Bills Rediscounted with Federal Reserve Bank and War Finance Corporation,	
20. Cash Items,	119,234.37	20. Other Notes and Bills rediscounted,	
21. Cash Short,		21. Bills of Exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown in this schedule,	675,981.20
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	22. Accepted Bills of Exchange payable abroad,	
23. Other Funds with Treasurer U. S.,		23. Cash Letters of Credit and Travelers' Checks Outstanding,	
24. Other Assets (describe), On Tax Ctf. of Deposits 4,502.79 Transit A/C 1,615,906.87		24. Acceptances Executed to Furnish Dollar Exchange,	
		25. Acceptances Executed for Customers,	8,742.03
		26. Time Drafts Issued,	
		27. Cash Over,	2,033.56
		28. Other Liabilities, (describe),	
TOTAL,	62,237,848.48	TOTAL,	62,237,848.48

CONTINGENT LIABILITIES

Unused letters of credit outstanding, $ 27,001.89

Future contracts to buy and sell exchange, $

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488.—Page 2

No. of Bank, 5512

DIRECTORS (Use Form 1430, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 3.

No. of shares owned	Name	Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
			SEE EXTRA SHEET.		
		Total,	1,118,516.52	1,682,462.78	
		Less duplications,		12,244.00	
		Net total,	1,118,516.52	1,670,218.78	
		Loans to officers (not directors) and employees (omit duplications),	65,732.01	22,150.00	
		Total,	1,184,248.53	1,692,368.78	

How many board meetings since last examination? - 25 -

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	564,738.07	619,510.41
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	1,967,897.22	775,688.67

OFFICERS AND EMPLOYEES

	Name	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President,					
Vice President,					
Cashier,					
Assistant Cashier,	SEE EXTRA SHEET.				
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety. Surety

Are officers and employees adequately bonded?

Are bonds in force? Yes

In whose custody? Auditor Burchmiede

Were they inspected? Yes

Does record show directors have approved bonds? No

Exhibit 14

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1436.—Reports.—Ed. 10,370—F. C., Oct. 24-12.

No. of Bank 8312 *Date of Report* October 14, 1927.

DIRECTORS.

No. of Shares Owned.	Name		Post-office Address.	Liability as payor.	Liability as endorser.	Occupation.
10	J. S. Akers	14	Louisville, Ky.			Vice-President
10	H. J. Angermeier	18	do.			do.
10	John M. Atherton	9	do.			Retired
10	Oscar E. Bloch	11	do.			Physician
10	Chas. H. Bohmer	14	do.		25,508.33	V.P. Louisville Title Co.
2000	James B. Brown	15	do.	230,561.06	467,972.00	President
10	R. Lee Callahan	17	do.		20,000.00	Pres. Callahan & Sons.
10	A. J. Carroll	18	do.			Attorney
10	George Clark	19	do.	277,000.00	96,016.66	Pres. Ohio Falls Iron Co.
10	S. W. Coons	17	do.	200.00		Ch. Bd. Standard Oil Co. of Ky.
10	Wm. W. Crawford	9	do.			Attorney
10	Allen P. Dodd	15	do.			"
10	E. M. Drummond	18	do.		1,683.55	Pres. Drummond Mfg. Co.
10	Stuart S. Duncan	20	do.	60,000.00	14,662.80	Pres. Peaslee-Gaulbert Co.
10	Jos. H. Durham	19	do.	6,900.00		V.P. American Creosoting Co.
10	Geo. L. Everbach	-	do.			Attorney
10	James Garnett	19	do.			"
10	Angerem Gray	16	do.			V. P. Louisville Trust Co.
10	J. J. Hayes	20	do.			Vice-President
10	J. Kennedy Helm	16	do.			Attorney
10	Baylor O. Hickman	11	do.	15,000.00		V. P. Ewald Iron Co.
10	Clarence C. Hieatt	9	do.	57,300.00	865,990.99	Pres., Consolidated Realty Co.
10	Alex. P. Humphrey	4	do.			Attorney
10	Saunders P. Jones	8	do.	14,000.00	94,000.00	Pres. Jones-Dabney Co.
10	Milburn P. Kelley	13	do.			Pres. Louisville Bedding Co.

EXTRA SHEET PAGE 2-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1488.—Reports.—Bd. 4,000—T. C., Oct. 24-27.

No. of Bank 5118 *Date of Report* October 14, 1927

DIRECTORS.

No. of shares owned.	Name		Post-office Address	Liability on notes:	Liability on endorsements:	Connection
10	Walter I. Kohn	15	Louisville, Ky.	$5,144.62	864.70	Pres. Kohnen Strums & Sons.
10	Brainard Lowen	13	do.	46,000.00	73,334.25	Pres., Lowen & Sons
10	S. C. Lyons	17	do.	82,748.00		Member of firm W.L. Lyons & Co.
10	Chas. C. Mengel	11	do.			Pres. Mengel Co.
10	Thos. J. Minary	21	do.			Ch. Bd. Louisville Railway Co.
10	E. J. O'Brien, Jr.	20	do.	40,000.00		Member of firm E.J. O'Brien & Co.
10	H. D. Crapby	15	do.		1,000.00	Vice-President
10	John B. Pirtle	10	do.		10,155.25	V.P. Louisville Trust Co.
10	Huston Quinn	18	do.			do.
10	R. S. Reynolds	-	do.	125,965.84	6,276.07	Pres. U.S. Foil Co.
10	Arthur H. Rutledge	16	do.			Attorney
10	Wm. Short	21	do.			"
10	Wm. B. Speed	11	do.	67,000.00	5,000.00	Pres. Louisville Cement Co.
10	John Stites	17	do.	3,700.00		Pres. Louisville Trust Co.
10	Henry Vogt	16	do			Pres. Henry Vogt Mch. Co.

EXTRA SHEET PAGE 3-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 11,400—T. C., Oct. 24-9

No. of Bank 8512 *Date of Report* Oct. 14, 1927

OFFICERS AND EMPLOYEES.

Position	Name	Liability on Notes.	Liability as Endorser.	Bond	Other Occupation
President	James B. Brown	250,561.04	467,972.00	$200,000.00 Fidelity Bond and $250,000.00 excess surety bond on officers and employees. Additional bonds in $100,000.00 on 22 officers and employees.	Publisher
Vice-Pres.	E. J. Angermeier				Home
	E. B. Crosby		1,000.00		"
	James J. Hayes				"
	Frank L. Dugan		100.00		"
	E. B. Robertson		20,000.00		"
	Henry Uhlemann				"
	John S. Akers				"
	Isham Bridges	19,200.00			"
Cashier	Chas. F. Jones	19,000.00			"
Asst. Cash.	L. L. Fontaine	7,100.00			"
	Alf. Ripper				"
	Oscar Block	1,700.00			"
	David V. Gray				"
	Thomas Green	5,000.00			"
	Miss E. Lee				"
	E. L. Grant	5,200.00			"
	E. L. Mosely				"
Auditor	W. F. Sarachnicle	7,000.00			"
Other Employees	198	5,438.21	1,000.00		

To the Comptroller of the Currency, Washington, D. C. SEE A SHEET PAGE 2-8 Examiner.

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1466.—Page 1

Exhibit 14

No. of Bank, 8312

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?
Banks, bankers, brokers, farmers, merchants, manufacturers, real estate concerns, racing interests, oil and tobacco interests, finance companies.

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?
Except for lines described on page 4 and on supplemental pages.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.
Listed and unlisted securities, insurance policies, warehouse receipts for commodities and bills receivable. Register kept.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.
SEE EXTRA SHEET.

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reason.
SEE EXTRA SHEET.

6. State whether all paper claimed by the bank as its property, including collateral, appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.
Yes

7. Give highest, lowest and average rate of interest obtained.
6% - 4% - 5 3/10%

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.)
Loans aggregating $ sold to country correspondent banks. The loans described on attached sheet hardly measure up to desired standard.

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through indorsement of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for bank's benefit exists, describe fully.
Assigned without recourse, but bank might find it difficult to escape liability in case of loss on loans sold out of its own note case.

10. Do they take loans to accommodate other banks, and to what extent?
Yes. Some loans are taken for accommodation of country correspondents.

11. Does sending bank appear to be in any way liable? (See No. 10.).
List liabilities of National Banks.
SEE EXTRA SHEET

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)
Much improvement in credit files. It is hoped that progressive improvement will be shown.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1420.—Reports.—Rl. 8,500—T. C., Oct. 26-28.

No. of Bank 5512 *Date of Report.* Oct. 14, 1927

LOANS TO FINANCE COMPANIES.

Citizens Security Company,	Scottsburg, Indiana.	Coll.	B/R	$ 24,000.00
Exter Finance Company		Unsecured		16,000.00
St. Matthews (Ky.) Finance Co.		Coll.	B/R	8,000.00
Security Finance Co.		"	"	10,000.00
Trustees System of Louisville		"	"	80,000.00

EXTRA sheet No. 2-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
Office of Comptroller of the Currency.
Form 1469.—Reports.—Ed. 11,000—T. C., Oct. 25-27.

No. of Bank —5812— *Date of Report* Oct. 24, 1927

LOANS TO CORPORATIONS IN WHICH DIRECTORS ARE INTERESTED.

	Direct	Indirect
American Creosoting Co. Director Durham interested.	$ 84,060.56	
Callahan & Sons Director Callahan interested.	20,000.00	
Color Cinema Co. $13,000. secured by $13,000. Certificate of Deposit, Natl. Bank of Kentucky. $51,016.66 endorsed C. H. Clark, 8,122.00 " Jas. B. Brown 25,508.35 " Chas. H. Bohmer.	64,016.66	$ 5,654.74
Consolidated Realty Co. Guaranteed by Director C. C. Hieatt, who is interested. Coll: $586,732.99 Bills Receivable, 570 shs. Louisville Realty Co. 258 " Com. Consolidated Realty Co., 100 " Pfd. " " " $4,500. Bds. " " " 500 shs. General Realty Co. $1,478.81 Sundry warrants. $500. Bond, Keystone Steel & Wire Co.	438,700.00	151,182.18
General Realty Corp. Endorsed by Director C. C. Hieatt. Secured by mortgage.	135,986.67	
The Herald Post Co. Endorsed by Director Jas. B. Brown.	295,000.00	3,259.50
International Belt Co. Director Jno. B. Pirtle interested.	10,153.33	2,030.67
Jones Dabney Co. Director S. P. Jones interested.	94,000.00	
Kentucky Public Elevator Co.	70,000.00	
Kentucky Jockey Club Director Jas. B. Brown interested.	739,980.04	
Lincoln Fields Jockey Club Director Jas. B. Brown interested. $150,000. secured by $150,000. Cert. of Dep.	350,000.00	
Lemon & Sons $70,000. endorsed by Director Brainard Lemon, who is interested.	78,000.00	
Moorhouse Corporation $18,270.00 endorsed by Director C. C. Hieatt, who is interested.	55,270.00	
Ohio Falls Iron Co. Direct indebtedness endorsed by Director Geo. H. Clark, who is interested.	45,000.00	11,116.60
Herman Strauss & Sons. Director W. I. Kahn interested.	95,000.00	

To the Comptroller of the Currency,
Washington, D. C. WVB: [illegible] PAGE 3-2

Examiner.

Exhibit 14.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1135.—Reports.—Rd. 29,000—F. C., Oct. 24-27.

No. of Bank 5812 *Date of Report* Oct. 14, 1927.

LOANS TO CORPORATIONS IN WHICH DIRECTORS ARE INTERESTED.

	Direct	Indirect
Co A. Eberner & Co.	$70,416.67	
Sell: $50,000.00 note, Herald Post Co., due 10-9-28.		
Vice-President Dugan interested.		

EXTRA SHEET PAGE 3-5

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT.
Office of Comptroller of the Currency.
Form 1580.—Reports.—Rev. R.S.—F. C., Oct. 24-28.

No. of Bank 8812 *Date of Report* Oct. 14, 1927.

LIABILITIES OF DIRECTORS AND OFFICERS.

Name	Direct	Indirect
Chas. H. Bohmer		
As endorser on part of the indebtedness of Color Cinema Co.		$ 25,508.33
Jas. B. Brown		
As joint maker on loan of J. W. M. Stewart, et al	$ 250,561.06	
As endorser on loan of Chas. T. Lewis, secured by 200 shs. Continental Oil Co.		4,550.00
" " " " " Herald Post Company		395,000.00
" " " " " Color Cinema Company		6,122.00
As guarantor on officers' loans		62,300.00
	$250,561.06	$467,972.00
R. Lee Callahan		
As endorser on loan of Callahan & Sons		20,000.00
George Clark	277,000.00	
Coll:-		
800 shs. Standard Oil Co. of Kentucky.		
121 " Louisville Title Co.		
656 " Merchants Ice & Cold Storage Co.		
As endorser on indebtedness of Ohio Falls Iron Co.		45,000.00
" " " " " Color Cinema Co.		51,016.66
	$277,000.00	$96,016.66
Sam'l. W. Coons	200.00	
Coll: 600 shs. Standard Oil Co. of Ky.		
500. " Corn Products Co.		
Edwin M. Drummond		
As endorser on part of the indebtedness of Louisville Hotel Co.		1,683.33
Stuart H. Duncan	60,000.00	
Endorsed Wm. G. Duncan.		
Coll: 735 shs. Standard Oil Co. of Indiana.		
100 " Peaslee Gaulbert Co.,		
As endorser on loan of Wm. G. Duncan		13,662.80
Coll: 78 shs. Peaslee Gaulbert Company		
As guarantor on note of T. M. Williams'		1,000.00
	$60,000.00	$14,662.80
Joseph H. Durham	6,900.00	
Coll: 132 shs. Franklin Bond & Mtg. Co.		
5 " " Title & Trust Co.,		
30 " Georgia Creosoting Co., Common.		
Baylor C. Hickman	15,000.00	
Coll: 30 shs. Jefferson Island Salt Mining Co. Prd.		
250 " Ewald Iron Company.		
Clarence C. Hiegit	57,300.00	
$22,000, endorsed H. J. Schlerich,		
Coll: $11,000. Real Estate Mortgage Bds.		
100,000. Certificate of Deposit Natl. Bk. of Ky.		
187½ shs. Consolidated Realty Co., Common.		
399 shs. Prentice Realty Co.		
$10,000. note Garden Communities.		
Guarantees Consolidated Realty Co.		579,882.15
As endorser on note of J. H. Schlerich		100,000.00
" " " " " Riddell Robinson Furn. Co.		3,060.50
" " " " " Garden Communi		12,879.17

To the Comptroller of the Currency,
Washington, D. C.

SHEET PAGE 3-4

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 2180.—Reports.—Ed. M. 500—F. C., Oct. 24-28.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LIABILITIES OF DIRECTORS AND OFFICERS.

	Direct	Indirect
Clarence C. Hieatt (contd.)		
As endorser on note of Hogan Maney		$ 1,262.50
" " " " " A. V. Thomson		16,650.00
" " " " " Moorhouse Corporation		18,270.00
" " " " " General Realty Corp.		133,986.67
	$ 57,500.00	$865,990.99
Saunders P. Jones	14,000.00	
Coll: 400 shs. Jones-Dabney Varnish Co. Pfd.		
As endorser on indebtedness of Jones Dabney.		94,000.00
	$14,000.00	$94,000.00
Walter I. Kohn	95,144.62	
Coll: 225 shs. Kentucky Jockey Club Common.		
1326 " Herman Strauss & Sons Common		
320 " Standard Oil of Kansas		
250 " " " " N. J.		
100 " Vanadium Corp. of America.		
50 " National Candy, Common		
40 " Louisville Gas & Electric, Common.		
314 " Standard Oil of Ky.		
292 " " " " N.Y.		
16 " Louisville Gas & Elec. Common (B)		864.70
As endorser on note of W. E. Sleigh		
	$95,144.62	$864.70
Brainard Lemon	46,000.00	
Coll: 500 shs. Standard Oil of Ky.		
As endorser on Lemon & Sons, Inc.		70,000.00
" " " Mary Lemon Tyler		1,948.00
" " " Lucy Garbacher		886.35
" " " C. M. Bryant		500.00
	$46,000.00	$73,334.35
S. Clay Lyons	$82,745.00	
Coll: $25,000. Life Insurance Policy (No Cash Value)		
Edw. J. O'Brien	$40,000.00	
Member of firm of E. J. O'Brien & Co.		
John B. Pirtle		$10,153.33
As endorser on note of International Belt Co.		
R. S. Reynolds	$123,965.84	
Coll: $36,355.32 note General Necess. Corp., secured by		
500 shs. Vogt Refg. Co.		
1000 " Kansas City Southern Ry. Common		
1000 " Wabash Ry. Common.		
As endorser on note of F. M. Clark		6,276.07
	$123,965.84	$6,276.07
W. S. Speed	47,000.00	
Coll: 1200 shs. Sanitary Common		
As endorser on part of indebtedness of Big Spring Land Co.		8,000.00
	$47,000.00	$8,000.00
Janet & John Stites	$2,700.00	

EXTRA SHEET PAGE 3-5

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
FORM 1480.—Reports.—Ed. 8,500—F. C., Oct. 24-22.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LIABILITIES OF DIRECTORS AND OFFICERS.

	Direct	Indirect
OFFICERS.		
H. D. Ormsby - as endorser on indebtedness of St. Mark's Church		$ 1,000.00
E. B. Robertson - as endorser on note of Crescent Hill Baptist Church.		20,000.00
Frank I. Dugan, - as endorser on note of R. S. Duncan		100.00
The following officers' loans are guaranteed by President Brown, who is protected by the pledge of their stock in this bank:		
Isham Bridges - Reduced only $500. since 12-14-22	$19,300.00	
Chas. F. Jones " $1500. since last examination	19,000.00	
L. L. Fontaine - No reduction since last examination	7,100.00	
Oscar Bleak - Reduced $200. " " "	1,700.00	
Thos. Green " $1,000 " " "	5,000.00	
E. R. Grant " $100. " " "	5,200.00	
W. T. ZurSchmeide - Paid during this examination	7,000.00	
Catherine D. Mooney Coll: 9 shs. Pfd., Kentucky Jockey Club, 50 " Com. " " " 10 " Standard Oil of New Jersey 6 " " " " New York.	2,185.00	
A. J. Steltenpohl - As endorser on note of C. B. Steltenpohl		1,050.00
Jos. H. Gans	2,500.00 OL	
Robt. L. Mots	574.84	
Phil B. Watson	357.17	

EXTRA SHEET PAGE 3-4

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1420.—Reports.—24,000—T. C., Oct. 24-25.

No. of Bank 8318 *Date of Report* Oct. 14, 1927.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS.

The custody department holds for account of country banks collateral securing loans aggregating $2,121,048.02, of which the following are said to have been made direct:

J. M. Greer	$ 206,000.00
A. E. Latta	131,500.00
Wakefield & Co.	228,600.00
J.J. B. Hilliard & Co.	85,500.00
James C. Willson & Co.	18,000.00

The balance, $1,453,448.02, were sold out of the note case. Included in this total are the following loans which for the reasons set out are not deemed desirable investments for country banks:

Eugene R. Atkisson — First National Bank, Charleston, Ind. $ 5,000.00
Coll: $650.00 Liberty Bonds,
25 shs. Henry Vogt Machine Co.
The stock is of a type difficult for a country bank to investigate or to get quotations on value.
Statement of Henry Vogt Machine Co. not on file.

F. G. Breslin - National Bank of Middlesboro, Ky. 14,284.67
Coll: $1,000. Illinois Central R.R. Co. 4% 1953,
133 shs. Standard Oil Co. of Kentucky.
Loan is not properly margined.

Geo. Buechel — Corydon (Indiana) State Bank 11,100.00
Coll: 749⅔ shs. Sutcliffe Company, Common.
This stock, which is said to be closely held, is of an unliquid character.

Geo. Buechel — Farmers National Bank, Scottsville, Ky. 3,400.00
Coll: $350 Liberty Bonds,
$1000 Bethlehem Steel 6's, due 1948,
24 shs. Cities Service, Common.
The market value of these securities does not provide a margin.

J. L. Bullock — Farmers National Bank, Madisonville, Ky. 4,000.00
Coll: 225 shs. Clifton Lumber & Coal Co. Par $10.
5⅞ " Parkland Lbr. Co. " $10.
50 " Carey Scheffel Lbr. Co. " 100.
Collateral is of an unliquid type.

F. P. Cawood & W.W. Lewis — Farmers National Bank, Scottsville, Ky. 5,000.00
Coll: 100 shs. Crummies Creek Coal Co.
Collateral is reported as of sound value, but considered of a type that renders it difficult for a country bank to ascertain its value.

L. W. Coakley — Peoples Exchange Bank, Scottyville, Ky. 2,500.00
Coll: 31 shs. Greensburg, (Ky.) Deposit Bank.
See comment on F. P. Cawood loan.

P. V. Cole — Farmers National Bank, Scottsville, Ky. 5,000.00
Coll: 50 shs. Harlan (Ky.) National Bank.
See comment on F. P. Cawood loan.

A. M. Clarke — Bank of Crab Orchard, Kentucky 1,500.00
Coll: 50 shs. Farmers Bank & Trust Co., Irving, Ky.
See comment on F. P. Cawood loan.

Hilmer Ehrman — Brecknridge Bank, Cloverport, Ky. 6,500.00
Coll: 160 shs. Standard Mortgage Co. par $25.
20 " Carter Gty. Co. pfd.
10 " Kentucky Hydro. Elec. Pfd.
This collateral, with the exception of Kentucky Hydro. Elec. Co. stock, is of a highly unliquid type and its value would be difficult to ascertain. It is, by no means, the kind of a loan that should be sold to country banks. For further comments on Standard Mortgage Co. and Carter Guaranty Co. see 'Slow Loans'.

To the Comptroller of the Currency,
Washington, D. C. EXTRA SHEET PAGE 3-7 *Examiner.*

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1439.—Reports.—Ed. 3,000—F. C., Oct. 24-13.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS (Cont'd.)

J. W. Gaines — Farmers Banks, Centertown, Ky. $ 2,101.67
Coll: Dean & Sherk 2nd mtg. 6's, due 1937
12 shs. Van Buren (Ky.) State Bank.
Collateral of unliquid type and its value hard to ascertain.

Frank A. Gust — First National Bank, Buffalo, Ky. 3,300.00
Coll: 100 shs. American Superpower Co., Common B.
Estimated value of collateral ($3500.) does not provide the necessary margin.

W. D. Giles — Farmers National Bank, Madisonville, Ky. 4,900.00
Coll: 169 shs. Monarch Auto Co.
100 " " Equipment Co.
100 " " Sales Co.
$1,000.00 Cities Service 6-66
Part of collateral does not possess a ready market.

J. Kemp Goodloe — Bank of Wingo, Ky. 5,000.00
Coll: 50 shs. Pickrell Motor Co. Pfd.
This collateral is of an unliquid type and its value difficult to ascertain.

J.T.J. Graves — National Bank of London, Ky. 4,000.00
Coll: 20 shs. Paoli (Ind.) State Bank,
70 " Bosa Motor Co.
50 " Farmers State Bank, Salem, Ind.
20 " Paoli (Ind.) Mdw. Co.
The character of this collateral renders it difficult for the holding bank to obtain information concerning its value.

Mrs. Jno. A. Haldeman — Farmers National Bank, Madisonville, Ky. 7,280.00
Coll: 186 shs. B. F. Avery Co. common
34 " do. pfd.
Estimated value of collateral, $8,238.00, does not provide the necessary margin.

Walter I. Kohn — First National Bank, Milltown, Ind. 2,616.29
Coll: 100 shs. Kentucky Jockey Club, common.
Estimated value does not cover loan.

Overton B. McMeekin — Citizens Bank, Drakesboro, Ky. 3,500.00
Coll: 50 shs. Louisville Paper Co.
Value of collateral regarded as difficult for a country bank to obtain.

T. J. Ramsdall — First National Bank, Milltown, Ind. 2,000.00
Coll: $2,000. Nor. Dist. Whse. Corp. 6-27.
Maker value difficult to obtain. No margin.

Standard Mortgage Co. - Springfield (Ky.) State Bank 10,000.00
do. Corydon (Ind.) State Bank 7,000.00
do. McElwain Maguire Trust Co. 5,000.00
do. Bank of Whitesville, Ky. 5,000.00
Collateral on each of these loans consist of second mortgage real estate notes. Highly undesirable type of loans to sell to country banks. See Slow Loans for further comments on the Standard Mortgage Co.

W. H. Tarvin — City National Bank, Fulton, Ky. 11,000.00
Coll: 100 shs. Standard Oil Co. of Kentucky.
Estimated market value of collateral not sufficient to margin loan.

Phillip S. Tuley — Bank of Wingo, Ky. 4,000.00
Coll: 116 shs. Louisville Textile Co. common.
38 " " Cotton Mills Co.
See comments on the Louisville Textile Co. in Slow Loans.

EXTRA SHEET PAGE 3-4

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 8,500—T. C., Oct. 24-27.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS. (Contd.)

M. W. Walsh -- Farmers & Peoples Bank, Campbellsville, Ky. Coll: 1000 shs. Electric Household Co. common, valued at $12,875.00. The value of this collateral does not cover the loan. It is noticed that in several instances, notes have been sold, the collateral on which did not sufficiently secure that specific note, but considering other loans of the borrower, his total debt was margined. It is recommended that each loan held be properly margined in itself.	$ 15,500.00
M. W. Wofield -- Peoples Bank, Gravel Switch, Ky. Coll: 50 shs. Louisville Paper Co. See comment on Overton B. McMeekin loan.	1,500.00
John Buchanan -- Farmers National Bank, Madisonville, Ky. Coll: 200 shs. Courier Journal Job Printing Co., pfd. 53 " do. com. Stock does not possess a ready market.	6,888.37
John Buchanan -- Peoples Bank, Gravel Switch, Ky. Coll: 8 shs. Courier Journal Job Ptg. common. 100 " Centrifugal Pipe Co. See above loan.	2,846.78
Ashbrook, C. Frank -- Bank of Wingo, Ky. Coll: 10 shs. Courier Journal Job Ptg. Pfd. 25 " do. Com. See above loan.	2,500.00

EXTRA SHEET PAGE 3-9

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1420.—Reports.—Ed. 10,000—T. C., Oct. 24-12.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LIABILITIES OF NATIONAL BANKS.

National Bank of Cynthiana, Kentucky - B/P $15,000.00 - Coll: B/R $20,000.00.

First National Bank, Horse Cave, Ky. - Repurchase Agreement - $20,000.00 sundry bonds.

Lincoln Natl. Bank, Stanford, Ky. - B/P $30,000.00 - Coll: $40,000.00 sundry bonds.

[illegible] Paid 3-10

To the Comptroller of the Currency,
Washington, D. C.

[illegible]
Examiner.

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1456.—Page 4

No. of Bank, 8512

LOANS AND DISCOUNTS—Continued

The loans and discounts and other securities must be carefully verified and every discrepancy noted 2 cents long.

Total loans and discounts, $30,486,502.12

OVERDUE PAPER.

A. Total bad debts, as defined by Section 5204, U. S. R. S., $ 1,303,239.12

Of which there are carried in loans and discounts, $662,518.90

*Carried elsewhere, 640,722.22

B. Other overdue paper, $ 564,486.24

Total overdue paper (including all bad debts), $ 1,867,725.36

Examiner should advise bank interest on demand or time loans should be collected at least every six months; and that mere payment of interest is not considered a renewal of the loan unless formal extension agreement is signed by all parties or the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6.

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
425.00 G. H. and F. R. Adams and Sid Deathitt. There has been no reduction since the last examination.			425.00	Nov 3-27 paid 3-26-28	
1,500.00 Allgier & Koch Company, Inc. 1,500.00 J. C. Koch - Direct Endorsed B. H. Turnsley. 3,700.00 J. C. Koch. Collateral. 1,606.75 J. C. Koch. Rediscount, Allgier & Koch. Coll: $700.00 certificate of deposit of this bank, A lien note for $6,300.00, 60 shs. Allgier & Koch Company. Statement of Allgier & Koch is not attractive and indicates little value for the stock.		1,500.00	1,500.00 1,500.00 3,700.00 1,606.75		
4,900.00 Armstrong - Young Realty Co., Inc. Endorsed J. B. Armstrong. Statement dated 10-15-27 shows: Current Assets $23,700.00; Current Liabilities $31,100.00; Fixed Assets $155,100.00; Mortgage Indebtedness $95,200.00; Due to Officers $82,200.00; Net Worth $53,100.00. Statement is poor and the loan is regarded as slow. Reduced $100. since last examination.			4,900.00		
300.00 E. S. Ayers Coll: 2 shs. Mammoth Cave Development Company. Collateral is considered of			300.00	Nov 27 called.	
TOTAL,		SEE EXTRA SHEET			

Use Form 1425-c for continuation of list.

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
R. S. Ayers (contd) negligible value. At the time of the last previous examination of the bank, it was stated that maker would pay this note, but there has been no reduction.					
400.00 Bagby-Howe Drug Company - Rediscounts. Since last examination, the direct loan of the company has been paid and the rediscounts have been reduced. It is believed that they will be paid in full.	400.00		400.00		
15,000.00 Badger Aluminum Company The value of the loan lies in the value of 218 acres in Johnson County, Oklahoma, which secures it. Recently, the bank had a local land appraiser visit the property. His report on file at the bank indicates that its value can only be estimated on an acreage basis. Your examiner has, since examination, been advised that the property is worth $6,000., although it probably could not be sold for that amount at this time. Estimated loss charged off during examination. The amount shown as doubtful should be charged off at next examination.	15,000.00		6,000.00	1,500.00	7,500.00
3,250.00 Ball Optical Company Endorsed Robert J. Ball and P. F. Stoehler. Statement on file is three years old. It is not attractive.			3,250.00		
$21,500.00 Bankers Mortgage Company Coll: Sundry bonds with an estimated market value of $20,525.00 and sundry real estate notes guaranteed by the Bankers Mortgage Company, aggregating $21,500.00. Of these notes pledged as collateral, it is observed that $11,000. are past due; $8,400.00 were issued in 1925; $24,000.00 were issued in 1926; $21,500.00 were issued prior to April 14, 1927, or six months previous to the date that this examination began. It was, of course, impracticable to endeavor to investigate all of these loans, but the fact that			$21,500.00		
TOTAL					

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Bankers Mortgage Co.(Contd.) so many of them have not been absorbed by the investing public is not reassuring. Certain other real estate mortgage companies in Louisville find it difficult to obtain a sufficient volume of loans of this character to supply the demand. The fact that these loans have been held by the Bankers Mortgage Company so long indicates that they may not possess sufficient merit to attract the investing public. Your examiner is of the opinion that loan should be reduced and that value of collateral should be investigated.					
25,000.00 Bankers Trust Company Coll: $40,000.00 sundry real estate notes guaranteed by the Bankers Mortgage Company. Of this collateral, it is noted that $2,500.00 is past due; $15,500.00 were issued in 1925; $9,000.00 in 1926. (See comments on loan of Bankers Mortgage Company.)			25,000.00	12/12-27- 15000-	
101.25 L. L. Barnes Charged off during this examination.		101.25			101.25
90.00 Harry P. Bartman Endorsed Sam B. Metcalfe. Maker is at Lexington, Kentucky. The indorser is an insurance solicitor who has moved to Cincinnati, Ohio.		90.00	90.00		
1,600.00 August R. Baumer, et al Maker is a florist who went into bankruptcy. It is estimated that he will pay about twenty-five cents on the dollar. Loss charged off during this examination.		1,600.00	625.00		975.00
1,020.00 D. A. Bates Endorsed Temple Theater Corporation. Collateral: 20 shs. Temple Theater Corporation. This is a stock note. Bank has demanded payment.		1,020.00	1,020.00		
			EXTRA SHEET PAGE 4-2		
TOTAL					

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—STATISTICS
FORM 1488 C

No. of Bank, 5313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$50.00 E. J. Bell and H. G. Bell. This loan is being gradually worked out.		50.00	50.00	12/1-27 - 80%	Secured
1,716.00 Stella H. Van Ryn Bell Coll: 52 shs. Louisville Railway, Com. Maker is dead and the total value of the loan lies in the collateral, which is more than sufficient to protect the amount at which the loan is carried. Management of bank transferred the collateral to the Bonds and Securities Account during this examination.	1,716.00		1,716.00		1430 -
37,500.00 Benevolent Association of Elks, Inc. Coll: $50,000. 6s. 2nd Mtg. Bonds. The Association holds the Elks Hotel at Louisville. The first mortgage bond issue, aggregating $770,000.00 is in default. The question of foreclosure was presented to the local court and it was decided to take some action about Dec. 10. The second mortgage issue aggregates $500,000. When the first mortgage bonds are foreclosed it is very problematical what the property will bring. It is claimed that it has a sound value of at least $1,500,000.00. Your examiner was advised that the receiver who is operating the hotel at this time has reported that a profit is being realized of about $4,000.00 per month, without taking into account the fixed charges. The profit, however, is not adequate to take care of the fixed charges.		37,500.00		37,500.00	
385.07 H. Geo. Klimeo Charged off during this examination.	385.07				385.07
1,217.00 C. H. Boden W. S. Young is endorser on $925.00 which has been past due since 9-8-27. This loan is regarded as doubtful and should be collected or charged off.		90 2.05		1,217.00	
27.50 Robert S. Bradley Charged off during this examination.		27.50			27.50
TOTAL					

EXTRA SHEET PAGE 4-B

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1488 C

No. of Bank, 8713

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,250.00 C. W. Bramsford Collateral: 50 shs. Florence Wagon Company, 10 shs. Bramsford Mills Company. The wagon stock is said to possess sufficient value to secure the loan. Reduced $150.00 since last examination.			1,250.00	12/22/27 - 1300.00 - 450	
25.00 Alfred E. Brand and C. A. Koop Not much information was obtained about either of the parties to the note. Steps will be taken to collect.		25.00		25.00	Paid 1/3/28 - SBA
1,000.00 Ida May Brown Endorsed Nat C. Cureton.		1,000.00	1,000.00	Paid out 12/27	
200.00 Ida May Brown Endorsed by P. F. Tyler. The endorsers are regarded as good.			200.00	Paid out 12/27.	
4,000.00 Robert L. Brown Collateral: 3400 shs. Brown Coal Company. Reduced $500.00 since last examination, and further reductions are recommended.			4,000.00	12/27/27 - 3500 - 450 -11- 3000 -	
250.00 Ben L. Brammer Coll: 300 shs. Transylvania Casualty Company. The collateral is regarded as worthless. The maker was formerly Secretary of State and is now an insurance agent. Loan is regarded as doubtful.				250.00	ERR
6,820.00 Enchanted Motors Company Endorsed by 8 parties whose worth is regarded as uncertain. Coll: 200 shs. Clay County Coal Company, $10,000. Willis-Harlan Coal Company 6's. It is believed that the Willis-Harlan Coal Company bonds have sufficient value to protect the loan.	6,820.00		6,820.00		SBA
2,100.00 Geo. A. Burkley Coll: 100 shs. Gliddon Company, Com. The market value of the collateral is only $1,500.00. Loan reduced			2,100.00		Hyp
TOTAL					

EXTRA SHEET PAGE 4-4

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY - EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Geo. A. Barkley (contd.) only $100.00 since last examination.					
170.68 J. T. Caldwell Coll: 30 shs. Industrial Ownership Corporation, 1st Pfd., regarded as worthless. Loan reduced $84.32 since last examination.			170.68		
2,650.00 Colony Illuminating Company Endorsed Fulton Mandeville. Not much information concerning the company.			2,650.00		
3,490.00 Fulton Mandeville $1,000. is endorsed by M.G. Lewis, Jr., who is regarded as good. Coll: 12 shs. Illinois Central R.R. , 4 shs. Foulds Company , 1st Pfd., 38 shs. Foulds Company, Class A., Com. Collateral is regarded as worth about $2,285.00. Loan of Fulton Mandeville reduced $700.00 since last examination.			3,490.00		
700.00 D. P. Campbell Coll: 50 shs. Lewis Implement & Seed Company. Stock is of uncertain value. Loan reduced $75.00 since last examination.			700.00		
40,000.00 - Wm. D. Campbell			40,000.00		
100,000.00 Campbell-Heath Company (For description of collateral and discussion of the above two loans, see Campbell Line, described under Large Lines on Page 4-1.)			100,000.00		
102.00 Sam Carson Endorsed Geo. R. Newman and Ford B. Webster. The maker has moved to Nashville, Tennessee. The endorsers are connected with the Herald-Post.		102.00	102.00		
110,000.00 Carter Guaranty Company Statement of the company shows a very unsatisfactory condition. Loan is secured as follows: $70,000.00 Eugene Strauss Cabinet			110,000.00		
TOTAL					

EXTRA SHEET PAGE 4-6

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1425 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Carter Guaranty Company (Contd.) Works, 1st 6's, 10 shs. Mengel Box Company, Pfd., $24,500.00 Brownsboro Land Company, 1st Mortgage Bonds, 200 shs. Union Mining Company, $10,000.00 International Bolt Company, 1st Mortgage Bonds, Sundry real estate notes, aggregating $58,822.50. Loan reduced $38,000.00 since last examination and further reductions are recommended.						
14,177.68 Hillerbe W. Carter $8,514.00 is endorsed by R. Leland Taylor. Coll: $4,345.00 note of O. D. Carter, secured by real estate, 144 shs. Carter Guaranty Company, Com., 33 shs. Carter Guaranty Co. Pfd. The stock is regarded as of doubtful value. During this examination, $385.68 was paid.				12,177.68	2,000.00	
15,000.00 Central Consumers Company Coll: 8,026 shs. Metropolitan Realty Company, with properties recently appraised at $678,000.00, with debt of $314,935.84.				15,000.00		
2,323.45 Central Roofing Company Endorsed by National Roofing Company. The face amount of the redis ts is $4,823.45. Bank has alrea charged to Profit and Loss $2,500.00 on this account. The National Roofing Company has been operated by receivers for several years past. Efforts ha been made to dispose of the bus. but without success, and the receivers are continuing to conduct the enterprise pending a favorable opportunity to sell it. Your examiner was advised that the financial statement submitted by the receivers, 1-1-27 shows: Current Assets $297,000.00; Other Tangible Assets $208,000.00; Current Liabilities $260,000.00; Receivers Certificates $100,000.00, (a preferred claim); Contingent Liabilities $274,497.31, on account of the notes of affiliated companies and others discounted. The opinion was expressed to your examiner that		2,323.45			2,323.45	
TOTAL						

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1486 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Central Roofing Co. (Contd.) the contingent liability is in reality a direct liability. Earnings for the first nine months of 1927 are shown as $5,197.00. A loss was incurred in the first three months and a profit in the following six months. The amount to be realized by the creditors is dependent upon whether the business is sold as a going concern on a satisfactory basis. Efforts have been made for four years to sell the property, but thus far, no results have been obtained.					
$5,889.10 John H. Chandler - Direct Chas. Durhimer is endorser on ($1,200.00); Hugh Pleasa is endorser on ($175.00); J. B. Ferguson is endorser on ($150.00); and S. D. Skaggs is endorser on ($364.10.				5,889.10	
$5,187.77 John H. Chandler - Rediscounts 177.65 John H. Chandler -Endorser on Note of Chas. Durhimer Chandler is an attorney with limited means. There has been a small reduction in the debt since last examination. It is recommended that vigorous efforts be made to reduce this loan.		177.65		5,187.77 177.65	
$[illegible] Thies & Upmeyer (Described on Page 4-8, Report of examination begin 4-23-27). As stated in said report, the debt is secured concurrently with the debt of the company to the Citizens-Union National Bank by the pledge of certain receivables. Company has been losing money progressively for three years. The total loss for the period including 1926-27 is approximately $275,000.00. It is claimed that some progress is being made in 1927. Loan is very slow and undesirable. Reduced $6,611.65 since last examination.			$35,551.35		
$[illegible] H. C. Clark Victor J. Bullett is endorser on $[illegible]. Coll: $[illegible] notes of various makers, secured by agreements for deeds to property in Dade County, Florida. Most of		20,140.75	22,640.75	12,100.00	
TOTAL					

Exhibit 14

SUPPLEMENTAL REPORT 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1488 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
B. C. Clark (contd.) Coll: (contd.) these loans are past due. $666.69 secured by lien notes on Louisville property. The basis of the loan seems to have been a Florida speculation. The parties to the note are in a controversy and bank is unable to get loan paid or fixed up satisfactorily. Bullett is regarded as good, and the portion of the loan to which he is a party is classed as merely slow. Clark is a real estate operator with limited financial responsibility. The Florida loans, composing practically all of the collateral, are of such uncertain value that the portion of the loan not secured by Bullett is classed as doubtful. Early steps should be taken to collect this loan.					
15,460.00 Clay County Coal Company Secured by a mortgage on some property which cost the company $21,000.00. A petition has been filed and the case tried for an order for the receiver to sell the property under foreclosure. No decision has been rendered yet.		15,460.00	15,460.00		
440.00 Henry J. and H. V. Cohn 1,742.00 H. V. Cohn Secured by 52 shs. Louisville Anzeiger Company. A diamond brooch valued at $200.00 has been withdrawn. Loan reduced $258.75 since last examination.			440.00 1,742.00		
51,016.66 Color Cinema Company 4,687.97 Color Cinema Company. Rediscounts. The direct loan of the company is endorsed by G. H. Clark, Laban Phelps and Geo. J. Ogle. $6,182.00 of the obligation is endorsed by Jas. B. Brown. Your examiner was advised that there is an agreement with the directors of the company, which will not only take care of the direct obligation but also the rediscounts. It is said that negotiations are		51,016.66 4,687.97	51,016.66 4,687.97		
Total					

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Amount					
Color Cinema Co. (Contd.) now on to sell the Color Cinema Company. If so, it is hoped that this long standing obligation will be cleaned up.					
228.40 M. Huey Collateral: $1,000.00 Color Cinema Company Bond. Note is in the hands of an attorney for collection and part payment has been made. The attorney expressed the opinion that the balance will be paid.		228.40	228.40		
15,227.50 Columbia Phosphate Mining Company This loan is part of a $45,000.00 loan, secured by a third mortgage on 60 acres of land near Columbia, Tennessee, with prior liens aggregating $40,000.00. In the last report of examination, it was stated that Armour & Company was desirous of leasing the land at a royalty of 45 cents per ton. Nothing definite has been accomplished since that time. Your examiner was advised that the Columbia Phosphate Mining Company has signed an agreement to lease the phosphate rights to Armour & Company on a basis of 75 cents per ton. The agreement is in the hands of Armour & Company, but no advice has been received during the examination that Armour & Company has signed. If completed, this deal will work out the loan without loss. The loan is a long drawn out proposition, and unless the property can be leased to some concern large enough to operate it, it is doubtful if the third mortgage bondholders will realize much, if anything, from their loan.			15,227.50		
4,700.00 J. Parker Chase, et al Coll: $5,000.00 real estate note, secured by a first lien on Louisville real estate, said to be worth $11,000.00. Loan has been reduced, $300.00 since last examination.		4,700.00	4,700.00		
TOTAL.					

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1495 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
428,700.00 Consolidated Realty Company 151,182.15 Consolidated Realty Company - Rediscounts Guaranteed by C. C. & G. M. Hieatt and H. J. Sabrisch. Coll: 370 shs. Louisville Realty Corp. (A subsidiary), 250 shs. Consolidated Realty Company, Com., 100 shs. Consolidated Realty Company, Pfd., $4,500.00 Consolidated Realty Company Bonds, 500 shs. General Realty Company, Com., $500.00 Keystone Steel & Wire Company, 5's, Sundry notes for $584,753.99, of which $17,817.82 were discovered to be past due. In checking the matter up, it was discovered that the bank held $13,825.00 of notes, which were paid in full, but had not been withdrawn. During 1926, the maker company paid a 100% stock dividend. This is said to be the result of an arbitrary enhancement of its real estate holdings in the sum of $2,164,000.00. In view of the fact that practically all of the real estate holdings are equities, the wisdom of such a heavy increase in the carrying value of the real estate does not seem conservative.				428,700.00		
200.00 H. A. Cook and wife Maker lives at Horse Cave. Although the loan was classed as doubtful in the last report of examination, only $5.00 has been paid.			200.00		200.00	
63,152.51 Cottonseed Products Company These are a part of notes of the company secured by a first mortgage on its plant. The notes are due serially and are being taken up promptly at maturity.				63,152.51		
650.00 Arthur B. Cuseaden Secured by 18 shs. Cuseaden Ice Cream Works. Reduced $400.00 since last exam- ination.				650.00		
			EXTRA SHEET PAGE 6-10			
TOTAL						

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY - EXAMINING
Form 1138 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$50.00 Harry A. Cascaden Coll: 18 shs. Cascaden Ice Cream Works. Reduced $250.00 since last examination.			$50.00	Paid in full - 11/12/27	
964.40 Geo. L. Danforth Coll: $1,000.00 bond of the Bumart Packing Company, 10 shs. Bumart Packing Company, Pfd., 40 shs. Bumart Packing Company, Com. Collateral is regarded as undesirable. Reduced $101.85 since last examination.			964.40		964.40
90.00 Phil Dattelo Reduced $10.00 during this examination.		90.00	90.00	12/12 - 60	
1,632.27 T. L. Daugherty Coll: 196 shs. Industrial Ownership Corporation, $5,000.00 life insurance policy, with no cash surrender value. Stock is regarded as of no value. Maker is an officer in a local bank. Loan reduced $505.14 since last examination.			1,632.27	12/12 - 1071.50	
40,000.00 Dawson Daylight Coal Company Coll: $50,000.00 Dawson Daylight Coal Company 7% Bonds. This is part of an issue of $200,000.00, secured by the plant of the company. The earnings of the company for the past six months have been excellent and the company has improved its position materially. The management of the company advised, however, that since the settlement of the strike in the Union fields of Illinois and Indiana that the company is not, and probably will not, make any money on the basis of the present prices of coal. Your examiner believes that the company has made substantial progress and believes that the loan will eventually be paid in full. Reduced $10,000.00 since last examination.			40,000.00		400
Total.					

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Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
2,296.12 Geo. H. Day Endorsed Harry S. Lee. The maker is president of a Morris plan bank in Florida. The endorser is a local dentist, who is said to be good.			2,296.12		Green-
1,575.00 Lillie W. and B. W. Dohoney The makers are said to own 7 pieces of city real estate, all encumbered. At the time of the last examination it was stated that a second mortgage would be made to retire the debt, but this has not been done. Apparently, the recovery of this note is doubtful.	1,575.00			1,575.00	
12,246.00 L. J. Dittmar Coll: 100 shs. Majestic Theatre, $10,000.00 Color Cinema Company, 7% Bonds. There has been no reduction in this loan since last examination.		12,246.00	10,750.00	1,496.00	
Carried at $1,116.94 Booth Chemical Company Only $24.82 has been collected on this claim since the last examination. Further collections are so uncertain that it was considered conservative to charge off entire amount during this examination.	1,116.94				1,116.94
400.00 W. E. Dugan Reduced $800.00 since last examination.			400.00		
500.00 Jos. Dupere, Jr. Maker is dead. His estate is said to be good.	500.00		500.00		
2,200.00 C. A. Ehlen $250.00 is endorsed Halkoff & Vissing. Coll: $2,500.00 note, due 12-24-26, C. L. Potter, secured by lien on real estate, $2,500.00 note, Carrie Schipper, due 11-10-26, secured by real estate. $100.00 paid during this examination.		2,200.00	2,200.00		

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TOTAL

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1433 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$50.00 Bannie M. Eckert Charged off during this examination.	50.00				50.00
425.00 O. P. and Jas. P. Edwards 1,100.00 O. P. Edwards and Chas. F. Ogden. The total loan was reduced $100.00 since last examination. Reductions are very slow.			425.00 1,100.00		
17,400.00 Eureka Products Company Endorsed J. H. Wilkes. Statement dated 8-1-27 shows: Current Assets $7,922.00; Current Liabilities $51,269.00; Other Assets $6,836.00; Goodwill $5,000.00; Deferred Charges $70.00; Deficit $11,345.00. Your examiner was advised that the bank has an insurance policy with a cash surrender value of about $2,600.00. Out of this, and from the current assets of the company, the bank hopes to recover about $10,000.00. The estimated loss was charged off during this examination.			10,000.00		7,400.00
70,318.32 Falls City Plumbing Supply Company L. P. Hyman is endorser on $25,000.00. Coll: Warehouse receipts for 5,442 pieces of copper ingots, 37 shs. Security Bank, Louisville, Kentucky. Statement dated 12-31-26 shows: Current Assets $165,853.00; Current Liabilities $76,622.00, Net Worth $91,577.00. Statement shows sales of $78,797.00 which is not much more than half of the inventory.		43,318.32	70,318.32		
18,366.00 Fehr Realty Company Coll: First mortgage on unimproved property in Broadview Subdivision. Loan increased $5.50 since last examination.			18,366.00		
2,250.00 Geo. H. Fisher Company Endorsed Geo. H. Fisher. Company has 180 acres of land near Sarasota, Florida, which is carried at $45,000.00. The value is not known. Reduced $12,250.00 since last examination.			2,250.00		
TOTAL.					

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Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY - WASHINGTON
Form 1493 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
111.65 Elmer D. Perot Endorsed Chas. N. Musgrove. Endorser is dead. His estate is said to be good.	111.65		111.65	Charged off	
14,000.00 E. N. Graham and N. A. Perry Coll: 100 shs. Atlantic Bank & Trust Company, Daytonia Beach, Florida. No worth is attached to the makers. The value of the stock is problematical. An arbitrary value of $70.00 per share was placed upon it at this examination, and the balance is estimated as a loss. The value may be greater or it may be less. Loss charged off during this examination.	14,000.00		7,000.00		7,000.00
25,410.96 C. E. Gheens C. E. Gheens, security. Maker is dead and his estate is said to be solvent. Surety is regarded as good.		25,410.96	25,410.96	Charged off	
72,000.00 Gibbs-Inman Company Described on Page 4-11, report of examination begun 4-25-27. Reduced $2,000.00 since last examination.			72,000.00	Current	
17,000.00 Gibraltar Coal Mining Company Endorsed Robert L. Brown. Reduced $3,000.00 since last examination, and a farther reduction of $2,000.00 was made during this examination.			17,000.00	1/3	5000
13,000.00 Mercer Coal Mining Company Endorsed Gibraltar Coal Mining Company and Robert L. Brown. Reduced $4,000.00 since last examination. No new statement since last examination. Management of bank is pushing collection of this loan vigorously. It is not known, however, just how fast reductions can be made in the future. The market on bituminous coal is at this time in rather a demoralized condition and it is hardly likely that the operations of the company will be profitable for the next few months.			13,000.00	1/3	4333
TOTAL					

EXTRA SHEET PAGE 4-14

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER'S
FORM 2488 C

No. of Bank 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,585.12 Flint Goodwin - Shn A Bank Coll: 1,000 shs. Goodwin Preserving Company, Com.		1,585.12	1,585.12	12/12	1570-13
1,525.00 H. L. Greenbaum Endorsed L. A. Rosenbaum. This loan was classed as doubtful at the last examination, but only $75.00 has been collected since that time.				1,525.00	1/12 1,425-
4,849.10 H. L. Greene, et al Coll: $2,000.00 lien note, which is said to be good, Title to a frame store building in Fountain Run, Kentucky, which is believed to be worth $700.00, Note with a balance due of about $1,000.00, representing purchase of same property on the purchase price of which $100.00 cash was paid. Estimated loss charged off during this examination.			2,700.00	1,000.00 Paid	1,149.10 Dugan
15,000.00 Stuart Groves and Louise B. Groves The makers own some real estate and this loan was made about a year ago with the understanding that they would give a first mortgage on the home. This has not been done. The reason for the failure to comply with the original promise could not be ascertained.			15,000.00	Paid	
102,502.78 A. E. Hargis Coll: Lien notes of B. F. Combs for $144,185.65, secured by a deed of trust on a hotel building in Hazard, Kentucky. 400 shs. Hargis Bank & Trust Company, Jackson, Kentucky. The collateral notes are past due and protested. Maker has been a continuous borrower since 4-2-25.			102,502.78	12/12 - 76 10	
41,365.49 Harlan Coal Company Endorsed E. U. Maguire and Earl Jungbluth. Coll: 220 shs. Duncan Daylight Coal Company, Pfd., Mortgage on 38/100 interest in 400 acres of land in Letcher County, Kentucky. A value of the loan rests principally in the value of the stock			31,365.49	10,000.00	
TOTAL					

EXTRA SHEET PAGE 4-15

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1604 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Harlan Coal Company (contd.) of the Duncan Daylight Coal Company. This company has operated very profitably the past six months, but it is not expected that it will make much, if any, profit from its operations during the winter. By the time of the next examination the value of the collateral should be more apparent and the loss, if any, charged off.					
10,000.00 F. P. Harter Motor Company Indorsed F. P. Harter. [Described on Page 4-13, report of examination began 4-26-27]. No new statement since last examination. It is expected that the endorser will borrow about $2,000.00 on his life insurance policy and apply on the loan to this bank. The loan has been reduced $5,000. since last examination.			10,000.00	11/12-7199.07	7/31
669.10 John Helfrich Indorsed H. V. Cohn. Coll: 21 shs. Louisville Anzeiger Company. Reduced $130.85 since last examination.			669.10	11/12-516.82	4/30 7/31
8,800.00 E. L. Henderson, Joint with J. B. Armstrong The maker also has a $10,000.00 note secured by 100 shares of Standard Oil of Kentucky. It would appear desirable to obtain collateral to cover the entire loan.			8,800.00		8/3
470.00 Jos. E. Higgins Indorsed Thomas B. Clines. Endorser is a son-in-law of the maker and a local attorney.		470.00	470.00		
$15.00 Andrew and F. R. Heidp	$15.00			$15.00	1/31
2,060.00 F. R. Heidp and wife. Coll: Sundry stocks and bonds of the Color Cinema Company, which are regarded of uncertain value. The management of the bank will endeavor to get a life insurance policy, which is held by the maker of which is said to have sufficient value to almost cover the loan. If this cannot be done, consideration		2,060.00		2,060.00	1/31
TOTAL					

SEE NEXT PAGE 4-15

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
F. H. Hodap (cont'd.) should be given to the question or the propriety of further carrying the loan for value in published statements.					
$7,000.00 Home Circle Publishing Company Endorsed John H. Sutcliffe and L. L. Warren. The tangible values of the company as shown by its statement dated 8-1-27 are approximately $89,700.00. Its liabilities are $68,500.00. It shows intangible values of $100,000.00 with a net worth of $30,257.00. Deducting alleged net worth from the intangible values leaves a deficit in net worth of $38,743.00 . The endorser is reputed to be good. It is believed that his net worth consists largely of valuable bonds and stocks. If this is true, he should pledge these securities as collateral to the loan of his company, which he practically owns, His capital should be supplied by himself and not by a bank.			$7,000.00		
$20,000.00 Jos. Hubbuch, Sr. & Sons (Described on Page 4-14, report of examination begun 4-23-27.) Maker has been a continuous borrower since 1924, and there has been no reduction in the debt since 8-23-26. Your examiner was advised that the maker company has agreed to pay debt within four months.			$20,000.00		
$9,500.00 Louis C. Humphrey Coll: 95 shs. Bellknap Hardware Company, Pfd., 640 shs. Herald-Post Company, Com. Maker is dead. Your examiner was advised by President Brown that he will see that the loan is taken out of the bank quickly.		$4,500.00	$9,500.00		
$3,611.85 Marie H. Hunt Endorsed Sam P. Hoyer. The maker is said to be in Cincinnati. The endorser is a local physician. He is said to be good. Loan should be collected or secured by collateral of an ascertainable nature.			$3,611.85		
TOTAL					

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Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1488 C

No. of Bank, 5718

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$7,000.00 Hyman Pickle Company Endorsed W. S. Miller and H. H. West. An unsigned memorandum purporting to be a statement, dated 2-21-27, shows: Current Assets $215,894.00, of which $140,955.00 consists of merchandise; Current Liabilities $179,826.00; Fixed Assets $140,940.00; Investment $21,739.00; Deferred Charges $3,222.00; Net Worth $158,954.00. It is being operated by a creditor's committee until 1-1-29. Vice-President Crosby, who is a member of the creditors' committee, advised your examiner that there has been a substantial improvement in the operations of the company, but that it is still operating at a small loss. By January 1, it will be better known just what classification should be given the loan.			47,000.00	10,000.00	700 12/31-5,400.00
3,890.16 Industrial Ownership Company Coll: 1,275 shs. Celco Chemical Company, Pfd. The value of the collateral on the basis of quotations received considerably exceeds the amount of the balance due on this loan. The bank also holds in its Bonds and Securities Account a note of the company for $205,755.32, which is not so well secured (See discussion of loan held in Bonds, Securities, Etc.)	3,890.16		3,890.16		
10,153.33 International Belt Company Endorsed H. T. Hutchings, John B. Pirtle, Jas. H. Richmond, Marshall B. Handy and H. P. Thompson. Statement of the company is not very attractive. John B. Pirtle, one of the endorsers; is said to be worth over a million dollars. Loan increased $1.86 since last examination.			10,153.33		1,020
250.00 Frank Jackson Endorsed S. A. Anderson, Attorney. The note was renewed and $50.00 paid during this examination.		250.00	250.00	Suit	
TOTAL			EXTRA SHEET PAGE 4-14		

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
6,221.61 Jean Realty Company $5,663.36 is endorsed by I. L. Rosenau. The holdings of the parties are said to consist principally of equities. Collection should be vigorously urged.		5,663.36	6,221.61	12/12 - 1887.36	
500.00 Jefferson Memorial Endorsed Fred J. Campbell. When loan was made it was to have been taken up by private subscription, but this has not been done.			500.00		B.
40,000.00 Hahn Brothers Statement dated 6-30-27 shows: Current Assets $267,321.00; Current Liabilities $178,654.00; Deferred Liabilities $54,411.00; Goodwill $100,000.00; Deficit $39,890.00. The maker company has made remarkable progress in the past two years. Loan has been reduced $27,500.00 since last examination.			40,000.00	20000 - Pd 12/11-28 Pd	
2,000.00 D. A. Miller Collateral: 54 shs. Audubon Park Realty Company, 50 shs. Star Wood Products Company. Maker is dead. His estate is said to be solvent. No reduction since last examination.	2,000.00		2,000.00	Sharp Rosen - Barr, Executors of the Estate	Sued 2nd -
2,000.00 Edward C. Kelly Company Statement of the company is poor. Reduced $100.00 since last examination.			2,000.00	12/12 - 1900.00	82
6,649.00 Kentucky Plumbing & Heating Co.		6,649.00		6,649.00	Sue Hall Dugan
8,381.50 Kentucky Plumbing & Heating Co. Rediscounts Coll: Part due lien notes, aggregating $9,000.00. There has been little change in the above since last examination. The items are in the hands of a firm of attorneys for collection. It is assumed that vigorous efforts will be made to collect.	8,381.50			8,381.50	
70,000.00 Kentucky Public Elevator Company Statement dated 6-30-27 shows: Current Assets $15,000.00; Current Liabilities $70,000.00; Fixed Assets $899,000.00 Net worth $844,000.00.			70,000.00		430
TOTAL					

EXHIBIT SHEET PAGE 4-19

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Public Elevator Co. (contd.) A loss for the fiscal year is shown in the sum of $6,596.00. It is said that the preferred stock of the company is owned by six parties and that an agreement was entered into by them not to bond the company. Said to own considerable terminal property. The assets of the company are not of a character against which unsecured loans should be advanced. Loan reduced $7,000. since last examination.					
$5,000.00 Kentucky Refrigerating Company Statement dated 2-21-27 shows: Current Assets $58,277.00; Current Liabilities $172,942.00; Plant and Equipment $1,213,612.00; Deferred Assets $15,255.00; Net Worth $126,800.00. As is indicated by the statement, the unsecured loan of the company is not desirable. The management has been changed and it is claimed that the direct loans of the company will work out. The outlook, however, is not very encouraging, unless much more progress is made in the future than has been made in the past.				$5,000.00	
$10,153.33 J. Graham Brown Coll: 110 shs. Kentucky Refrigerating Company, 1st Pfd., 110 shs. Kentucky Refrigerating Company, Com. A, Should be collected or secured by collateral of ascertainable market value.			$10,153.33		
1,001,150.33 Kentucky Vagon Company (Items described in detail under Large Lines). Since last examination, considerable progress has been made toward finally acquiring title to the properties for the bank. During examination the matter was presented to the court for final disposition and was deferred one week on account of certain requirements. It is believed within a short time bank will have finally acquired title. Since last examination, bank has advanced $60,219.74 in acquiring claims of other creditors and for operating purposes. It is	$45,154.47	$51,648.89	$01,150.33	$300,000.00	$100,000.00
TOTAL					

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Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Company (contd.) said that about $10,000.00 more will have to be advanced before all claims are finally settled and the plant, unencumbered, becomes the property of the bank. During this examination, your examiner, together with examiner Hunt, made a superficial inspection of the properties of the company. There is 1 brick office building and 13 brick manufacturing buildings of various sizes and heights located on 32 acres of ground in Louisville. Your examiner formed the opinion that the primary value of the land lies in its value for terminal purposes by reason of its location contiguous to the tracts of the Louisville & Nashville Railroad Company and the Southern Railroad Company. The secondary value of the property is for manufacturing purposes. The trouble lies in the fact that the property requires such a large manufacturing unit to absorb its facilities that few purchasers are available. The company has a considerable inventory. The old inventory was not well balanced and as orders are received new inventory has to be purchased to supply the parts that were not included in the old inventory. The company is operating as a going concern and is employing about 475 men aside from the office force. The normal force of the company when operating at full capacity is from 600 to 750 employees. The trouble lies in the fact that the operations are unprofitable, even when using part of the old inventory. It has been of great value to the company to keep it operating as a going concern, but unfortunately this has not been done at a profit. Your examiner believes that the management of the bank is using its best efforts to dispose of the property, but unless it can be sold for terminal purposes, it is feared that further losses will be sustained. Your examiner has estimated $100,000.00 as loss and $200,000.00 as doubtful. Any assignment of value must be an arbitrary one, as it must be considered for carrying purposes on the basis of what can be obtained for it, not by its replacement					
TOTAL					

EXTRA SHEET PAGE 4-31

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1485 C

No. of Bank, 8718

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Co. (Contd.) value. The only safe course for the management of the bank is to continue making periodical charges to Profit and Loss until the property can be sold. At least $100,000.00 should be charged off each six months until the plant can be sold or the carrying value reduced to at least $400,000.					
127,000.00 Knudler & Lucas Company Endorsed W. R. MacNeal and Jas. R. Duffin. Coll: 490 shs. City Realty Company, $70,000.00 real estate notes of the City Realty Company, endorsed W.R. MacNeal, secured by 42 small bungalows and cottages.			127,000.00		
No recent statement of the company is on file. Its affairs have been in a precarious condition for some time. In the report of the last examination of this bank part of the loan was classed as doubtful. The management was changed, and Mr. MacNeal, the present manager, is regarded as a high-class, food products man. Your examiner was advised that the new manager has already accomplished much in effecting economies in the management of the company. Mr. MacNeal had a long connection with an outstanding concern in this line. He resigned his position to put his assets back of the maker company, which is evidence of his belief that it can be worked out successfully. On December 31, 1927, a statement will be made, which should reveal to what extent the company has improved.					
27,371.97 Lamphin, Crane & Ramey	27,371.97		15,500.00	11,871.97	
109.05 Lamphin, Crane & Ramey. Rediscounts Coll: $15,500.00 note, Sterling Paint & Color Co., secured by 150 shs. H. S. Ramey Realty Company, Com., 5 shs. H. S. Ramey Realty Company, Pfd.	109.05			109.05	
It is claimed that the $15,500.00 note of the Sterling Paint & Color Company is good. It is further claimed that the balance of the loan and the rediscount will be paid out of the current assets of					
TOTAL.					

EXTRA SHEET PAGE 4-22

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1498 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Lamkin, Crane & Kinney (contd.) the company. The fact remains, however, that no reduction has been made since last examination.					
200.85 Anna B. Leachman Real estate saleswoman without assets. Loss charged off during this examination.	200.85				200.85
450.00 Jos. E. Lee. Joint with J. S. Whalen 800.00 Jos. E. Lee Endorsed S. A. Lee and E. H. Brown. The endorsers are believed to be good.		450.00	450.00 800.00		
5,500.00 Abe C. Levi Loan reduced $500. since last examination and further recommendations are recommended.			5,500.00		
102,541.67 Fred Levy Realty Company Endorsed Fred Levy. The loan of the company represents a speculation of the endorser in the Speed Building. The equity is so "thin" that your examiner doubts the desirability of it as collateral to a loan. Reduced $6.11 since last examination.			102,541.67		
1,242.00 Lewis & Nye Auto Company Endorsed Edgar E. Lewis. It is recommended that the loan be collected or secured with collateral of an ascertainable value.				1,242.00	
3,600.00 H. S. Locke, H. K. Gilbert and Sidney Smith Maker is Treasurer of the L. & N. R.R. The funds were used to purchase a homes. Reduced $600.00 since last examination.			3,600.00		
7,294.77 Louisville Hotel Company Endorsed E. J. Miller, F. J. Herrmann and E. H. Drummond. Coll: $2,500.00 second mortgage bonds of company. The endorsements are regarded as good. Reduced $1,109.23 since last examination.		1,450.00	7,294.77		
TOTAL					

EXTRA SHEET PAGE 4-28

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ILLINOIS
Form 1454 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$9,222.00 Dennis H. Long Coll: 205 shs. 4th Avenue Amusement Company, Com., 205 shs. Swiss Cleaners & Dyers Company. No reduction since last examination.			29,222.00		
408.20 H. H. Moehling Endorsed D. H. Long. Also secured by some collateral of uncertain value. Reduced $407.80 since last examination.			408.20		
27,000.00 Interstate Coal Company Endorsed D. H. Long. No recent statement of the company was available. It is said to represent a reorganization of the Union County Mining Company. The value of the loan of the company is believed to rest on the endorsement of D. H. Long. No reduction since last examination. This loan should be substantially reduced.			27,000.00		
32,344.56 Swiss Cleaners & Dyers Company Endorsed D. H. Long. Coll: Note of H. H. Moehling for $7,100.00 which is past due. This collateral note is said to have been given for stock. It is being reduced by small payments. The loan of the Swiss Cleaners & Dyers is regarded on the basis of the endorsement, and the four loans just described rest on the value of the stock of the 4th Avenue Amusement Company, pledged as collateral to the loan of D. H. Long. It is believed that the four loans should be reduced to a figure that will be supported by a reasonable cash value of the Amusement Company stock.			32,344.56		
35,000.00 Louisville Provision Company Endorsed Chas. Knight and Henry Knight. This company has been operating in a tentative consolidation with the Visman Company of Louisville. Your examiner was advised that Visman has discontinued his association with the Louisville Provision Company. It is said that the major company			15,000.00	20,000.00	
TOTAL.					

EXTRA SHEET PAGE 4-24

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1486 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Louisville Provision Co. (contd.) owes the Liberty Insurance Bank of Louisville $115,000.00, of which $32,000.00 is secured, and that it owes the Hamilton National Bank of New York $90,000.00. Your examiner was advised that a proposition has been made to pay the creditors 55 1/2% in cash, 25% in an unsecured note, and 41 1/2% in debentures to mature over a period of 5 years. It is believed that the endorsement lends some strength to the note, provided they are not also endorsers on the obligations to the Liberty Insurance Bank and the Hamilton National Bank.					
1,400.00 J. S. Dascher Coll: 20 shs. Cole Mfrs. Manufacturing Company, the name of which company has been changed to Wells Furniture Company. The stock apparently has no value. The loan has been reduced only $100.00 since last examination.			1,400.00		56
850.00 Miss Belle Beattee and F. C. Beattee Coll. 1 diamond ring. Collateral is said to have sufficient value to protect the loan. It is noted, however, that the maker has been a continuous borrower since 1924 and that no reduction has been made since last examination.		Reduce	850.00		
200.00 W. S. & S. J. McBride Charged off during this examination.		200.00			200.00
750.00 H. H. and W. E. McCormick This loan has been in the bank for a long time. H. H. McCormick has a position with the State of Indiana at a small salary and pays a small amount at each maturity. Reduced $50. since last examination.				750.00	
1,700.00 Mary H. and B. H. McDevitt Assets of the makers consist of a home. Reduced $300.00 since last examination.			1,700.00		
			EXTRA SHEET PAGE 6-35		
TOTAL					

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELASTIC
Form 1436 C

No. of Bank, 5513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
14,000.00 Eagle Soap Company Endorsed Jas. R. Riffin and W.R. Mooney. Secured by a mortgage on a plant, which is said to be worth $40,000.00, subject to a prior lien of $28,000.00. Your examiner was advised by the officer of the bank in charge of the loan that unless something is done immediately foreclosure proceedings will be begun. Payment of this loan has been delayed a long time and some action should be taken.	14,000.00		14,000.00		
9,000.00 W. R. Martin Company Endorsed W. R. Martin. Collateral: $1,000. certificate of deposit, 82 shs. Kentucky Utilities Company, Pfd. $10,000. life insurance policy with no cash surrender value. Maker has been a continuous borrower from the bank since 1925. No reduction since last examination.			9,000.00		
4,860.24 Chas. J. Meriwether Endorsed C. J. Meyer.			4,860.24		
20,709.58 Chas. J. Meriwether — C. E. Meyer Coll: $7,000.00 life insurance policies with cash surrender values of $1,275.00.			20,709.58		
74,013.72 Chas. J. Meriwether - Rediscounts During examination, $12,000.00 of the rediscounts were paid. Statement of the company dated 2-24-37 shows: Current Assets $118,000.00; Current Liabilities $110,000.00; Other Assets $[illegible]; Mortgage Indebtedness $40,000.00; Net Worth $191,000.00. In the opinion of your examiner, the maker is financing too extensive operations for the amount of his capital. He is said to be a successful contractor.			74,013.72		
500.00 E. P. Middleton Loan has been overdue since April.		500.00	500.00		
			EXTRA SHEET PAGE 4-2		
TOTAL					

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
450.00 Albert R. Miller Coll: $1,000.00 Cedar Cinema Company, 7% Bond. Charged off during this examination.		450.00			450.00
100.00 E. G. & E. J. Buchsteiner Reduced $100.00 since last examination.	100.00		100.00	Paid	
5,917.95 Geo. D. Harrison, L. E. Rosier, Jas. R. Duffin, W. E. Massey and Robert V. Beard. The parties are endeavoring to promote an enterprise known as the New Klamath Cave Development Company. This loan should be collected. Reduced only $20.00 since last examination.	See Remarks about these	5,917.95		5,917.95 Joint. Adam	
200,611.01 Murray Rubber Company (For discussion of this loan see Campbell Line on Page 5, under Large Lines). The results of the future operations of this company are so uncertain that your examiner cannot escape entertaining misgivings with respect to its unsecured obligations. The classification of $50,000.00 of the loan as doubtful is an arbitrary one and is intended to express the misgivings of your examiner. It is hoped that the operations may prove to be more profitable than they seem probable.			150,611.01	50,000.00	Held 12/17 172723 ±
1,500.00 C. L. Nelson Coll: Stocks of the Citizens Hotel Company, which are of uncertain value. Maker is General Agent for the Fidelity and Casualty Company. Reduced $250.00 since last examination.	Checks to bank promptly & pay when met		1,500.00		ezj
5,575.00 E. Rotherton & Company Coll: 50 shs. Emmert Packing Company, Pfd., 250 shs. Emmert Packing Company, Com. The collateral is regarded as of doubtful value. The maker is a plumbing concern that has been continuously indebted to the bank since 18-11-22.			5,575.00		12/17 1,000
TOTAL					

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1450 C

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
7,000.00 Norman Kiln Drying Company Endorsed A. B. Norman and Mrs. A. B. Norman. Mrs. Norman is said to have $25,000.00 outside worth. Statement dated 6-30-27 shows: Current Assets $24,000.00; Current Liabilities $28,000.00; Fixed Assets $84,000.00; Net Worth $84,000.00. The statement of the company is poor, but it is claimed that it is making money. Its deposit balances with this bank are excellent.			7,000.00	N200	
50,000.00 Norman Lumber Company. Loan			50,000.00		
18,921.45 Norman Lumber Company. Rediscounts Statement dated 12-31-26 shows: Current Assets $96,000.00; Current Liabilities $53,000.00; Other Assets $70,000.00; Net worth $113,000.00. The Other Assets consist chiefly of stock in subsidiary companies, one of which is the Norman Kiln Drying Company. The current ratio of the company is poor and there is a reduction in net worth of $3,000. The rediscounts are all paper of the Norman Kiln Drying Company, which began 12-15-26 as $4,949.85 and have not been paid out.			18,921.45	N200	
356,683.17 E. B. Norman Company			356,683.17		
6,896.00 E. B. Norman Company. Rediscounts Statement dated 1-1-27 shows: Current Assets $265,000.00; Current Liabilities $237,000.00; Other Assets $645,000.00; Mortgage Indebtedness $202,000.00; Other Deferred Liabilities $62,000.00; Net Worth $309,000.00. The statement of the company is poor, the current ratio is inverted and the debt of the company is almost twice its net worth. It may be said, however, in this connection that the large loan to this bank is in connection with Working out a debt previously contracted by the company. The maker company has a $440,000.00 contract with a southern company on which it has made a payment of $100,000.00. The contract is to be paid by delivery of lumber at a stipulated price. Your examiner was advised that by May, 1928, the maker company will have paid $340,000.00 in lumber and			6,896.00	1/17 539 L	
TOTAL					

EXTRA SHEET PAGE 4-28

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
E. B. Norman Co. (Contd.) will begin to get release on the $100,000.00 down payment as the remaining lumber is delivered. It is believed that the loan will work out without loss.					
6,000.00 A. E. Norman Coll: 98 shs. Norman Lumber Co. Collateral is of an unliquid type. Loan reduced $500.00 since last examination.			6,000.00	1400.	
2,450.00 E. B. Norman, Jr. Coll: 45 shs. E. B. Norman Co. Collateral is of an unliquid type and of uncertain value. Loan reduced $100.00 since last examination.			2,450.00	12/17 2350 = Bridge	
6,300.00 E. B. Norman Endorsed A. E. Norman, Jr. and V. E. Norman. Coll: 218 shs. E. B. Norman Company, Com. Collateral is of uncertain value. Loan reduced $400.00 since last examination.	Pur Rule Norman 3200 =		6,300.00	12/17 6200 - 1400	
2,250.00 J. C. Norman Coll: 53 shs. E. B. Norman Company, Com. Loan has been reduced $300. since last examination.			2,250.00	12/17 2150 = 1400	
400.00 P. M. O'Bryan Coll: $400.00 notes of D. P. Hobbs, due serially. Collateral notes are all past due and of doubtful value. Maker is a whiskey salesman.		Collat		400.00 Bridge	
125.00 Ellis Owens & W. M. Cissell Loan charged off during this examination.	125.00	In hands of B & M Marshall for		Bridge	125.00
46,500.00 Parkway Lumber & Construction Co. Endorsed Louis Rosenburg, Frank Robinson and E. E. Ortner. Coll: 1122 shs. Standard Mortgage Company, and mortgage real estate notes aggregating $21,088.75. Statement dated 8-31-27 shows: Current Assets $112,500.00, Current Liabilities $18,000.00, Other Assets $585,000.00, Net Worth $204,500.00.			46,500.00	12/17 4394 [illegible]	
TOTAL					

EXTRA SHEET PAGE 8-29

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1496 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Parkway Lumber & Construction Co. (contd.) Your examiner is advised that the last sale of the Standard Mortgage Company stock was 40. At this price, loan may be regarded as protected. The notes pledged as collateral are beginning to mature and it is said that reduction will be more rapid.					
4,098.33 E. M. Pate Coll: 100 shs. Chess & Wymond Company, Pfd., 100 shs. Graham-Steve & Reading Company. Maker was formerly connected with Chess & Wymond Company. He is now said to be in the lumber business in New Mexico. The stock is of an unliquid type, but it is claimed that a responsible party recently agreed to buy the stock for enough to cover the amount of the note.			4,098.33		
200.00 Elliott Pennebaker Endorsed C. J. Hitchcock. Maker is said to possess limited financial responsibility. Endorser is dead. His estate is said to be advanj. Claim has been filed against the estate.		200.00	200.00		
125.00 E. K. & Robert E. Phillips Reduced $66.44 during this examination.			125.00		
450.00 L. D. Powell Coll: 50 shs. United Rock Asphalt Company, Pfd. Your examiner was unable to get any information concerning the value of the stock.			450.00		
38,400.00 Progress Chair Company Endorsed L. A. Rosenbaum. The concern was formerly a prosperous one, but its affairs got in such shape that it was placed in the hands of the Louisville Trust Company for liquidation for benefit of creditors. The endorser and the manager now in charge were in the bank during this examination for a discussion of the affairs of the company. The manager expressed the opinion that the assets of the company had a safe value of $32,640.00 to	38,400.00		23,400.00	5,000.00	10,000.00
TOTAL					

 EXTRA SHEET PAGE 4-20

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Progress Chair Co. (Contd.) be applied on a debt of $50,518.00. He expressed the hope that the concern might be liquidated still more favorably. In view of the uncertainty surrounding the matter, it was agreed to charge $10,000.00 to Profit and Loss now and await future developments.					
240.00 E. E. Ray - Carried at Coll: $4,000. Michigan Ry. 1st 5's, in default. The value of the collateral is approximately the amount at which the loan is carried.	240.00		240.00		
65.00 Albert S. Rau Endorsed D.B.S. Rose. The endorser is said to be good.		65.00	65.00	1/19 50%	
900.00 Morris Ravitz Maker is a local pawn broker. He is said to have failed in 1919 and to have settled with his creditors at 60%. Bank is demanding payment. During this examination $[illegible].00 was paid on the note.		900.00	900.00	Paid in full	
23,520.00 Rentlinger & Company. Loan 20,247.60 Rentlinger & Company. Rediscounts Coll: Sundry securities with an estimated market value of $20,876.60, $1,000.00 Union Mining Company, 6's. Sundry bills receivable aggregating $2,459.99. The following items are noted among the rediscounts: Swiss Cleaners & Dyers $ 2,040.67 Interstate Coal Co. 6,298.04 J. Dolfinger 770.90 Krumbe, Schupp & Schmidt 1,371.16 All of these names have been criticised in this report.			23,520.00 20,247.60		
7,651.94 Max Ritter Secured by a mortgage on real estate.			7,651.94		
5,000.00 D. Rosen Manufacturing Co. Loan E. E. D. Rosen.			5,000.00	12/19 - 1000 -	
TOTAL					

BANKS REPORT PAGE 4-51

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1136 C

No. of Bank, 5313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
R. O. Rosen (contd.) 4,319.67 R. O. Rosen Manufacturing Co. Rediscounts. Coll: $1,827. note Citizens Hotel Company, which is part due. Loan has been continuous for some time and is regarded as slow.		Have paid	4,319.67	1,739.91	
2,450.00 Leon A. Rosenbaum Coll: 120 shs. Federal Chain System of Kokomo, $2,000.00 Louisville Ry. 5's, 15 shs. Piggly-Wiggly Corp., Com., $500.00 Kiln Bldg. 2nd Mortgage Bond. Reduced $50.00 since last examination.			2,000.00	450.00	1,729.91
175.00 Jacob A. Schaudeen Loan appears to be of doubtful solvency, but it is said that Attorney Sullivan has stated that he will see that it is collected.	175.00			175.00	
1,997.01 Shapin Manufacturing Company The company is in liquidation. It is said that the loan is being paid monthly. Reduced $379.42 since last examination.		1,997.01	1,997.01		1,804.01
5,300.00 O. A. Singer Maker owns considerable real estate, practically all of which is encumbered. Reduced $1,000.00 since last examination.		Gave Note	5,300.00	300 Paid	5000.00
375.00 Lillian and Ruby G. Wellman Charged off during this examination.	375.00				375.00
100.00 H. P. Smith Endorser is dead. His estate is said to be solvent.		100.00	100.00	Paid	
30.00 Omer E. Springer Endorsed Robert B. Dunden, et al. Charged off during this examination.	30.00			Off	30.00
			EXTRA SHEET PAGE 4-SS		
TOTAL					

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1493 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
10,000.00 Standard Lumber Company Endorsed Robert Carnihan. (Described on Page 4-26, report of examination begun 4-25-27). No reduction since last examination.			10,000.00	12/17 8000	1410.0
117,000.00 Standard Mortgage Company Coll: Sundry notes aggregating $244,241.28, of which amount $98,900.70 are past due. Reduced $45,000.00 since last examination.			117,000.00	Reduced 18000	
250.00 Clarence C. Steinbach Coll: 5 shs. E. B. Norman Co. Reduced 250.00 since last examination.			250.00	12/17 200 =	5.000
1,050.00 C. B. Stolzenpahl Coll: $1,160.00 unsecured note. Reduced $75.00 since last examination.			1,050.00	12/17 975 =	N/A
275.00 John W. Smart Coll: 5 shs. Portland Bank. The stock of this bank is being liquidated. It is claimed that enough value remains to protect the loan.			275.00	12/17 150 =	
1,575.00 Southern Engineering Company Elmore Sherman is endorser on $600.00, which is regarded as good. The balance is classed as doubtful.	1929 Financial Statement 6-30-29 shows:	975.00	600.00	975.00	9.75
240,700.00 Stimpson Computing Scale Company Statement dated 12-31-26 shows: Current Assets $1,180,000.00; Current Liabilities $539,000.00; Other Assets $200,000.00; Mortgage Indebtedness $15,000.00; Reserves $54,000.00; Net Worth, after deducting Goodwill, $770,000.00. It is claimed that its inventory consists largely of finished goods it on consignment. About $72,000.00 this consigned merchandise has en out since 1925.	Cooler-Heater sale note		240,700.00		
980.51 H. Strunk One for $130.00 is endorsed his mother, who is believed wn property.	In hands of B.K. Wardall for collection	982.51		980.51	Yes
TOTAL					

CONTINUED PAGE 6-28

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1486 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
P. H. STRUBE (Contd.) Coll: Sundry notes aggregating $1,005.39, which have been past due for some months. Loan should be collected or charged off.					
7,500.00 Strube's Garage Coll: 195 shs. Strube-Pettit Motor Company. The real estate of the Strube-Pettit Motor Company is valued at $180,000.00, subject to a prior lien of $24,000.00. The net rental is about $195.00 per month. The stock pledged as collateral represents a one-half ownership of the concern. There has been no reduction in this loan since last examination.			7,500.00		
140.00 Jos. L. Steurele Endorsed H. L. Middleton.	140.00		140.00		
300.00 Jos. L. Steurele - Endorser for H. L. Middleton and wife	300.00		300.00		
150.00 Jos. L. Steurele Steurele operates some picture shows. Loans should be collected, secured or charged off.		150.00	150.00		
1,100.00 H. H. Swain Coll: 40 shs. Portland Bank. The bank stock is in liquidation and it is claimed that it possesses enough value to protect the loan. Reduced $1,000.00 since last examination.			1,100.00		
16,650.00 A. V. Thomson Endorsed C. C. Hiestt. Coll: 335 shs. Fidelity Oil Co., (par $1.00), 51% paid in liquidation, $1,000.00 2nd Church of Christ, 7% Bonds, 5 shs. Weatherly-McKinnie Company, Pfd., $350.00 paid in liquidation, $2,125.00 Sterling Savings & Building Assn., $1,151.00 lien notes. Maker is dead and the estate is in the trust department of the bank. The opinion was expressed that the estate is solvent.		16,650.00	16,650.00		
			EXTRA SHEET PAGE 4-34		
TOTAL					

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1486 C

No. of Bank, 8811

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$2.93 Mrs. W. V. & S. S. Thompson Reduced $50.00 since last examination.	OK	$2.93	$2.93		1100
2,799.09 W. A. Thomas Company Company was formerly in the automobile business. Thomas is now a deputy sheriff in Louisville. His assets are said to be all gone. Has promised to pay if he can earn it. Charged off during this examination.					2,799.09
40,472.51 W. V. Thrawes 990.11 Thrawes-McCullough & Lancaster. Secured by 100 acres of land near Lexington, Kentucky, subject to a prior lien of $30,000.00. The trouble has been to get a sale of the land, as the borrowers have resisted selling it. The management of the bank expressed the intention of arranging a foreclosure of the first mortgage. It is believed that it is important to do this and liquidate this undesirable asset.	40,472.51 990.11		40,472.51 990.11		OK
99.00 E. E. Tiller. Joint with A. W. Sullivans	will see if not pd	99.00	99.00		Charge
197,599.74 Trumbo, Schupp & Schmidt. Loan do. Rediscounts: Nate J. Dolfinger Company Giles B. Van Cleave Wilson Belle Company	50,000.00		197,599.74 50,000.00 8,154.00 9,718.65		
153,417.17 J. Dolfinger & Company	153,417.17		153,417.17		
9,155.47 Giles B. Van Cleave Coll: 100 shs. Gold Trading Stamps, Com. Trumbo, Schupp & Schmidt, J. Dolfinger & Company, and Wilson Belle Company are concerns of Giles B. Van Cleave, who endorses their paper. The affairs of these companies have gotten in bad shape. A consolidated statement of their assets and liabilities shows:			9,155.47		
TOTAL					

Exhibit 14

SUPPLEMENTAL EXHIBIT 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1456 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Brumbd, Schupp & Schmidt (contd.)					
Assets:					
Cash $15,566.00					
Accounts Receivable 435,679.00					
Inventory [illegible]					
Total Current Assets [illegible]					
Due from Giles Van Cleave 9,767.00					
Leasehold 150,000.00					
Bills Receivable 25,234.00					
Deferred Charges 6,426.00					
Other Assets 42,625.00					
Liabilities:					
Current Liabilities $60,542.00					
Accrued Interest 12,402.00					
Due to Giles Van Cleave 20,897.00					
Net Worth 371,790.00					
The following collateral is held to secure the entire line:					
$5,000.00 note of Giles E. Van Cleave, secured by a mortgage on 15 acres of subdivision property, subject to a prior lien of about $11,000.00.					
325 4/7 shs. of Buck's Stove & Range Company, Com.,					
315 5/7 shs. of Buck's Stove & Range Company, Pfd.					
The total line due to this bank aggregates $424,043.51. To pay this, an appraisal is made of the company's assets based on a recent offer received from a competing company for the current assets of the company:					
Accounts Receivable $326,750.00					
Cash 15,564.00					
Inventory 243,296.00					
Total $585,010.00					
To this may be added a substantial sum on account of a leasehold that the company holds, which was variously appraised at $75,000.00 to $125,000.00. There may also be added the equity in the notes of Van Cleave held as collateral, which are secured by 15 acres of valuable subdivision property. This property was appraised by a local real estate expert as worth from $200,000.00 to $225,000.00 in its present condition. Your examiner was shown this property by two officers of the bank. It unquestionably possesses great value. The only difficulty might lie in the ability to subdivide and sell it within a reasonable time. From information furnished					
TOTAL					

EXTRA SHEET PAGE 4-36

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1426 C

No. of Bank, 5212

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Trumbo, Schupp & Schmidt (contd.) it would seem that the property could really be sold at this time for at least $150,000.00. At this price, the bank would have an equity of about $140,000.00 as further support to the line. Apparently, the loan should work out without loss, provided the three furniture concerns are not permitted to operate too long on a losing basis.					
1,850.00 J. C. Utterback Coll: 40 shs. Palmer Hotel Co., Paducah, Ky. Reduced $50.00 since last examination.			1,850.00		
1,021.50 Forrest E. Vaughn The maker is an accountant with limited financial responsibility. $425.00 of his paper is endorsed by solvent parties. The balance is regarded as doubtful. Reduced $103.50 since last examination.		1,021.50	425.00	596.50	
30,000.00 E. Verhoeff Endorsed R. E. Hartwell and John L. Green. (Discussed on Page 4-30, report of examination began 4-25-27). No progress has been made since the time of the previous examination. The deceased partner is a beneficiary of an estate held by the bank from which about $15,000.00 will be applied on the loan. His widow has thus far declined to give a lien on her home as further protection to the loan. During this examination, it was decided to charge $10,000.00 to Profit and Loss.			30,000.00	10,000.00	10,000.00
779.50 W. C. & R. E. Hartwell Charged off during this examination.		779.50			779.50
200,000.00 Van Camp Packing Company Unsecured. (For discussion of this loan, see Campbell Line on Page 8, under Large Lines). Loan is arbitrarily classed as Slow. Neither a financial nor an operating statement is on file to disclose the fact that the			200,000.00		
TOTAL					

EXTRA SHEET PAGE 4-37

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Van Camp Packing Co. (contd.) loan is or is not subject to criticism, nor to show that it is not doubtful. It is known, however, that in previous contacts with Mr. W. D. Campbell, who controls the management of the maker company, this bank has acquired some assets of doubtful value.					
$85.00 Victor Van Berries and Johanna Van Berries Maker is a commission salesman. The endorser is his mother. She is said to own some property. Loan should be collected or secured.		$85.00	$85.00	12/19-59 25	
$23.75 John Welsh Charged off during this examination.	$23.75			Bad	$23.75
$250,822.50 White & Associates (See Large Lines)			100,822.50	150,000.00	
$17,675.00 John White & Company Endorsed John S. White. Loan does not look attractive. Reduced $7,687.50 since last examination.			17,675.00	Paid	
$3,500.00 W. P. Williams Coll: 25 shs. W.P.S. Williams & Sons, Bankers, Irvine, Kentucky, 226 shs. Swiss Oil Corporation, (par $5.00). Loan reduced $70.00 since last examination.			3,500.00		400
$8,000.00 Wm. H. Willis Coll: $500.00 C/D of this bank, 234 shs. Chase & Wymond Company, Com. Maker is an officer in Chase & Wymond Company. Loan began 7-23-25 as $1,000.00. Its high point was $12,400.00 on 9-8-25. Reduced $700. since last examination.		Drop still pay 1000 at next due date.	8,000.00	12/19 7400	

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TOTAL

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$50,327.77 E. E. Woods Secured by a second mortgage on 2,500 acres of land in Allen County, Kentucky. The value of the land is uncertain. Maker is said to own a large amount of live stock. When this loan was taken it was thought to be a first lien, and an officer's certificate was attached to the loan showing in good faith that the loan was a permanent lien. It has since developed that there was a first lien on the property, which now amounts to $41,700.00. In view of the circumstances, your examiner feels that there is an element of doubt with respect to the collectibility in full of this loan and has classed $40,000.00 as doubtful. Since examination, your examiner has been advised that on 11-8-27, maker deeded equity to Hugh B. Pleasa.			$50,327.77	40,000.00	
100,000.00 S. Iorn & Company 150,000.00 S. Iorn & Company. Endorser on Gold Proof Milling Company. S. Iorn & Company also have a loan for $140,000.00, secured by grain. Collateral to loan of the Gold Proof Milling Company, $140,000.00 first mortgage bonds on the plant of the company. Plant is valued at $235,000.00 and the total bond issue is $170,000.00. Statement of S. Iorn & Company dated 12-1-27 shows: Current Assets $255,000.00; Current Liabilities $240,000.00; Other Assets $273,000.00; Mortgage Indebtedness $170,000.00; Net Worth $128,000.00. Statement of Gold Proof Milling Company, dated 12-1-27 shows: Current Assets $5,400.00; Current Liabilities $131,700.00; Fixed Assets $251,000.00; Treasury Bonds $140,000.00; Bonded Indebtedness $170,000.00; Net Worth $96,000.00. Statements of the companies are poor and do not, in the opinion of your examiner, warrant the large lines of credit advanced. It is claimed that the fixed assets will be mortgaged for a sufficient amount to clean up the indebtedness to this bank. It is hoped that this can be done.			100,000.00 150,000.00		
TOTAL					

EXTRA SHEET PAGE 4-59

Exhibit 14

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
Comptroller of the Currency—Washington
Form 1426 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
10,000.00 Anna Yeager Statement dated 11-1-27 shows: Current Assets $45,000.00; Current Liabilities $27,000.00; Net Worth $21,000.00. Statement of the company is not attractive. Loan increased $125.00 since last examination.			10,000.00		
200.00 John T. Yeager, et al Charged off during this examination.	200.00		Bankrupt		200.00
5,700.00 Corydon National Bank Bank holds cashier's checks on this bank, aggregating $2,498.55. Your examiner was advised that sufficient will be collected from remaining dividends and from the note of Wm. B. Best to cover the amount at which the obligation is now carried.	5,700.00		5,700.00		
11,196.46 Peoples Bank, Springfield, Tennessee	11,196.46		11,196.46		
15,606.80 Peoples Bank, Springfield, Tenn. Claim carried in Bond Account Vice-President Robinson advised your examiner that according to information available he regarded the collateral on these obligations of the Peoples Bank to possess sound value in the sum of $27,094.70.			15,606.80		
57,126.93 Planters Bank, Clarksdale, Miss. Carried at $57,126.93 Your examiner received information that would indicate that there might be some further loss in this loan. Conditions, however, in the vicinity of Clarksdale have improved so materially in the past sixty days that no loss is estimated in the hope that this claim may be worked out in full.	57,126.93		52,126.93	5,000.00	
Sundry other overdue loans, aggregating		127,179.08			
EXTRA SHEET PAGE 4-48 TOTAL	1,303,289.12	864,486.24	5,678,509.87	795,530.55	150,884.88

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425.—Page 3

No. of Bank, 5312

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate
	SEE EXTRA SHEET	

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.
Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility, under Section 5239, U. S. R. S., for all loans contained on excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	258,894.52
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	195,150.62
3. Aggregate amount on which real estate security has been taken in violation of law, (include unlawful real estate bonds)	90,327.77
TOTAL,	544,372.91

* These loans need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
			SEE EXTRA SHEET				
TOTAL,							

Are properly executed certificates (Forms 1413, 1416, 1416a) attached to loans? No

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1430.—Reports.—Ed. 2,000—F. C., Oct. 26-13.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

EXCESSIVE LOANS.

Name of Borrower		Amount	Comment
Kentucky Jockey Club - Loan		$269,200.00	Reduced to the lawful limit 11-3-27.
do.	Loan carried in Bonds, Securities, etc.	200,000.00	
do.	Exception in account with First National Bank, St. Louis.	250,000.00	
do.	Cash Items - carried since 7-27-27.	20,780.00	
		$739,980.00	
Wakefield & Co.		25,000.00	
Coll: $25,000. C/D on Natl. Bank of Ky.			
Wakefield & Co. - Bnd. Bank of Taylorville, Ky.		10,000.00	Paid
Coll: $2,000. Louisville Gas & El. Co., 60 shs. Continental Ins. Co. of N. Y.			
J. M. Greer		300,000.00	
Coll: *929 shs. Kentucky Jocky Club Pfd.,			
*100 shs. L. and N. Ry. Co.			
x1500 shs. Continental Oil			
x3000 " Louisville Gas & El. Co. Com.			
x3478 " Van Camp Packing Co. Pfd.			
x1000 " " " " " Com.			
Value of collateral shows only 11% margin on loan.			
* In name of J. B. Brown.			
x " " " Wakefield & Co.			
(See discussion of Van Camp Packing Co. under Campbell Line, Page 6-1)			
Mrs. L. I. Harris (Bookkeeper)		300,000.00	
Coll: *270 shs. Wells Elkhorn Coal Co.			
x1000 shs. National Candy Co. Com.			
x2500 " Continental Oil Co.			
x6100 " Van Camp Packing Co. Pfd.			
x1000 " " " " " Com.			
* In name of J. B. Brown,			
x " " " Wakefield & Co.			
(Van Camp Packing Co. discussed under Campbell Line on Page 6-1.)			
Lee. A. Meager		300,000.00	
Coll: 3000 shs. Standard Oil of Ky., In name of J. B. Brown.			
		$935,000.00	

At the preceeding examination of this bank, the Wakefield Line was classed as excessive. Your office sustained the classification and instructed management to reduce the loan to the lawful limit. This was not done.

EXTRA SHEET PAGE 5-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY — EXAMINING.
Form 1482.—Ed. 10,000—Apr. 26-25.

No. of Bank, 5312

LIST OF REAL ESTATE LOANS

1 Name of borrower.	2 Amount of loan.	3 Prior lien.	4 Estimated value of property.	5 Date mortgage taken.	6 Maturity of mortgage.	7 State whether secured by improved farm or other property.	8 Is property located within legal boundary.
No. 1.							
Badger Aluminum Co.	15,000.00		7,500.00	3-28-24	6-29-25	Farm	D. P.C.
Clay Co.Coal Co.	15,460.00		16,000.00	2-15-24	Serial	City	"
Columbia Phosphate Co.	15,227.50	60M.P.L. Jt.30 M	75,000.00	2-21-23	—	Other	"
Cottonseed Prod. Co.	65,152.51	250M.Jt.	450,000.00	—	—	Both	"
Harlan Coal Co.	41,885.49			9-10-25	9-10-26	Other	"
Eagle Soap Co.	14, 000.00	22 M	60,000.00		Serial	Other	"
Eugent Sand Co.	12,100.00		75,000.00		"	"	"
G. B. Reeves	3,600.00		12,000.00	3-16-22	3-16-28	"	"
W. V. Thraves	40,472.51	60 M	140,000.00	3-2-25	Serial	Farm	"
Fuhr Realty Co.	18,368.00			1-18-27	1-18-28	Other	"
Olaf Andersen	10,469.57		175,000.00		Serial	"	"
Edwin Ritter	7,631.94			9-8-23	Ext.	City	"
Fuhr Realty Co.	3,061.00		7,000.00	1-18-27	1-18-28	"	"
	258,894.52						
#2.							
Cong. of the Red.	54,397.93						
General Realty Corp.	133,984.67						
M. F. Marx Mfg.Co.	2,267.10						
Jos. B. Unalebank	231.46						
J. Morgan Chinn	2,267.46						
	196,150.62						
#3.							
E. E. Woods	90,327.77	41,700.	150 M. to 200 M.	3-8-27	3-8-28	Farm	Yes
TOTAL							

EXTRA SHEET PAGE 5-2

Exhibit #14

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1488.—Page 6

No. of Bank, 5512

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
SEE EXTRA SHEETS.		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

SEE EXTRA SHEETS.		

Exhibit 14

TREASURY DEPARTMENT
OFFICE OF THE COMPTROLLER OF THE CURRENCY
Form 1480.—Reports.—Ed. 25,000—F. C., Oct. 24-27.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LARGE LINES.

CAMPBELL LINE.

The items constituting this line are either loans of W. D. Campbell, Campbell Heath & Co., their concerns or the items were brought into the bank on account of the past contact of Campbell with this bank or the constituent banks comprising this bank prior to the consolidation.

W. D. Campbell
Coll: 4,000 shs. Van Camp Packing Company, Pfd. $ 40,000.00
The market on the collateral at the time of the examination was 18, which abundantly collaterals this loan.

White & Associates
Endorsed W. D. Campbell. 250,022.50
Coll: $154,500.00 note Campbell Heath Company;
Coll: 56,764 shs. Cadet Knitting Mills, Com.,
4,094 " Murray Rubber Company, Com.,
$25,000.00 note Hagen Building Corp., given 3-17-26, due on demand. No interest has been paid.
$25,000.00 note, Liberty-Washington-Cedar Street Corporation, given 3-17-26, due on demand. No interest paid.
$50,000.00 note, Wm. D. Campbell, given 7-16-26, due 11-17-26. No interest paid. This loan is secured as follows:
Coll: 750 shs. Liberty-Washington-Cedar Street Corp.,
564 shs. Cader Knitting Mills, Pfd.,
$11,000.00 certificate of deposit on the National Bank of Kentucky.

Aside from the $11,000.00 certificate of deposit, the collateral is of such uncertain value that your examiner is unable to arrive at any valuation on it. It is said that the Cadet Knitting Mills Company was about to enter into a consolidation, through which a price would have been paid for the stock of the company that would have enabled Campbell to have paid this loan to the bank and have liquidated other obligations or removed other assets for which he is directly or indirectly responsible. The deal for consolidation, however, was not consummated. Efforts are still being made to effect the consolidation.

Campbell Heath & Company
Coll: $100,000.00 Murray Rubber Company, 1st 7's, 100,000.00
250 shs. " " " Pfd.
Certificate of deposit on National Bank of Kentucky for $1,021.67.
The securities of the Murray Rubber Company pledged as collateral, except the C/D on this bank, are regarded by your examiner as entirely undesirable, particularly in view of the large amount of Obligations of the Murray Rubber Company to this bank and loans to the bank collateraled by securities of the company.

$106,500.00 Liberty-Washington-Cedar Street Corp. 2nd Mortgage Bonds 106,500.00
Guaranteed by White & Associates.
As stated in the discussion of this asset under Bonds & Securities, the bonds are being met at maturity, and it is believed that bank will sustain no loss. Junior lien assets, however, are regarded as very undesirable assets for a National bank to hold. The building is being managed by Mr. Heath.

Cadet Knitting Company 100,000.00
Guaranteed by Campbell Heath & Company.
Statement dated 1-1-27 shows:

Cash	$54,550.00	
Receivables	380,801.00	
Merchandise	595,218.00	
Cash value Insurance	12,423.00	
Total Current Assets	$1,020,989.00	
Fixed Assets	583,111.00	
Investments	420,647.00	
Other Bills & Accounts	76,880.00	
Machinery Under Lease Purchase	123,037.00	
Goodwill	750,000.00	
Deferred Charges	64,177.80	

To the Comptroller of the Currency,
Washington, D. C

EXTRA SHEET PAGE 6-1

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 2,000—T. C., Oct. 24-28.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LARGE LINES.

Campbell Line (contd.)

Cadet Knitting Co. (contd.

Other Assets	$ 25,906.00	
Liabilities.		
Current Liabilities	357,239.00	
Mortgage Indebtedness	420,000.00	
Net Worth	2,170,825.00	

After deducting Goodwill and Deferred Charges from the Net Worth, the real net worth is shown as $1,356,648.00.
This company is the only one of the Campbell enterprises concerning which your examiner has any evidence that would warrant the item in being classed as a commercial credit. The current ratio of 2.85 to 1 would indicate a commercial basis for credit. It is noted, however, that a large part of the current assets consist of merchandise. If this item represents sound values, the loan to the bank would appear to be warranted. Statements of the company show that its net profits and 1925 were $158,236.00, Profits in 1926, however, declined considerably and show only $15,503.00. No explanation for the decrease is noted.
Your examiner was advised that the company promised to liquidate its indebtedness to the bank at the last maturity of the loan, but at the maturity request was made for another renewal. The bank advised maker that at the next maturity it expected the loan to be liquidated.

Murray Rubber Company - Loan $200,620.81
$50,000.00 is endorsed by C. H. Murray and H. E. Berian.
Coll: Assigned accounts aggregating $80,663.01,
$330,000.00 Murray Rubber Company, 1st, 7's, due 1944, carried at 326,499.00
Statement of the company, dated 3-31-27 shows:

Cash	$ 34,796.00	
Notes & Trade Acceptances	33,328.00	
Accounts Receivable (Unpledged)	342,774.00	
Accounts Receivable (Pledged)	169,174.00	
Merchandise	567,587.00	
Total Current Assets	$1,147,659.00	
Other Assets	1,864,000.00	
Deferred Charges	46,000.00	
Liabilities		
Current Liabilities (Of which $113,170. is secured)	742,137.00	
Bonded Indebtedness	762,000.00	
Net Worth	1,575,000.00	

Statement also shows a contingent liability of $236,000.00.
Statement of the company is poor, even assuming that the assets listed represent sound values. The company has been experiencing considerable difficulty recently. It lost its contract with Sears-Roebuck & Company, which constituted about 54% of its output. Company is still operating as a going concern, but until its next audited statement it will not be known whether operations for the fiscal year will be at a profit or at a loss. Thus far, it is said that the company is just about breaking even, losing money part of the time and making a profit part of the time. This, of course, does not render it possible for the company to pay its outstanding indebtedness. The general experience of small rubber companies at this time is not good, and apparently there is nothing in the future that indicates that conditions will grow more favorable, indeed, it would appear that they are likely to grow more unfavorable. Your examiner cannot escape the conviction that the unsecured debts of the company and loans secured by stock of the company represent some hazard to the holders of them.
The question may be asked why this line is listed with the line of Campbell or of Campbell Heath & Company. In reply your examiner will state that he was advised during this examination that the loan originally came into one of the constituent banks, prior to consolidation, as commercial paper, and was sold to said bank by Campbell Heath & Company.
Wm. D. Campbell is a director in the Murray Rubber Company.

Van Camp Packing Company - Unsecured	200,000.00
Van Camp Packing Company - Secured	254,263.93

To the Comptroller of the Currency, EXTRA SHEET PAGE 5-2
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 25,000—T. C., Oct. 24-27.

No. of Bank 5312 *Date of Report* Oct. 14, 1927

LARGE LINES

Campbell Line (contd.)

Van Camp Packing Co. (contd.)
Coll: 42 cars cotton seed oil, which are said to be adequate to cover the secured loan. The secured loans are said to be paid promptly.
Your examiner has nothing on which to base an opinion with respect to the value of the unsecured loan. W. D. Campbell, who controls the Van Camp Packing Company, has never furnished a statement of the company, indeed, he has persistently refused to furnish stockholders of the company any financial statement of the company, although some of them have resorted to legal proceedings to obtain a statement. It is represented that the company is good and could pay the unsecured obligation on demand. As has been said before, your examiner has no means whereby he can classify the loan in any way. Based on the past experience of this bank and its constituent members with Campbell and Campbell Heath & Company, it seems that definite knowledge is extremely important.

Sundry stocks and bonds carried in Bond Account at $125,000.00
Of these stocks, the following were acquired directly or indirectly through Campbell or Campbell Heath & Company:
500 shs. Industrial Ownership Corp.,
500 " Murray Rubber Company, Pfd.
Your examiner has been able to ascertain sound value of about $80,000.00 for stocks held in this account other than the Campbell stocks, hence has charged the Campbell Line with only $125,000.00.
In valuing these stocks under Bonds & Securities, your examiner has classed $125,000.00 as doubtful.

Albert Latta $6,000.00
Coll: 8,500 shs. Van Camp Packing Company, Pfd.
The collateral is a Campbell Company. The market value of the stock appears to be adequate to protect the loan.
It is claimed that maker is good aside from collateral.

Industrial Ownership Corporation 149,950.00
Collateral: 5,597 shs. Van Camp Packing Company, Com.,
35,000 " Calco Chemical Company, Com.
(See discussion of this loan under Bonds, Securities, Etc.)
$75,000.00 of the claim is classed as doubtful. The Van Camp Packing Company is a Campbell enterprise.
The Calco Chemical Company is a dye works located in an eastern State. It was built by the United States Government during the War at a large price and was sold after the War at a very low price. The trouble has been that the company has not been able to operate profitably. Unless the company can be put on a profitable basis, the stock can be considered as possessing only negligible value.

1/8 of the loan of J. M. Greer, secured by Van Camp Packing Company stock. 60,000.00
(See Excessive Loan of Wakefield & Company).
½ of the loan of Mrs. L. I. Harris, secured by the stock of Van Camp Packing Company. 150,000.00
(For description of loan see Excessive Loan of Wakefield & Company).

Total $1,992,856.24

It may be of interest to note the compensating deposit balances carried by the above parties, concerns, etc. comprising the Campbell Line. It will be noted that the balances are very inadequate and renders it all the more surprising that such a concentration of credit, arising directly or indirectly from one source, should have become lodged in the bank.

To the Comptroller of the Currency, EXTRA SHEET PAGE 6-B
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports—Rl. M.Sh.—F. C., Oct. 24-27.

No. of Bank 5218 *Date of Report* Oct. 14, 1927.

LARGE LINES.

Campbell Line (cont'd.)

	Average for the first nine months of 1927.
Campbell Heath & Co.	$ 120.00
Cadet Knitting Co.	11,573.00
Calco Chemical Co.	1,158.00
Murray Rubber Co.	8,147.00
Van Camp - Louisville Sales	586.00
" " Packing Co.	19,566.00
" " Products Co.	28,089.00
White & Associates	77.00
Industrial Ownership	No account
W. D. Campbell	" "
White & Associates	" "
Liberty-Wash.-Cedar Street Corp.	" "
L. I. Harris	" "
J. M. Greer	51.00
	$69,307.00
Also $11,000.00 C/D on this bank collateral on loan of White and Associates	11,000.00
	$80,307.00

None of the balances are adequate, not even those of the Van Camp interests.

The insufficient balances are not, however, the most objectionable features to this large concentration of credit. It is always disturbing to find such a large proportion of the assets of a bank revolving around a common center. It might be said that all of the line is not Campbell's, but a close investigation discloses the fact that directly and indirectly, this large volume of credit touches Mr. Campbell or Campbell Heath and Company. (Your examiner thinks perhaps other items might be included in this line such as the Columbia Phosphate Mining Company which owes this bank $30,227.50).

An analysis of the different items composing this concentration of credit shows that some of them must at this time be regarded as questionable value. If one or two more of them (for instance the Murray Rubber Company or Van Camp Packing Company) should develop the same degree of doubtful solvency that some of the other items have developed, the bank would have a line that might indeed be regarded as a menace.

Your examiner regards it as extremely important to dispose of such items composing this line as are regarded as undesirable. The Cadet Knitting Co. appears to be all right if its inventory is sound. An audited statement would disclose whether or not the Van Camp Packing is all right. The other items composing the line appear to be undesirable.

Kentucky Wagon Co. Line.

Recapitulation

Kentucky Wagon Company - $170,896.48 - carried at	$ 82,696.23
R. C. Kinkead, Ind. Kentucky Wagon Company	1,964.85
E. E. Massey " " " "	7,500.00
National Motors Co. - Ind. Kentucky Wagon Company	86,000.11
Kentucky Wagon Co., - Endorsed Associated Motors	3,631.42
Unmatured Rediscounts	2,575.26
Kentucky Wagon Company, Overdraft	332,905.08
National Motors Co. Ind. J.B. Duffin, Robt. V. Board and Wm. E. Massey	22,350.00
National Motors Co. - Coll: $343 E. Par value Associated Motors	211,578.47

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
FORM 1480.—Reports.—M. 25,000—F. C., Oct. 24-12.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

LARGE LINES.

Kentucky Wagon Company (contd.)

$1000. Associated Motors Bond carried at	$ 400.00
Claim vs. Kentucky Wagon Co.	307,817.14
Paper of the Kentucky Wagon Co. discounted by Louis P. Hyman Co.	1,751.71
	$ 1,091,150.33

(This line is discussed under Slow and Doubtful Paper and Losses on Loans.)

Kentucky Jockey Club Line.

Excessive Loan shown on Page 5-1	739,980.00
A. E. Latta	150,000.00
Coll: $150,000.00 notes, Kentucky Jockey Club.	
Lincoln Field Jockey Club	350,000.00
	$ 1,239,980.00

The funds deposited in bank by the various Jockey clubs is almost as large and their total loans.

To the Comptroller of the Currency, Washington, D. C.

EXTRA SHEET PAGE 5-5

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1488—Reports.—Ed. 10-28—F. C., Oct. 14-27.

No. of Bank 8512 *Date of Report* Oct. 14, 1927.

OTHER LOANS RESPECTFULLY MENTIONED.

Aqua Printing Company $4,600.00
Endorsed P. Butterlin and Robert Howrath.
Statement shows a low current ratio and a loss to net worth of $4,971.00. Loan has been carried for a considerable time. Reduced $900.00 since last examination.

Geo. E. Adams 1,550.00
Coll: 29 shs. W. W. Kite & Company.
Loan has been carried continuously with slight reductions since 1919.
No reduction since last examination.

Advance Battery Manufacturing Company 8,000.00
Endorsed John L. Klapheke.
Statement dated 12-31-26 shows: Current Assets $54,294.00; Current Liabilities $50,135.00; Net Worth $57,449.00.
Loan has been carried continuously for several years. Reduced $2,000.00 since last examination.

B. & B. Laundry & Towel Supply Company 7,200.00
Endorsed Murray J. Bailey.
Statement dated 4-11-27 shows: Current Assets $371.00; Current Liabilities $7,200.00; Fixed Assets $40,494.00; Net Worth $33,665.00.
Statement shows a loss to net worth, although carrying value of 59½ acres in Jefferson County, Kentucky, was arbitrarily increased $2,000.00.
No reduction since last examination.

Thomas A. Barker 3,868.75
Rediscount of Goodwin Preserving Company.
As is shown in the discussion of the loan of the Goodwin Preserving Company in this report, the obligations of the company are somewhat slow.
This rediscount has been reduced $504.45 since last examination.

Bingham-Hewitt Grain Company 30,000.00
Statement dated 12-31-26 shows: Current Assets $124,370.00; Current Liabilities $72,637.00; Net Worth $82,847.00.
The current ratio of the company is poor. Its debt is sharply in excess of its net worth. Loan increased $21,000.00 since last examination.

Wolf Slitz Glass Company 14,500.00
Statement dated 1-1-27 shows: Current Assets $69,141.00; Current Liabilities $62,494.00; Other Assets $62,427.00; Net Worth $80,157.00.
The current ratio of the company is poor. Its net worth consists almost entirely of fixed assets. It is operating with inadequate working capital. Reduced $5,000.00 since last examination.

Calvin F. Boles - C. E. Cheems, Surety 19,825.00
The money was used to buy a home, 6-1-26, and has been reduced only $341.10 since that time. Surety is said to be good, but has no statement on file with the bank.

Bradley-Preston Tobacco Company 9,500.00
Endorsed H. S. Preston.
Statement dated 7-1-27 shows: Current Assets $12,729.00; Current Liabilities $10,577.00; Fixtures and Equipment $3,841.00; Goodwill $25,000.00; Deficit $30,010.00; Due to H. S. Preston $50,703.00; Net Worth $20,000.00.
Loan rests entirely on the endorsement of H.S. Preston, who is said to be good.

A. Brandeis &Sons 195,000.00
Coll: Sundry listed securities with an estimated market value of $82,880.00.
Statement dated 12-31-26 shows: Current Assets $44,802.00; Current Liabilities $177,000.00; Real Estate $181,000.00; Stocks and Bonds $300,633.00; Net Worth $349,435.00.
The morale of the loan is said to be unusually high. The statement, however, indicates that advances to the firm should be entirely protected by collateral.

To the Comptroller of the Currency,
Washington, D. C. EXTRA SHEET PAGE 6-6 Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1489.—Reports.—Ed. 8-30—F. C., Oct. 26-27.

No. of Bank 8518 *Date of Report* Oct. 14, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Ap Brandeis & Sons (contd.)
which according to the statement, the firm is able to supply. Increased $50,000.00 since last examination.

H. G. Brecks & Company — $ 105,000.00
Endorsed H. G. Brecks.
Coll: $10,000.00 certificate of deposit on this bank.
$10 shs. Standard Oil of California.
$58 " Grocers' Baking Company.
Statement dated 1-1-27 shows: Current Assets $72,468.00; Current Liabilities $122,827.00; Real Estate $241,000.00; Machinery and Fixtures $24,021.00; Investment $75,200.00; Deferred Charges $1,100.00, Mortgage Indebtedness $95,500.00; Net Worth $194,462.00.
The statement of the company is poor. It shows a deficit in the item of working capital. It would appear to be a sound business proposition for the company when marketing conditions are favorable to sell the collateral and reduce the debt.

W. P. Brown & Sons Lumber Company — Loan — 500,000.00
do. — Rediscounts — 150,727.39
Endorsed J. G. Brown.
Statement dated 12-31-26 shows: Current Assets $2,242,510.00; Current Liabilities $927,136.00; Real Estate and Stumpage $744,239.00; Building $728,076.00; Investments $912,874.00; Due from Brown Realty Company and Brown Drug Company $714,627.00; Other Assets $200,839.00; Securities $60,226.00; Deferred Charges $161,048.00; Mortgage Indebtedness $522,729.00; Net Worth $4,454,953.00.
The company appears to be a holding company and financing company. These do not appear to be proper functions for a lumber company to exercise. There has been no reduction in the direct indebtedness of the company since last examination. The rediscounts have been reduced $15,000.00.

Jas. T. Clark — 48,500.00
Coll: 400 shs. Standard Oil of Kentucky.
20 " Majestic Theater Co.,
$1,750.00 real estate note of Abbott McMillen.
The collateral does not appear to be adequate to protect the loan. It has been criticised in three previous reports for the same reason, but reductions of only negligible amount have been obtained. Reduced $30.00 since last examination.

Milton Collins &c — 5,000.00
Endorsed L. V. Connelly.
L. V. Connelly — 1,548.00
Coll: $6,250.00 real estate notes, Louisville Enamel Products Company.
Collins is said to be liquidating his business. At this time, it is believed that there will be no loss on the loan.
The Collins loan has been reduced $7,750.00 since last examination.
Connelly's loan has increased $5.50 since last examination.

S. B. Cunningham — 2,750.00
Coll: 2000 shs. Graham Stove & Roofing Company.
Stock is of an unliquid type.

Duffy Lee Company — 9,000.00
Endorsed Thomas J. Duffy.
Statement dated 11-30-26 shows: Current Assets $7,536.00; Current Liabilities $13,423.00; Fixed Assets $22,805.00; Investments $17,295.00; Due from Duffy $7,685.00; Due to Duffy $7,550.00; Mortgage Indebtedness $15,000.00; Net Worth $24,644.00.
Loan has been continuous since November, 1925. Statement shows a lack of working capital. Loan reduced $5,000.00 since last examination.

To the Comptroller of the Currency, Washington, D. C. EXTRA SHEET Page 6-7

Examiner.

Exhibit 14

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 10,000—F. C., Oct. 24-25.

No. of Bank 5312 Date of Report Oct. 14, 1927.

OTHER LOANS [illegible] CONTINUED.

Hugh B. Fleece
John M. Chandler is endorser on $250.00.
Coll: 133 shs. Bankers Mortgage Company, the market value of which is not sufficient to cover the loan.
Loan reduced $1,075.00 since last examination. $ 2,025.00

Fred Foraht
Endorsed J. G. Brown.
Reduced $4,500.00 since last examination. Maker is said to be applying the dividends on the Kentucky Jockey Club stock in part payment of the note. 9,000.00

Glossbrenner Motors
Endorsed J. E. Glossbrenner.
Loan has been reduced $700.00 since last examination and further reductions are recommended. 1,100.00

Goodwin Preserving Company
Endorsed Henry U. Goodwin and Theo. Samuels.
Coll: $28,000.00 C/D on this bank,
Sundry assigned invoices aggregating $92,759.04 on which there is no acceptance from the debtor.
The bank also holds certain raw products of the company as collateral, the value of which your examiner was not able to ascertain. 152,911.00

Herald-Post Company. Jas. B. Brown, Joint maker.
No statement of the company is on file. During the examination, President Brown gave your examiner the following figures relating to the financial condition of the company:
Paper Inventory $125,000.00; Lead Inventory, at junk prices $60,000.00; Accounts Receivable, Advertising $277,000.00; making Total Current Assets $463,000.00; Accounts Receivable, Subscriptions $160,000.00, which might be regarded as a semi-current asset, although probably of small value in case of liquidation; Plant $970,000.00; Goodwill $1,500,000.00; Accounts Payable, between $80,000.00 and $100,000.00; Mortgage Indebtedness $80,000.00; Due National Bank of Kentucky $[illegible],000.00; Preferred Stock $400,000.00, Common Stock $1,000,000.00.
President Brown advised your examiner that he has within the past few months been offered $2,800,000.00 for the plant, not including the building. The newspaper is gaining in prestige and no doubt its value will continue to increase each year. It can, however, hardly be considered the type of loan to be carried indefinitely by a National bank. It is a capital loan, and it would seem desirable to put the indebtedness in the form of first mortgage bonds to be purchased by the investing public. 395,000.00

Hirsch Bros. & Company
Endorsed B. H. Hirsch.
No new statement since last examination. Old statement showed a loss for 1926 of $101,352.00. It is said that the company is making money this year.
Loan increased $35,000.00 since last examination. 240,000.00

Hoffman Heater Company
Statement dated 6-30-27 shows: Current Assets $531,914.00; Current Liabilities $266,489.00; Fixed Assets $359,942.00; Other Bills and Accounts $37,250.00; Goodwill $101,835.00; Deferred Charges $102,681.00, Mortgage Indebtedness $100,000.00; Net Worth, after deducting Goodwill and Deferred Charges, $235,968.00.
Statement shows that in 1926 there was a loss of $51,435.00, but that dividends were paid in the sum of $6,975.00. Your examiner was advised that the management of the company has changed and that improvement is expected. 100,000.00

Indian Hills Development Company
Statement dated 12-31-26 shows: Current Assets $7,802.00; Total Liabilities $400,548.00; Real Estate $252,663.00; Development of Real Estate $209,810.00; Real Estate Notes $70,795.00; DeferredCharges $15,414.00; Net Worth $155,726.00.
Statement shows an operating loss in the second half of 1926 of $11,076.00, and 70,000.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 25,000—F. C., Oct. 24-23.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Indian Hills Development Company (contd.)
a loss to net worth in same period of $82,150.00.
No reduction since last examination.

Irvine Construction Company — $ 12,000.00
Endorsed Jas. A. Wallace.
No statement on file. The loan is the same amount as was shown in last report of examination, but during this examination $2,000.00 was paid and the balance was renewed with a promise to pay in ninety days.

Kentucky Book Manufacturing Company — 8,000.00
Endorsed W. B. Hassill.
Statement dated 12-31-26 shows: Current Assets $10,449.00; Current Liabilities $7,842.00; Real Estate $14,149.00; Fixtures and Equipment $20,100.00; Other Assets $2,068.00; Net Worth $26,270.00.
Statement shows there was a profit of only $1,506.00 during 1926.
It was also noted that officers' salaries were $9,620.00, which seems rather large in relation to its sales of $38,192.00. Maker has been a continuous borrower at this bank since 2-2-23.

Kentucky Consumers Oil Company — 17,250.00
Endorsed E. H. Hiepp and H. C. Hasenstab.
Statement dated 12-31-26 shows: Current Assets $89,314.00; Current Liabilities $48,958.00; Fixed Assets $41,308.00; Net Worth $80,627.00.
The profits of the company for 1925 are shown as $154.00 and loss for 1926 as $771.00. Evidently the company is not making any progress.
Loan has been continuous at about the same figure for about four years.
Reduced $4,750.00 since last examination.

Larimore Automobile Company, a partnership — Loan — 12,940.00
do. — Rediscounts — 24,378.79.
Endorsed J. C. Larimore.
Statement dated 5-31-27 shows: Current Assets $71,203.00; Current Liabilities $44,741.00; Net Worth $21,725.00.
The current ratio of the company is poor and its debt is twice its net worth. Since last examination, the debt has increased $3,200.00 and the rediscounts have increased $2,476.68.

Kentucky Warehouse Company — Loan — 67,500.00
do. — Rediscounts — 31,000.00
Coll: C/D of this bank for $25,000.00,
Sundry bills receivable aggregating $19,350.00.
Statement dated 10-31-26 shows: Current Assets $220,000.00; Current Liabilities $108,000.00; Other Assets $13,000.00; Net Worth $124,000.00.
The company shows a loss for the fiscal year of approximately $26,000.00.
The rediscounts of the company are composed principally of two items:
$18,000.00 H. T. Larimore and J. A. Hubbard, which began 4-14-23 as $150,000.00,
$9,100.00 P. A. Higgins & Sons, which began 10-27-25.
The direct debt of the company has been reduced $1,000.00 since last examination and the rediscounts have decreased $7770.00 since last examination.

C. A. Koerner & Company — 70,416.77
Coll: $50,000.00 note, Herald Post Company, due 10-19-26, endorsed by Jas. B. Brown.
Maker is a contracting firm. Loan increased $19,993.06 since last examination.

Shirley A. Kilmer — 1,000.00
Coll: 10 shs. Niles Silk Shop.
Stock is of unknown value. No reduction since last examination.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 6-9

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 2,000—F. C., Oct. 24-28.

No. of Bank 5512 *Date of Report* Oct. 14, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

B. Leichardt — $ 6,092.00
Secured by 130 shs. Jefferson County Bank,
25 " Building Finance Company.
Loan began 1-15-23 as $10,281.67.

Louisville Ice & Cold Storage Company — 175,456.66
Endorsed Lawrence W. Breed.
Coll: Sundry monthly installment notes, aggregating $210,195.70,
1,542 shs. American Ice & Storage Company.
It is said that there is to be a sale and consolidation of all the ice companies in Louisville. Out of the proceeds of sale of the stock pledged as collateral this loan will be paid.

Louisville Textile Company — 19,700.00
Statement dated 3-31-27 shows: Current Assets $66,078.00; Current Liabilities $58,204.00; Fixed Assets $137,207.00; Deferred Charges $1,892.00; Mortgage Indebtedness $31,000.00; Net Worth $83,859.00.
Statement of the company is poor and shows an almost entire lack of working capital. Your examiner was advised that an effort is being made to increase the capital of the company. Loan increased $912.37 since last examination.

Mann Insurance Agency — 10,500.00
Endorsed Owen R. Mann, Louis Grossman, A. H. Rennert and Jos. Cohen.
Statement dated 12-31-26 shows: Current Assets $35,424.00; Current Liabilities $22,523.00; Real Estate $86,200.00; Other Assets $5,251.00; Mortgage Liability $29,900.00; Net Worth $75,451.00.
The company is a local fire insurance agency. Loan has been continuous in the bank since 1925 and has increased $1,000.00 since last examination.

Barrett & Miller — 8,500.00
Endorsed J. S. Miller and guaranteed by Sam Black.
Statement of the company does not furnish a commercial basis for credit. Apparently, the profits of the firm are all withdrawn by the members.
Loan reduced $600.00 since last examination.

S. C. Mengel — 24,728.00
Endorsed C. R. Mengel.
Coll: 1,200 shs. Foreign & Domestic Veneer Company, Com. A.
Loan has been in the bank since 1921. Reduced $8.00 since last examination.

H. H. O'Shea — 1,700.00
Coll: 50 shs. Van Camp Packing Company, Com.,
100 " do. Pfd.
There is only a 10% margin on this loan. It has been running for more than a year without reduction. Maker is an employee of the Van Camp Packing Company.

Parkland Tire & Rubber Company — 11,500.00
Endorsed Henry W., Ben H. and Wm. J. Inmorde and A. F. Faure.
Statement dated 12-31-26 shows: Current Assets $45,700.00; Current Liabilities $37,400.00; Other Assets $17,700.00; Net Worth $26,000.00.
The current ratio is poor and the debt of the company is in excess of its net worth. There is an impairment of $48,000.00 in the $75,000.00 capital stock of the company. It is claimed that the company is making money this year. Loan reduced $4,000.00 since last examination.

Annie Long and J. R. Peabody — 7,915.00
Coll: 100 shs. Centrifugal Pipe Corporation,
1 diamond lavaliere.
The value of the collateral is not sufficient to cover the loan. No reduction since last examination.

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Rd. 38,000—F. C., Oct. 26-28.

No. of Bank 5318 *Date of Report* Oct. 14, 1927

OTHER LOANS ESPECIALLY MENTIONED.

Henry Pilchers Sons — Loan — $ 47,000.00
do. — Rediscounts — 19,207.81

Statement dated 12-31-26 shows: Current Assets $238,280.00; Current Liabilities $112,000.00; Accounts Receivable, pledged, $181,130.00; Due from Stockholders and Employees $23,122.00; Real Estate and Equipment $152,533.00; Deferred Charges $12,598.00; Goodwill $205,000.00; Mortgage Indebtedness $45,000.00; Collateral Trust Notes $150,000.00; Net Worth, after deducting intangible assets $283,400.00.
The above concern has been manufacturing pipe organs for almost 150 years. They have a large amount tied up in bills receivable with long deferred payments. It is claimed, however, that practically all of these receivables are due from churches are good.
The direct loan of the company has not been reduced since last examination. The rediscounts have been reduced $162.69.

Lee Preher and Ben H. Schrader — 4,500.00
Reduced $700.00 since last examination.

Reed & Reed — Loan — 7,500.00
do. — Rediscounts — 1,927.13
Endorsed Stanley and McKay Reed.
Makers are general agents for John Hancock Mutual Life Insurance Company. The loan has increased $5,000.00 since last examination. Your examiner is advised that one of the partners will give a mortgage on his home to secure the indebtedness to the bank.

Stanley Reed — 22,451.00
Collateral: 1,050 shs. Continental Oil Company, with an estimated market value of $17,850.00.
The collateral does not protect the loan. Stanley Reed is a member of the firm of Reed & Reed (See above).

Edwin A. Reed — 500.00
Coll: 4 shs. Bank of Taylorville, Kentucky.
Loan has been reduced $750.00 since last examination and 17 shares of the bank stock has been released. Apparently, the value of the collateral is inadequate to cover the loan.

Riddell Furniture Company — 1,600.00
The maker company has been succeeded by a new company. Loan should be paid or assumed by the new company.

Riddle-Robinson Company — 20,000.00
Endorsed J. E. Riddle and C. C. Hieatt.
No statement was available. Loan reduced $10,000.00 since last examination.

Rogers Bros. Coal Company — Rediscount — 4,000.00
This item is an acceptance of the Carroll Ridge Clay Products Company, which is said to be very slow pay. Loan reduced $1,000.00 since last examination. Rogers Bros. are said to be financially responsible.

Russell & Garibaldi — 12,000.00
Endorsed Frank B. Russell and John C. Garibaldi.
No statement on file and no reduction since last examination.

Simpson Realty Company — 1,000.00
Coll: $1,260.00 real estate note.
No information on file with respect to the collateral. No reduction in loan since last examination.

L. T. Smyser — 500.00
Coll: 60 shs. Alemite Lubricator Company.
Collateral is unliquid and of uncertain value.

EXTRA SHEET PAGE 6-11

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1490.—Reports.—Ed. 2,000.—F. C., Oct. 24-28.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

OTHER LOANS ESPECIALLY MENTIONED.

Standard PrintingCompany — $93,500.00
Endorsed D. B. C. Rose and Edward Gottschalk.
This loan was criticised in the previous report of examination on account of its continuity. Reduced $9,000.00 since last examination. It would appear that further reductions are desirable.

Starks Realty Company — 150,000.00
Endorsed Isaac F. Starks, surety.
The company is capitalized on the equity in a local office building. The real estate is valued at $3,095,000.00 and is mortgaged for $2,000,000.00. Loan reduced $25,000.00 since last examination.

Tip Top Baking Company — 55,000.00
Endorsed T. M. Murphy.
Statement dated 12-31-26 shows: Current Assets $29,000.00; Current Liabilities $107,000.00; Fixed Assets, less Reserve $175,000.00; Goodwill $34,870.00; Deferred Charges $1,616.00; Net Worth, after deducting intangible assets, $100,178.00.
The current ratio of the company is inverted and its debt exceeds its net worth. The company should retain its profits until some working capital has been accumulated.

Robert F. Vaughn — 3,515.33
Coll: 325 shs. Hoffman Heater Company, Com.
Collateral is of negligible value. Loan reduced $701.67 since last examination.

Wheeler Realty Company — 25,000.00
Endorsed Blakemore and W. C. Wheeler.
Statement dated 12-31-26 shows: Total Assets $174,000.00; Total Liabilities $126,754.00; Net Worth $48,000.00.
Statement of the company is very poor, its debt being almost three times the net worth. There is an equity of about $18,400.00 in a collateral loan of Blakemore Wheeler sold by the bank to a country correspondent.

H. A. Wurtele — 15,000.00 Paid
Endorsed by John Wurtele.
Coll: $2,000.00 certificate of deposit of this bank.
Makers are truck gardeners. The loan has been carried continuously since 1925. Reduced $500.00 since last examination and a further reduction of $500.00 was made during this examination.

E. L. Young — 20,500.00
Coll: 353 shs. Crummies Creek Coal Company.
$25,000.00 note of E. L. Stone, secured by 500 shs. of Wallings Creek Coal Company.
The loan has been continuous in the bank for some time. Reduced $100.00 since last examination.

Guaranty Bank & Trust Company, Lexington, Kentucky. — 70,500.00
Collateral: Sundry bills receivable aggregating $155,880.00.
Statement dated 12-31-26 shows: Loans $2,246,000.00; Cash and Exchange $255,000.00; Deposits $2,640,000.00; Capital and Surplus $515,000.00; Borrowed Money $306,000.00, of which $160,000.00 consists of a mortgage on the real estate of the bank, which is carried on its books at $225,000.00.
The real estate investment of the bank is very heavy.

Jefferson County Bank, Jeffersontown, Kentucky — 20,000.00
Coll: Sundry bills receivable aggregating $40,100.00.
Statement dated 3-23-27 shows: Loans $476,000.00; Cash $11,856.00; Deposits $438,000.00; Capital and Surplus $38,000.00; Borrowed Money $50,000.00.

EXTRA SHEET PAGE 6-12

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1436.—Page 7

No. of Bank, 5818

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes*	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off (See note below)
	45. U.S. BONDS PLEDGED TO SECURE CIRCULATION.			
2,500,000.00 2	U. S. Consols 1930	2,500,000.00		
	46. U.S. SECURITIES PLEDGED.			
2,400.00 4½	First Liberty Loan	2,400.00	2,434.56	Secures Trust Funds
4,400.00 4	" " "	4,400.00	4,544.32	" " "
184,700.00 4	Third " "	184,700.00	186,196.07	" " "
287,500.00 4½	Fourth " "	287,500.00	298,683.75	" " "
50,000.00 4½	" " "	50,000.00	51,945.00	" U. S. Dep.
175,000.00 4	Treas. Bonds 47-52	175,000.00	199,670.50	" " "
47,100.00 4	do.	47,100.00	53,726.97	" Trust Funds
3,500,000.00 2½	Treas. Notes 1930-32	3,500,000.00	3,500,000.00	" Bills Payable
		4,251,100.00	4,297,201.17	
	47. U.S. BONDS UNPLEDGED.			
100.00 4½	First Liberty Loan	100.00	103.28	
150,000.00 4½	Fourth " "	150,000.00	155,625.00	
525,000.00 4	Treas. Bonds 47-52	525,000.00	570,727.50	
6,539,300.00 2½	" " 36-2	6,539,300.00	6,539,300.00	
		7,214,400.00	7,265,755.78	
	MUNICIPALS.			
1,000.00	Board of Commissioners Port of N. O. Harbor Imp., due 1938 - 5%	1,000.00	1,025.00	Secures Postal Savings
4,000.00	Board of Commissioners Port of New Orleans, Imp., due 1939 5%	4,000.00	4,045.60	do.
5,000.00	Board of Commissioners, Port of N. O. Due 1.1./32 5%	5,000.00	5,135.00	do.
15,000.00	Board of Commissioners, Port of N. O., due June 1. 37 5%	15,000.00	15,721.50	do.
10,000.00	Port of New Orleans, due 1941 - 4½%	9,600.00	10,104.00	do.
14,000.00	City of Louisville, due 1943 3½%	12,110.00	13,230.00	do.
20,000.00	City of Louisville Hospital due 1951 4½%	20,400.00	21,500.00	do.
54,000.00	City of Louisville, Refd. due 1941	57,290.00	58,068.00	do.
10,000.00	City of Louisville School Bds. due 1954 - 4½%	10,100.00	10,900.00	do.
25,000.00	City of Louisville, Sewer Bonds 1947 4%	24,375.00	24,250.00	do.
23,000.00	City of Louisville, Sewer & Park due 1941 5%	23,635.00	25,520.00	do.
10,000.00	City of Omaha, Neb. Sewer Bonds due 1955 4½%	10,000.00	10,299.00	do.
9,000.00	Parkersburg, W. Va. Water Wks. Construction Pd. Ser. due 1939 4%	8,640.00	8,940.60	do.
25,000.00	City of Rocky Mount, Imp. due 1955 - 5%	27,000.00	26,507.50	do.
5,000.00	Porto Rican Bonds, due 1933 4%	4,950.00	4,947.50	do.
5,000.00	Bd. of Commissioners, Port of N.O. due 3-1-43 4½%	4,900.00	5,054.50	do.

* If short-term or long-term notes carried in this account exceed in any case the limit prescribed by Section 5200, U. S. R. S., they should be listed under the head of Secured Loans.

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1438, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, state, if possible, the amount of the original indebtedness.

TREASURY DEPARTMENT
Bureau of Comptroller of the Currency
Form 1488—Examining
Ed. 10,000—Apr. 21, 1926

Exhibit 14

No. of Bank 5312 Date of Report Oct. 14, 1927.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	MUNICIPALS (Contd.)			
10,000.00	State of Tenn. Refd. Ser. A. due 1949 - 4½	9,500.00	9,645.00	Secures Postal Savings.
5,000.00 4½	Louisville School 1954	5,252.00	5,460.00	
100,000.00 4	" " 67	105,750.00	102,500.00	
10,000.00	City of Los Angeles, Elec. Plant, due 1946 4½%	9,900.00	10,290.00	
		344,202.00	373,801.50	
	WARRANTS.			
1,072,640.77 5	State of Kentucky Warrants	1,072,640.77	1,072,640.77	
	PUBLIC UTILITIES.			
100,000.00 5	Buffalo Ry. Co. 51	85,320.00	84,500.00	Secures U.S. & Postal Sav. Dep.
100,000.00 5	Crosstown Street Ry. 52	86,320.00	81,000.00	do.
170,327.50 4½	Ky. & Ind. Term. Ry. 61	143,263.74	153,294.75	do.
122,000.00 6	Lou. Gas & Elec. 57	115,900.00	128,830.00	$110 M. sold under repurch. agree.
200,000.00 5	do. 52	180,500.00	206,500.00	
7,000.00 5	Lou. Home Tel. Co. 33	7,000.00	7,000.00	
500,000.00 6	Lou. Rys. Co. 6-1-28	500,000.00	500,000.00	
95,000.00 5	do. 30	87,302.50	92,150.00	
255,000.00 5	do. 50	194,277.60	186,150.00	$173 M. sold under repurch. agree.
25,000.00 5	Nova Scotia Tramway & Pr.46	21,000.00	23,000.00	
		1,420,893.84	1,456,424.75	
	RAILROADS.			
2,500.00 5	Monon. 66	2,306.25	2,575.00	
2,400.00 5	International Rys. 52	1,560.00	1,416.00	
		3,866.25	3,991.00	
	DEFAULTED.			
400.00 7%	Assd. Motors 32	358.63	-	
10,225.00 4½	Chi. Mil. & St. Paul 2014	7,575.00	6,901.87	
		7,933.63	6,901.87	
	STOCKS, D.P.C. & MISCELLANEOUS.			
363 shs. Pfd.	International Planters Corp.			
2763 " Com.	do.			
900 " "	Louisville Ry. Co.			
5 " Pfd.	L.H. & St.L. Ry.	175,000.00	175,000.00	D.P.C. Doubtful $125,000.
7200 "	Rich Patch Land Co.			
500 " Pfd.	Industrial Ownership Corp.			
500. " "	Murray Rubber Co.			

On the basis of information furnished in the audit of the International Planters Corp., the present market appears to be $47.00 for 1 share of preferred and 9 shares of common. This would make the stock of the corporation held by the bank worth $16,591.00.
The 900 shs. of Louisville Ry., Com. was appraised at $30,600.00.
The 5 shares of Louisville, Henderson & St. Louis Ry., Pfd., was appraised at $440.00.
The Rich Patch Land Company is an iron ore mine at Big Stone Gap, Virginia. There appears to be no value to the stock at this time.

ENTER SUBTOTAL PAGE 7-1

Total,

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1430.—Remaining
$4,000—Apr. 22, 1925

Exhibit 14

No. of Bank 8812 *Date of Report* Oct. 14, 1927

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	STOCKS, D.P.C. & MISCELLANEOUS (Contd.)			
	The Industrial Ownership stock is worthless. The Murray Rubber Company, Pfd., is regarded by your examiner on the basis of information available as of questionable value. In view of the difficulty in ascertaining the value of these stocks, $125,000.00 of the carrying value of these stocks is classed as doubtful.			
149,950.00 S	Industrial Ownership Corp. Notes, Due 6-7-26. Int. to 6-7-25. Sec. by 4597 shs. Van Camp Pkg. Com., Stock in name of Wakefield & Co., and 33,000 shs. Calco Chemical Co., Com.	149,950.00	149,950.00	Doubtful $75,000.00
	The Industrial Ownership Corp. name is regarded as of no value. Van Camp Packing Company, Com. is quoted at 8 or 8 asked. Calco Chemical Company, Com. is quoted nominal, 80/ bid, $2.00 asked. $75,000.00 of this claim is classed as doubtful.			
106,500.00 S	Liberty Washington Cedar St, Corp. 2nd Mtg. 27-54. Gtd. White & Associates.	106,500.00	106,500.00	D.P.C.
	Liberty Washington Cedar St. 2nds are part of a total issue of $250,000.00 2nd mortgage bonds, subject to a prior lien of $110,000.00. The amount originally held by this bank was $125,000.00. The bonds are paid serially and all maturities of principal and interest have been met. This lends confidence to the belief that the bonds will eventually be paid. No value is attached to the guarantee of White & Associates.			
350,000.00 7 143.21	Murray Rubber Co. 1st 44 Unmatured coupons.	326,499.00 143.21	280,500.00 143.21	D.P.C. Slow
	(For discussion of these bonds see discussion of Campbell Lire, under Large Lines). The interest is paid on these bonds, but the statement of the company is such that your examiner believes the market value of $5 given the bonds is a liberal one.			
15,000.00 S	Columbia Phosphate Mining Co. note, dated 12-31-25, due 12-31-26. Int. to 12-31-25. Gtd. Campbell Heath & Co.	15,000.00	15,000.00	D.P.C. Slow.
	This is a 4th mortgage on about 600 acres of phosphate land near Columbia, Tennessee. There is a first mortgage of $30,000.00, a second mortgage of $30,000.00 and a fourth mortgage of $45,000.00 (of which $15,000.00 is carried in loans and discounts and described under Slow Loans) and the fourth mortgage represents this			

Total.

EXTRA SHEET PAGE 7-E

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1440.—Revised
Rd. 48,500—Apr. 22, 1929

Exhibit 14

No. of Bank 8712 Date of Report Oct. 14, 1927.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and when interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	STOCKS, BONDS & MISCELLANEOUS (Cont'd.)			
	claim. If the contract with Armour & Co. is executed the claim is slow. If the contract is not made, the claim is doubtful. (See discussion of Columbia Phosphate Mining Company under Slow Loans).			
$64,186.70	Graphite Products Co. note, dated 3-10-22, due 1 yr., sec. by 8209 shs. Graphite Prod. Corp.	14,844.34	14,844.30	D.P.C. Doubtful.
	The total indebtedness of this company is about $190,000.00, of which $64,186.70 is held by this bank and has been charged down to the present carrying figure. The only asset left consists of lien notes of $45,000.00, held by the Chemical National Bank of New York. The maker bought the properties of the Graphite Products Corporation for $55,000.00, paying $10,000.00 cash and executing notes for $45,000.00, secured by a lien on the property. These notes have matured and have been extended from time to time, as the maker has not been able to organize a company to operate the companies as was intended when he purchased it. The production of graphite on these properties has heretofore been a complete failure. Your examiner regards this claim as doubtful.			
13,606.80	Claim vs. Peoples Bank of Springfield, Tenn. (Closed) (Per discussion see Peoples Bank under Slow Loans).	13,606.80	13,606.80	Class under Slow Loans.
35,000.00	A. R. Latta	35,000.00	35,000.00	
	This represents the purchase of 38 feet on Main Street, opposite the National Bank of Kentucky. It was originally purchased by the bank with the intention of building a future banking home. It was desired to purchase some adjoining property, and the property was put in the name of A. R. Latta in order that the public might not be advised that the bank was purchasing the real estate. It was feared that an undue enhancement in real estate prices of adjoining property would follow any public knowledge of the purchase by the bank. Apparently, the management of the bank has abandoned the idea of building on this location. The property has been held since 7-11-24.			
50 shs.	National Candy Com.	3,750.00	4,900.00	
22,000.00	1st Mtg. Bonds, E. J. Strauss, 4-5-30	22,000.00	22,000.00	D.P.C.
10,280.16	Harry T. Best	10,280.16	10,280.16	To be transferred to Other
	EXTRA SHEET PAGE 7-B			
	TOTAL			

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1488.—Examining
Ed. 49,000—Apr. 23, 1923

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	STOCKS, D.P.C. & MISCELLANEOUS (Cont'd.)			
$307,817.14 (See discussion of Kentucky Wagon Manufacturing Company under Slow Loans).	Claim vs. Kentucky Wagon Mfg. Co.	307,817.14	307,817.14	Classed under Slow Loans.
200,000.00 (See Excessive Loans).	Kentucky Jockey Club - Demand notes dated 5-2-27	200,000.00	200,000.00	
150,000.00 (See discussion Large Lines).	Lincoln Fields Jockey Club - Demand note dated 7-14-27. Coll; $150,000 Cert. of Dep. of Kentucky Jockey Club under	150,000.00	150,000.00	
6,296.32 Paid during this examination.	Oscar Wilder - Sec. by $5,000. Bankers Mtg. Co. bonds. Checks agg. $1,296.32	6,296.32	6,296.32	
186.09 (See discussion Under Slow Loans).	Claim Badger Aluminum Co. Taxes on property mortgage to bank. of Badger Aluminum Company	186.09	186.09	
		1,555,973.06	1,492,024.06	

RECAPITULATION.

Municipal	364,202.00	373,802.50
Warrants	1,072,640.77	1,072,640.77
Public Utility	1,420,893.84	1,456,424.75
Railroad	3,866.25	3,991.00
Defaulted	7,933.63	6,901.87
Stocks, D.P.C. & Misc.	1,536,873.06	1,492,024.06
	4,406,409.55	4,405,784.95

Revised 109.05 [illegible]

EXTRA SHEET PAGE 7-A

TOTAL,

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1482.—Page 6

No. of Bank, 5512

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate [redacted] bought for use as branch office	14,466.52	14,466.52
2. Aggregate amount acquired in violation of law,		
TOTAL,	14,466.52	14,466.52

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease - 4th& Guthrie, purchased for use as branch office, but not used, due to later decision to secure another location.	14,466.52		14,466.52			700.00	1-1-23
TOTAL,	14,466.52		14,466.52				

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation?
Banking house leased - Furn. & Fix. carried at fair figure.
2. Is banking house suitable and convenient? Free of incumbrance and adequately insured?
--
3. Are vault and safe secure? Are contents adequately insured? Is banking room used by any other banking institution?
Yes No

RESERVE

1. Was reserve with Federal Reserve Bank sufficient on date of examination? If not, give the deficiency in dollars.
No $153,988.00
2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid?
None

NOTE.—The directors should be advised of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is intact, and that the law requires reserve to be maintained each day even though penalties assessed only on average deficiency.

BANK ACCOUNTS

1. State rate of interest received on open accounts.	2. State rate of interest paid on open accounts.
1½ - 8%	1½ - 8%

OVERDRAFTS

1. State whether habitually granted. What amount is unsecured? $342,797.38 Secured?
Yes - granted to an excessive degree and with resultant unfavorable publicity in published statements.
2. Did you verify amount at date of examination?
No
3. Did you compare amount stated in last report of condition with amount shown by the books for same date?
Yes
4. Is overdraft account shown on the general ledger?
5. Does bank keep detailed daily record of overdrafts? Did you instruct?
Yes
6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

SEE EXTRA SHEET.

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.

Asst. Cashier Black	$ 1.54
Director G. L. Everbash	595.64
Herald Post Co. payroll	9.44

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Yes Did you instruct?

Describe any irregular items	Itemize losses estimated
SEE EXTRA SHEET	

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—2d. 8,000—T. C., Oct. 24-27.

No. of Bank 5512 *Date of Report* Oct. 14, 1927

LOSSES ON OVERDRAFTS.

Florence Akers	$ 4.48	4th & Chestnut Paid
Edw. Curly	.02	
V. Eversole	.90	
Mgs. Earl Ferguson	5.00	
A. E. Jones	.69	
Henry S. Jones	.31	
J. E. Ferguson	.50	
S. H. Holman	200.00	
Willis Brown	9.97	
Weaver Memorial	.04	
E. K. Welch	.05	
E. Earle Smith	.06	
T. J. Smith	.02	
Bertha Cohen	.07	5th & Main
Flora Goss, Exec.	.05	
Kern Baking Co.	35.00	
A. J. Hicks	25.05	
Ohio Co. Coal Co.	1.84	
E. Pennebaker	.39	
S. H. Rivers	2.13	
	$281.75	

IRREGULAR OVERDRAFTS.

Color Cinema Productions	$15.70	4-19-27
Kentucky Wagon Mfg. Co.	$532,906.08	8-1-25.

EXTRA SHEET PAGE 8-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
Office of Comptroller of the Currency.
Blank Lists.—Reports.—Rd. Blks.—F. C., Oct. 24-25.

No. of Bank 8812 *Date of Report* Oct. 14, 1927.

IRREGULAR CASH ITEMS.

$10,402.23	Dft. J. H. Lansing & Co. — Taken up October 13, 1927 by note secured by $50,000. Pinellas Co. Fla. Rd. & Bdg. 6's	5th & Main
25.00	Ck. H. C. Bird 8-21-26 Loss	
152.00	do. 8-21-26 "	
10.00	Ck. Ray G. Adams 9-15-27 on Carrollton (Ky.) Nat. Bk. Doubtful	4th & Shipment.
25.00	" A. Seyer 7-16-27 Being paid by Teller	
20.00	" D.K. Clark - Payment stopped-Doubtful.	
274.82	" Granville Owens 9-19-27 end. National Basket Co.	
2.80	" Duo Bonar 8-25-27 Loss	
20.00	Debit ticket Bill Dodds, not dated, Forged check - Doubtful	
460.00	Ck. L. E. Howard to J. R. Neal 8-1-26 - Loss	
1.62	Telegraph charges on above check Loss	
20,705.00	Debit ticket Kentucky Jockey Club 7-27-27, Ck'd Mr. Fontaine	
104.00	" " J. H. Hillz - Forgery Loss	
4,229.47	80 shs. General Motors Common bought for customer	

EXTRA SHEET PAGE 8-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1485.—PAGE 9

No. of Bank, 8512

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept and amount outstanding stock does not agree, give particulars.
Properly Kept

2. If bank owns any shares of its own stock, so state and advise how and when acquired.
None Owned

3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.
9 6/10 shs. R/C Thomas L. Barrett $4,000.00 Taken D.P.O.

4. Is stock registered by outside registrar?
No

5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?
No

NOTE.—Examiner should note and report if surrendered certificates are not properly assigned, canceled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Annual dividend rate is 16 %

Give (1) Date of declaration of last dividend. 7-6-27 Payable? 10-1-27

(2) Amount of last dividend, $ 160,000.00 (3) State when reported. 9-7-27

1. Was last report of earnings and dividends correct? If not, give details.
Yes

2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses (items 2b and 2c) as required.
Yes

3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books.
None

4. Is itemized expense account kept, and did you inspect that account and interest-paid account to date of previous examination?
Kept - inspected

5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Examined by Public Accountant Annually.
Do the minutes record such action?
Yes

6. Did you inspect all earnings accounts from date of last examination?
Superficially

7. State amount of losses charged off since last examination on loans, $ 138,988.22 Bonds, $ - Other, $ 2,200.46
SEE EXTRA SHEET.

8. State amount recovered on charged-off assets since last examination. $4,828.15

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. 2% - 2½ 3.71 on city accounts Certificates of deposit. 2% - 2½%

2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose.
Yes

3. Does bank retain all canceled certified checks or take receipts for any delivered?
Yes

4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited. Verified at each transaction - 2% interest paid semi-annually. Last paid 7-1-27

5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for.
30 days notice provided for.

6. Give total of dormant ledger. How are withdrawals safeguarded?
O.K.'d by Auditing Dept.

7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing.
Yes

8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination.
Yes - except individual deposits.

9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination.
Yes

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list.
None disclosed.

2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere.
Yes - From Federal Reserve Bank.

3. Average borrowings since last examination.
Bills Payable $2,145,104.00 - Repurchase Agreement $200,000.00

List outstanding liabilities for money borrowed whether on bills payable, rediscounts, open accounts, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Reserve bank: Louisville	3,850,000.00	Various		3½	3,500,000.00 Govt. Sec.	Bills Payable	Yes
War Finance Corporation:							
TOTAL,	3,850,000.00						
Other: Stuart D.S. Co.	200,000.00	7-2-27	1 Yr.	5.05	$110M. Lou.G.E. 6-37 175 M. Lou.Lys. 5%	Repurchase Agreement.	
TOTAL,	200,000.00						
GRAND TOTAL,	4,050,000.00						

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 11,000—F. C., Oct. 24-27.

No. of Bank 8512 *Date of Report* Oct. 14, 1927.

LOSSES AND RECOVERIES.

		Loan	Bonds	Others	Recoveries
	Dividend 8%				
May 2	Jellico Comm. Bk. & Tr. Co.				7.50
5	Acct. Int. & Taxes Demand Loan W. W. Asterburn	1,515.00			
9	Cashiers Ck. - German Bank			7.24	
17	Treasurer Ck. on claim - owner unknown.				24.84
19	H. D. Marshall Note, Balance unpaid	270.20			
20	Allen H. Smith				10.00
20	Oscar Foreht				100.34
20	Shelley Schuster				17.50
25	Payment in note Chas. C. McGrath				17.53
June 14	Atty. fees in H. S. Green Matter	19.56			
17	Shelley Shuster (Part)				17.50
18	H. Sweitzer Note & Int.				34.16
20	Taxes Paid on C.D. H:H. Lewis & Co.			40.00	
20	Int. on Demand Loan do.			136.47	
July 8	John S. Jacob Pre. of Wm. H. Pope			1,500.00	
9	Note of Farley H. Caldwell				50.63
	do.				40.00
11	Tax on C.D.			5.00	
15	Stella Van Dyke Bell				52.00
19	25% W. S. Grant				570.00
19	do. & Lou. College of Dentistry				2,640.00
19	Part Shelley Schuster				17.50
20	Part F. H. Caldwell				50.87
23	Andrew Thari	819.06			
	Albert Miller	3,825.62			
	Ella Espeldinger	400.00			
	Eureka Products Co.	10,000.00			
	Bert Gerstein	800.00			
	W. L. Head	500.00			
	Abe Herman	275.40			

EXTRA SHEET PAGE 9-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1488.—Reports.—Rd. 31,488—F. C., Oct. 31-25.

No. of Bank 8912 *Date of Report* Oct. 14, 1927.

LOSSES ARE INDICATED.

		Loans	Bonds	Other	Recoveries
Agnes M. Potter		$ 2,500.00			
Harry K. King		2,614.75			
E. Verhoff & Co.		10,000.00			
Wilkes & Seaman		2,500.00			
J. K. Wilkes		2,040.07			
Kentucky Wagon		100,000.00			
July 25	Note Chas. McGrath				$ 20.00
29	Dividend in Bankruptcy, Ky. Iron & Steel				2.79
Aug. 8	T. A. Henry				23.40
11	Opns. from Bonds sold to unknown party				4.25
27	Part, Note Allen K. Smith				10.00
Sept. 7	Sundry C.D. Fourth St.			19.89	
9	P. K. McCulloch				250.00
11	P. K. Caldwell				51.15
11	do.				20.00
22	Treas. Tax Majestic Theater Stock			2.00	
24	Ky. Dist. & D.D. Co. Taxes & Storage on Whiskey			128.38	
27	Bal. Note C. G. McGrath				20.00
29	Note, Shelby Schuster				17.50
Oct. 5	Court Cost H. L. Greene			125.20	
7	Bank taxes, Fountain Run, Ky.			161.00	
8	Notes, Wilkes & Seaman				55.67
		$130,000.50		2,000.15	4,000.15

EXTRA SHEET PAGE 2-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1466.—Page 10

No. of Bank, 8812

BOOKS AND ACCOUNTS

GENERAL LEDGER.

1. Is satisfactory general ledger kept? Yes — By whom kept? Mr. Williams — Is daily statement taken? Yes
2. Are accounts with correspondent banks reconciled at least monthly? Yes — By whom? Auditing Dept.
3. Are reconcilements verified? No — By whom? — Is reconcilement book kept? Yes
4. Are the general and control accounts carried on the general ledger? Yes — If not, give full explanation.
5. Are loans and discounts proved at least monthly? Yes — Does custodian verify? Proven by Auditing Dept.
6. Are certificates of deposit proved frequently by listing outstanding items? Yes
7. Does the employee verifying them issue the certificates? No

INDIVIDUAL AND SAVINGS LEDGERS.

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers. Yes
2. Is satisfactory individual ledger kept. Yes
3. State whether bank verifies balances with depositors periodically. No
4. State form of individual and savings ledgers. Machine posted
5. State how often individual or savings ledgers are proved. Individuals proven monthly - Savings every two months.
6. Whether by some one other than clerk keeping same. Proven by Auditing Department
7. Is balancing of pass book or statement noted on the ledger? In what manner? All accounts balanced monthly.
8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? Yes — State name. Catherine Haggan
9. Are officers and employees required to take annual vacations? No
10. Is interest properly credited every six months on savings accounts? Yes

IN GENERAL.

1. Are paid and canceled drafts filed satisfactorily? Yes
2. Are proper entries made in Redemption Fund and Circulation Accounts? — If not, were instructions given? Yes
3. Are the books so kept that the examiner can readily make a thorough and complete examination? Yes
4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection. No
5. Is all business for each calendar day included in proper account for that date? Yes
6. Are erasures made of entries on books by the use of acid or otherwise? — If so, did you give proper instructions? None noted
7. Does the bank keep a liability ledger? Yes — How often balanced? Every two weeks — Is it a practicable book? Yes
8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions? Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held. Weekly - Friday
2. In what manner do they authorize or approve loans or discount? Approve all loans made since last meeting.
3. State whether they have an active discount committee. No - officers act. — Are their meetings and actions properly recorded? No
4. State whether they have an active examining committee. Examined annually by Public Accountant — Is complete and satisfactory report on file?
5. Give date of last committee examination. Dec. 1926 — Do minutes record report? Yes — Are active officers only on committee?
6. State whether loans and discounts to their firms and corporations are specially acted upon by the board. No
7. Are the by-laws adequate? Yes — Are their provisions regularly observed by the officers and directors? Yes
8. Was copy of report of last examination by examiner considered by directors and noted on minutes? Yes - at meeting 6-24-27
9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes? None noted.

Exhibit 14

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1488 D

The National Bank of Kentucky, Louisville, Ky.
(Title and location of bank)

Examined by John S. Wood Date 10-14-27 No. of Fed. Res. Dist. 8

No. of Bank 5312

BALANCE SHEET OF ACTIVITIES IN TRUST DEPARTMENT

ASSETS		LIABILITIES	
1. Investments (other than No. 2)	$ 1,901,404. 96	1. Private Trust Accounts	$ 1,259,570. 75
2. Deposits in Savings Banks @ %		2. " " " Income	18,005. 08
3. Deposits in other Banks @ %		3. Court Trusts (Executor, Administrator, etc.)	843,228. 80
4. Deposits in Commercial or Savings Dept. of own Bank @ %	264,707. 34	4. " " Income	48,545. 04
5. Cash on hand (Held in Trust Dept.)		5. Profits due Bank	
6. Advances to Trusts	4,116. 64	6. Other Liabilities (List)	
7. Other Assets (List)		Expense Vouchers Outstanding	
		1944 — 60.00	
		1945 — 410.72	470. 72
		Unposted Credit	3. 48
TOTAL	2,170,228. 94	TOTAL	2,170,228. 94

CORPORATE TRUSTS

1. Total amount of collateral trust bonds outstanding where bank acts as trustee		$4,933,000.00
(a) Ledger value of securities deposited in Trust Department to secure same	$4,933,000.00	
2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee		$2,923,500.00
3. Ledger value of securities held for account of sinking funds		None
4. Total amount of sinking funds uninvested (Include in 2, 3, 4, or 5)		None
5. Face amount of unissued bonds held: (a) Certified	$218,000.00	
(b) Uncertified	75,000.00	
6. Face amount of canceled bonds held		None

a. Are receipts filed for all canceled bonds delivered?
None delivered.

b. Are certificates filed for all cremated bonds?
None cremated.

IN GENERAL

No. of individual trusts 48 No. of corporate trusts 12

1. What trust powers have been granted to bank?
Full powers under Sec. 11 K, Fed. Res. Act.

2. What trust powers is bank now exercising?
Executor, Adm., trustee, Agent, Registrar, Transfer Agent, Escrow, etc.

3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors?
Yes

4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
Yes

5. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another?
Yes

Exhibit 14

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1498 E

No. of Bank 9918

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

(a) Do bonds of officers and other employees of trust department now in force specifically cover their duties as such?
Yes

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Yes

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
No

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department? Yes List securities pledged.

NAME	PAR VALUE	MARKET VALUE
Various U. S. Bonds	$526,100.00	$542,426.20
Total,	$526,100.00	$542,426.20

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?
No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes

12. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Approved by committee

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.
None

20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.
No

21. What audit or examination of trust department books and securities is made by or for the directors?
Annual audit made by public accountant.

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes

23. List criticisms, if any.
See last report.

Exhibit 14

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 10,000—F. C., Oct. 26-28.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

CRITICISMS.

The National Bank of Kentucky acts as Administrator and Trustee for the Estates of Geo. G. Fetter, Sr. Among the assets of the Estate was a margin account with the now defunct brokerage firm of Geo. S. Wood & Son. The National Bank of Kentucky purchased the securities of this margin account and the securities are now pledged on a loan for the estate. The securities consist of:

		Estimated Value.
900 shs.	Lou. Gas & Elec. Co. com.	$25,200.00
700 "	Mo. Pac. pfd.	77,700.00
300 "	Stand. Oil of Calif.	15,900.00
300 "	" " " Indiana	21,300.00
800 "	" " " Kentucky	94,400.00
	Total	$234,500.00

The securities are in the name of the brokerage firm of Wakefield & Co. However, they are not set up on the books of the Trust Department for the account of the Estate. This is done to avoid paying inheritance tax, according to the trust officer.

The matter was called to the attention of management and it was agreed that the assets will be correctly shown on books of trust department.

To the Comptroller of the Currency,
Washington, D. C.

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Examiner.

TREASURY DEPARTMENT
COMPTROLLER OF CURRENCY
Form 1461—10-09

Exhibit 14

No. of Bank, 5512

ACCEPTANCES.

1. Does the bank make acceptances for account of customers? Yes
2. In accepting drafts for customers under the provisions of the Federal Reserve Act, does the bank require an adequate written agreement or guarantee from its customer to provide funds to meet the acceptance at maturity? Yes
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of such acceptances? Yes
4. Does the bank purchase its own acceptances? If so, state amount now held.
5. Are purchases of its own acceptances included in loans and discounts?
6. Remarks.

LETTERS OF CREDIT AND TRAVELERS' CHECKS.

1. Does the bank issue letters of credit and travelers' checks? Yes
2. In issuing letters of credit and travelers' checks other than for cash does the bank require an adequate written agreement or guarantee from its customer? Yes
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of letters of credit and travelers' checks outstanding or honored? Yes

3—12116

Exhibit 14

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—REARMING
Form 1488.—Page 11

No. of Bank, [illegible]

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

Affiliated with Louisville Trust Co. through unification of stock.

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

Yes

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

Stock is trusteed.

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

Yes

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state. Directors Belmer & Bailey are directors, Security Bank, Louisville. All directors are directors Louisville Trust Co.

Is a proper record kept of securities left for safe-keeping? Yes

Were securities checked against such records? Yes

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
"Bad debts,"				
Other overdue paper,	5,675,509.87	795,580.53	159,886.05	
All other loans and discounts,				
Overdrafts,			201.79	
Premium on U. S. bonds,				
Bonds, securities, etc.	341 199.00	214,844.54		
Banking house,				
Furniture and fixtures,				
Other real estate,				
Cash items,		50.00	725.43	
Shortages,				
Judgments,				
Unpaid bills,				
TOTAL,	6,017,008.87	1,010,424.67	151,993.26	

Were estimated losses charged off during examination? Yes

List items requiring attention and note any corrections made or promised during examination.

SEE EXTRA SHEETS.

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	2,000,000.00
Net undivided profits,	474,351.25
All reserve accounts,	488,497.12
TOTAL,	2,962,848.37

John S. Wood
Examiner.

Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 8.

E. [illegible] Wolff
Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1128.—Reports.—M. 28,000—P. C., Oct. 26-27.

No. of Bank 5312 *Date of Report* Oct. 14, 1927.

CRITICISMS.

1. Overdue loans, described on Page 4 and on supplemental pages.	Many of these are loans long overdue. Some of them do not appear to be receiving sufficiently vigorous attention. Your examiner believes it would be profitable to bank if these delinquent items and charged off items could be placed in charge of some individual who could have the time to give them vigorous attention.
2. Slow and doubtful loans, described on Page 4 and on supplemental pages.	Continued diligent efforts should be given to collect these substandard assets or to get them in better condition.
3. Losses, described on Pages, 4,5, and 8 and on pages supplemental thereto.	Charged off during this examination.
4. Excessive loans, described on Page 5 and on supplemental pages.	Both of these loans were excessive at the time of the last examination. Apparently management was cognizant that loans were excessive.
5. Large lines, described on Page 6, and on supplemental pages.	Your examiner calls especial attention to the Campbell Line, described on pages supplemental to Page 6. This large concentration of credit was made by Mr. Campbell or by Campbell Heath & Company or by or through their enterprises directly or indirectly. Some are endorsed by them and some are secured by stocks of their concerns. It is stated that they are not now connected with some of the concerns. The fact remains, however, that the items are all in the bank because of some contact with Mr. Campbell or with Campbell Heath & Company. Your examiner cannot escape the conviction that this line as described, is a source of potential danger to the bank.
6. Illegal real estate loan.	When this loan was taken, it was believed to be a first lien on 2500 acres of Kentucky land. Officers certificate on Form #1416, certifying in good faith that the loan was secured by a first mortgage. It has developed that the loan is secured by a second mortgage on the property. The loan as originally made was secured, through the maker's collateral note, by real estate. A case was pending in the Court of Appeals which might affect the title but it was thought that an adverse decision was impossible. The case, however, was decided adversely, and the bank holds a second lien real estate loan, which was not taken D.P.C. There is attached to report a copy of a letter received from Cashier covering the view-point of the bank relating to the matter.
7. Overdrafts.	The bank has published statements for several years that have consistently shown overdrafts of several hundred thousand dollars. Your examiner fears that the effect has not been beneficial. It was stated that the overdraft of the Kentucky Wagon Co. will soon be put into satisfactory form. This will eliminate most of the overdrafts. It is earnestly recommended that a "drive" be made on overdrafts to the end that a minimum amount of them may be shown in the next published statement of the bank.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 11-1

Exhibit 14

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—24. 8.30—P. C., Oct. 24-27.

No. of Bank 8578 *Date of Report* Oct. 24, 1927.

CRITICISMS.

8. Credit Department.

Marked improvement is noted in this department. It is believed that there has been a corresponding improvement in the character of the credits that are extended by the management. It is believed that further valuable improvement can be made in the credit files and the following recommendations are respectfully submitted:

(a) Officers should dictate memos. for the files following interviews or conferences with borrowers, or whenever information relating to borrower is obtained from any source.

(b) Employees in credit department should closely scan daily papers and clip for files any items relating to borrowers of bank.

(c) All letters received by bank containing any facts relating to borrowers should be filed in borrowers' files instead of in the general files. This is of vital importance.

(d) When borrowers are using more than one bank, credit inquiry should be directed to other bank or banks.

(e) Other credit sources such as commercial agencies should be used whenever advisable. The chief value of these reports is to obtain antecedent information relating to borrowers. The bank obtains these reports to some extent now.

9. No mention made in minutes of correspondence with Comptroller of Currency.

EXTRA SHEET PAGE 11-8

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TRANSMITTING COPY OF REPORT OF EXAMINATION.

CHIEF NATIONAL BANK EXAMINER

TREASURY DEPARTMENT

OFFICE OF
COMPTROLLER OF THE CURRENCY

National Bank of Kentucky, Louisville, Ky.

St. Louis, Mo., April 27, 1928.

To the Board of Directors:

By direction of the Comptroller, I inclose copy of the report of an examination of your bank made March 9, 1928 by National Bank Examiner W. W. Kane, Jr., with the request that it be considered at your next monthly meeting, and a record of the action taken thereon entered upon the minutes.

Please also fill out and return the form attached.

John S. Wood
Chief National Bank Examiner.

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY, WASHINGTON
Form 1[illegible] —Ed. 6/30 —Mar. 25-30

Date of this special or regular examination REGULAR

A copy of this report of examination is furnished to the Board of Directors of the examined bank for their information and consideration. The information contained herein is based upon the records and books of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources believed to be reliable, and pronounced by the Examiner to be correct.
Much of the information in regard to the assets of the bank is of such a character as to make it necessary for the Examiner to rely upon the good faith and correctness of his information, and while the Examiner regards the statements as accepted by him as correct, he is, necessarily, not in a position to guarantee the accuracy of each part of the information as may not have been obtained at first hand.

Name of Examiner, W. W. Kane, Jr. No. of Bank, 9512 Fed. Res. Dist. No., -8-

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kentucky, Louisville (City), Jefferson (County), Kentucky (State)

Examination commenced at 9:30 o'clock P. M., on March 9, 1928

Examination closed at 1:00 o'clock P. M., on March 21, 1928

Jas. B. Brown, President. Chas. F. Jones, Cashier.

Resources	Amount	Liabilities		Amount
1. Loans and Discounts,	29,017,076.41	1. Capital Stock Paid in,		4,000,000.00
2. Overdrafts,	35,798.01	2. Surplus Fund,		2,000,000.00
3. Interest earned not collected,	348,635.86	3. All other Undivided Profits, Less expenses, etc.	786,320.94 304,701.85	481,619.09
4. Customers' liability account of "Acceptances," & L. C.	21,907.55	4. Reserved for Depreciation and Losses,		171,788.34
5. U. S. Bonds to secure circulation,	2,500,000.00	5. Reserved for Interest, Taxes, etc.,		392,601.84
6. U. S. Bonds and certificates pledged,	225,000.00	6. Interest collected, not earned,		153,012.19
7. U. S. Bonds and certificates not pledged,	7,040,500.00	7. Due to Federal Reserve Bank,		
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,		12,696,265.09
9. War Savings Stamps,		9. Certified Checks,		74,618.54
10. Bonds, Securities, etc. (pledged and unpledged),	4,010,071.09	10. Cashier's Checks Outstanding,		118,148.74
11. Federal Reserve Bank Stock,	180,000.00	11. Dividends Unpaid,	17,042.00	
12. Banking House, Furniture and fixtures	35,000.00 142,380.67 177,380.67	12. Demand Deposits: Ind. Dep. subject to check, (Including those subject to notice of less than 30 days.)	22,600,519.33	
13. Other Real Estate Owned,	14,135.18	Ctfs. of Dep. due in less than 30 days,		22,617,561.33
14. Due from Federal Reserve Bank,	2,425,896.01	13. Time Deposits: A. Savings Deposits (due in or subject to notice of, 30 or more days). 1. Evidenced by pass book,	3,010,178.10	
15. Due from Federal Reserve Bank Transit Account,	2,146,659.58	2. Evidenced by Certificates of Deposits,	5,263,797.77	
16. Due from Trust Companies, Banks, and Bankers,	3,976,318.50	B. Other Deposits subject to 30 or more days' notice,		
17. Exchanges for Clearing House,	449,052.91	C. Postal Savings,	80,840.81	8,352,816.68
18. Checks on other Banks in same place,		14. United States Deposits, (Including U. S. Disbursing Officers')		
19. Cash,	405,810.61	15. Circulation rec'd, Less on hand and returned	2,500,000.00 60,000.00	2,439,100.00
20. Cash Items,	139,631.18	16. Bonds Borrowed,		
21. Cash Short,	2,578.39	17. Bills Payable with Federal Reserve Bank and War Finance Corporation,		
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	18. Other Bills Payable,		
23. Other Funds with Treasurer U. S.,		19. Notes and Bills Rediscounted with Federal Reserve Bank and War Finance Corporation,		
24. Other Assets (describe),		20. Other Notes and Bills rediscounted,		
Customers' Lia. A/C Fgn. Bills	891,978.80	21. Bills of exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown in this schedule,		
Taxes Paid on Deposits for A/C of Customers.	3,106.20	22. Accepted Bills of exchange payable abroad,		
After-hour Checks.	31,082.68	23. Cash Letters of Credit and Travelers' Checks Outstanding,		5,536.45
Items in Transit	1,061,561.57	24. Acceptances Executed to Furnish Dollar Exchange,		
		25. Acceptances Executed for Customers,		16,371.10
		26. Time Drafts Issued,		
		27. Cash Over,		
		28. Bonds Sold Under Repurchase agreement.		300,000.00
		Items Used In Advance of Credit		44,678.03
		Fgn. Bills Sold with Our Endorse.		891,978.80
TOTAL,	54,615,875.72	TOTAL,		54,615,875.72

CONTINGENT LIABILITIES

Unused letters of credit outstanding, $ 5,536.45

Future contracts to buy and sell exchange, $ None

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY
Form 1485.—Page 2

No. of Bank, 5818

DIRECTORS (Use Form 1430, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 3.

No. of shares owned	Name	Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
	-SEE EXTRA SHEET-				
		Total,	1,109,889.75	1,545,718.71	
		Less duplications,		6,819.04	
		Net total,	1,109,889.75	1,538,899.67	
	Loans to officers (not directors) and employees (omit duplications),		36,511.05	27,966.89	
		Total,	1,146,340.78	1,566,866.23	

How many board meetings since last examination? 22

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	416,865.22	788,478.56
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	1,984,631.51	806,471.87

OFFICERS AND EMPLOYEES

	Name	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President, Vice President,	-SEE EXTRA SHEET-				
Cashier, Assistant Cashier,					
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety.
Surety

Are officers and employees adequately bonded?
Yes

Are bonds in force?
Yes

In whose custody?
Auditor

Were they inspected?
Yes

Does record show directors have approved bonds?
No recent approval noted.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
FORM 1430.—REPORTS.—Ed. 8,000—F. C., Oct. 24-21.

No. of Bank 5318 *Date of Report* March 9, 1922.

DIRECTORS.

Par value of shares owned	Name		Post office address	Liability as payor	Liability as indorser or guarantor	Occupation
1,000.00	J. S. Akers	18	Louisville, Ky.			Vice President
1,000.00	H. J. Angermeier	21	do			do
1,000.00	John M.Atherton	10	do			Retired
1,000.00	Oscar E. Bloch	21	do			Physician
1,000.00	Chas. H.Bohmer	19	do	5,000.00	5,701.89	V.P., Louisville Title Co.
200,000.00	James B. Brown	18	do	230,548.57	454,282.15	President
1,000.00	R.Lee Callahan	19	do		45,000.00	Pres., Callahan & Sons
1,000.00	A. J. Carroll	22	do			Attorney
1,000.00	Geo. M. Clark	20	do	225,000.00	75,141.51	Pres., Ohio Falls Iron Co.
1,000.00	S. W. Coons	15	do			Ch. of Bd., Standard Oil Co. of Ky.
1,000.00	Allen P. Dodd	14	do			Attorney
1,000.00	Stuart E.Duncan	20	do	42,500.00	14,637.80	Pres., Peaslee-Gaulbert Co.
1,000.00	Jos. H.Durham	17	do			V.P., American Creosoting Co.
1,000.00	Geo.L.Everbach	-	do			Attorney
1,000.00	James Garnett	19	do			do
1,000.00	Angereau Gray	22	do			V.P., Louisville Trust Co.
1,000.00	J. J. Hayes	20	do			Vice President
1,000.00	J.Kennedy Helm	20	do			Attorney
1,000.00	Baylor O.Hickman	17	do			V.P., Ewald Iron Co.
1,000.00	Clarence C.Hiatt	9	do	46,650.00	826,575.71	Pres., Consolidated Realty Co.
1,000.00	Saunders P.Jones	12	do	80,000.00	100,000.00	Pres., Jones-Dabney Varnish Co.
1,000.00	Milburn P.Kelley	18	do			Pres., Louisville Bedding Co.
1,000.00	Walter I. Kohn	20	do	57,748.67	841.70	Pres., Hamm Stream & Sons
1,000.00	Brainard Lemon	18	do		5,259.35	Pres., Lemon & Sons
1,000.00	S. C. Lyons	13	do	64,416.65		Member of firm, W.L. Lyons & Co.
1,000.00	Chas.C. Mengel	17	do	50,000.00		Pres., Mengel & Co.
1,000.00	Thos. J. Minary	22	do			Ch. Bd., Louisville Ry. Co.
1,000.00	E.J. O'Brien,Jr.	20	do			Member of firm, E.J. O'Brien & Co.
1,000.00	N. D. Ormsby	17	do		1,150.52	Vice President
1,000.00	John B. Pirtle	15	do		10,155.55	V.P., Louisville Trust Co.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

-EXTRA SHEET PAGE B-1-

Exhibit 15

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 8,000—T. C., Oct. 24-13.

No. of Bank 9813 *Date of Report* March 9, 1923.

DIRECTORS.

Par value of shares owned	Name	Post office address	Liability as payer	Liability as indorser or guarantor	Occupation
1,000.00	Huston Quinn	21 Louisville, Ky.			V.P., Louisville Title Co.
1,000.00	R. S. Reynolds	- do	123,965.84	6,875.05	Pres., U. S. Foil Co.
1,000.00	Arthur M. Rutledge	22 do			Attorney
1,000.00	Wm. Short	21 do			do
1,000.00	Wm. S. Speed	19 do	175,000.00		Pres., Louisville Cement Co.
1,000.00	John Stites	22 do		2,500.00	Pres., Lou. Trust Co.
1,000.00	Henry Vogt	12 do			Pres., Henry Vogt Machine Co.

-EXTRA SHEET PAGE 2-B-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 25,000—F. C., Oct. 24-22.

No. of Bank 8312 *Date of Report* March 9, 1922.

OFFICERS AND EMPLOYEES.

	Name.	Liability as payer (individual and firm), including overdrafts.	Liability as indorser or guarantor	Bond	Other occupation.
President	James B. Brown	$30,545.57	454,882.15	$00M	Publisher
Vice President	H. J. Angermeier			Blanket	None
do	H. D. Ormsby		1,150.88		
do	James J. Hayes				
do	Frank I. Dugan		41.58	Bond	
do	E. B. Robertson		27,000.00		
do	Henry Thiemann			Covering	
do	John S. Akers				
do	L. L. Fontaine	6,606.00		all	
Cashier	Chas. F. Jones	18,000.00			
Asst. Cashier	A. P. Remmer			Employees	
do	Oscar Block	1,500.00			
do	David W. Gray				
do	Thomas Green	2,800.00			
do	Edw. E. Lee				
do	H. R. Grant	5,150.00			
do	F. L. Moseley				
Auditor	W. T. Zurbuchmiede				
Other Employees	182	2,761.00	925.00		

-EXTRA SHEET PAGE 2-B-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY EXAMINER'S
FORM 1464.—Feb

No. of Bank, 5312

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?

Banks, brokers, merchants, manufacturers, realtors, racing interests, tobacco interests, finance companies, and individual collateral loans.

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?

Yes, except for lines listed on Page 6 and supplemental pages.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.

Listed and unlisted securities, warehouse receipts for commodities and bills receivable.
Register is maintained.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.

-SEE EXTRA SHEET-

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reason.

-SEE EXTRA SHEET-

6. State whether all paper claimed by the bank as its property, including collateral, appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.

Yes

7. Give highest, lowest and average rate of interest obtained.

6% - 4% - 5 9/10%

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.)

Loans aggregating $1,911,000.00 sold to country correspondent banks for their investment. The loans described on attached sheet hardly measure up to desired standard.

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through indorsement of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for bank's benefit exists, describe fully.

Assigned without recourse, but bank might find it difficult to escape liability in case of loss on loans sold out of its own note case.

10. Do they take loans to accommodate other banks, and to what extent?

Some loans taken for accommodation of country correspondents.

11. Does sending bank appear to be in any way liable? (See No. 10.)
List liabilities of National Banks.

City National Bank, Paducah, Ky. Rediscounts agg. $60,000.00.

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)

Credit files are improving.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 8,500—F. C., (rev. 24-11)

No. of Bank 8818 *Date of Report* March 9, 1928.

LOANS TO CORPORATIONS OR ENTERPRISES IN WHICH DIRECTORS ARE INTERESTED.

	Direct	Indirect
Bray Robinson Clothing Co. Endorsed by Frank Bray and securities having estimated market value of $135,000.00 pledged. Director Dodd interested.	$125,000.00	
Callahan & Sons Director Callahan interested and endorses the line.	45,000.00	
Coler Cinema Co. Directors Clark, Brown and Bohmer endorse parts of the direct loan, which was paid during this examination.	15,141.51	1,262.63
Consolidated Realty Co. Director Hieatt interested and guaranteed by him. Collateral described in SLOW LOAN SCHEDULE.	425,000.00	120,079.18
General Realty Corporation Director Hieatt interested and endorsed by him. Secured by mortgage on real estate.	131,321.67	
The Herald Post Company Director Brown interested and endorsed by him.	295,000.00	
International Belt Co. Director Pirtle interested and endorsed by him.	10,153.38	
Jones-Dabney Co. Director Jones interested and endorses direct loan.	100,000.00	3,121.14
Kentucky Jockey Club Director Brown interested.	610,200.00	
C. A. Koerner & Co. Endorsed by E. J. Sweeney. Collateral: $50,000.00 note of the Herald Post Co., due 10-9-28. Vice-President Dugan interested.	66,016.67	
Lemon & Sons Director Lemon interested.		3,361.08
Lincoln Field Jockey Club Director Brown interested.	415,000.00	
Moorhouse Corporation Director Hieatt interested. Endorsed by Hy. Bickel, Ben O. Ford and C. C. Hieatt.	55,270.00	
Ohio Falls Iron Co. Director Clark interested and direct loan endorsed by him.	60,000.00	9,086.58
Herman Strauss & Sons Director Kohn interested.	80,000.00	909.93
	2,591,103.18	137,820.73

-EXTRA SHEET PAGE 3-1-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1430.—Reports.—Rd. 2-09—F. C., Oct. 24-12.

No. of Bank 8512 *Date of Report* March 9, 1923.

DETAILED SCHEDULE OF LIABILITIES OF DIRECTORS, OFFICERS & EMPLOYEES.

Name	Direct	Indirect
Chas. H. Bohmer	5,000.00	
Collateral: $5M par value Louisville Title Co. bonds.		
As endorser on part of the Color Cinema Co. loan.		5,701.59
	5,000.00	5,701.59
James B. Brown.		
As joint maker of loan of J. W. M. Stewart et al	230,548.57	
As endorser on loan of C. S. Schlesinger		565.00
" " " " " Chas. N. Lewis. Collateral 200 shs. Continental Oil Co.		4,550.00
" " " " " Herald Post Co.		300,000.00
" " " " " Color Cinema Co. (Part of loan)		1,117.15
" guarantor " " " O. A. Bleak		1,500.00
" " " " " C. F. Jones		18,000.00
" " " " " Thos. Green		2,500.00
" " " " " H. H. Grant		5,150.00
" " " " " L. L. Fontaine		6,600.00
" " " " " Isham Bridges		19,300.00
	230,548.57	454,982.15
H. L. Callahan		
As endorser on note of Callanhan & Sons		45,000.00
		45,000.00
Geo. M. Clark	283,000.00	
Collateral: 800 shs. Standard Oil Co. of Ky.		
151 shs. Louisville Title Co.		
656 shs. Merchants Ice & Cold Storage Co.		
As endorser on loan of Ohio Falls Iron Co.		60,000.00
" " " " " Color Cinema Co.		15,141.51
	283,000.00	75,141.51
Stuart H. Duncan	42,500.00	
Collateral: 100 shs. Pennsylvania-Coulbert Co., Common,		
738 shs. Standard Oil Co. of Ind.		
As endorser on loan of Gale Francis		175.00
" " " " " Mrs. G. Duncan. Collateral 78 shs. Pennsylvania-Coulbert Co., Common		13,662.80
As guarantor " " " T. M. Williams		1,000.00
	42,500.00	14,837.80
C. C. Elliott		
Single name	16,500.00	
Joint with H. J. Scheirich	15,000.00	
Collateral: 100 shs. Consolidated Realty Co., Common, 18½ " " " " "		
$10,000.00 note of Gardens Communities Co., $500.00 Consolidated Realty Co. 1st Mtg. bond.		
Note discounted by Lemon & Son	2,000.00	
As endorser on loan of Gardens Communities Co.		25,754.17
" " " " " Hogan Yancey		1,167.25
" " " " " Riddell-Robinson Mfg. Co.		17,854.75
" " " " " Fred Vogelsenthal		2,256.35
" " " " " Edw. J. Clem		1,507.50
" " " " " A. V. Thomson. Collateral: 1250 shs. Fidelity Oil Co., $1,000.00 Church of Christ bond, 5 shs. Weatherby-McKennie Co.		15,436.65
Joint with H.J.Scheirich, discounted by Consolidated Realty Co.	13,130.00	

To the Comptroller of the Currency, -EXTRA SHEET PAGE 3-2-
Washington, D. C.

Examiner.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1290.—Reports—No. 25000—F. C., Oct. 24-12.

No. of Bank 5312 *Date of Report* March 9, 1928.

DETAILED SCHEDULE OF LIABILITIES OF DIRECTORS, OFFICERS & EMPLOYEES,

	Direct	Indirect
C. C. Hieatt (Cont'd)		
As endorser on loan of Moorhouse Corporation		55,270.00
" " " " " General Realty Co.		131,321.67
" " " " " Henry Biekel		46,000.00
" guarantor " " " Consolidated Realty Co.		425,000.00
" " " rediscounts of Consolidated Realty Co.		106,949.19
	46,650.00	826,575.71
Saunders P. Jones	20,000.00	
Collateral: 400 shs. Jones-Dabney Varnish Co., Pfd.		
As endorser on loan of Jones-Dabney Varnish Co.		100,000.00
	20,000.00	100,000.00
Walter I. Kohn	87,748.67	
Collateral: 1326 shs. Herman-Straus & Sons,		
320 shs. Standard Oil Co. of Kansas,		
250 shs. Standard Oil Co. of New Jersey,		
200 shs. National Candy Co., Common,		
40 shs. Louisville Gas & Electric Co.,		
Common A,		
314 shs. Standard Oil of Kentucky,		
292 shs. Standard Oil Co. of New York,		
16 shs. Louisville Gas & Electric Co.,		
Common B,		
805 shs. American Turf Assn.		
As endorser on loan of Geo. D. Sleigh		841.70
	87,748.67	841.70
Brainard Lemon		
As endorser on loan of Mary Lemon Tyler		1,998.00
" " " " " Lucy Lemon Overbacker		886.35
" " " " " C. M. Bryant		375.00
		3,259.35
S. C. Lyons		
Joint with W. L. Lyons, Jr., Nadelle C. Lyons,		
Belle C. Lyons, J. W. Nardan. Collateral:		
$30,000.00 life insurance with cash surrender value		
of $1,327.75.	64,416.65	
	64,416.65	
C. C. Mangel	30,000.00	
Collateral: 500 shs. Mangel Box Co., Pfd.		
H. D. Crumby		
As endorser on loan of St. Marks Church		1,150.52
		1,150.52
John B. Pirtle		
As endorser on loan of International Bolt Co.		10,153.33
		10,153.33
R. S. Reynolds	123,965.84	
Collateral: 1000 shs. Wabash Ry. Co., Common,		
1000 shs. Kansas City Southern Ry., Common,		
$38,333.32 note of General Necessities Corp.,		
secured by 500 shs. Vogt Refrigerator Company.		
As endorser on loan of F. E. Clark.		6,275.05
	123,965.84	6,275.05

-SEE SUPPLEMENTAL PAGE 3-3-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 2,000—P. C., Oct. 24-12.

No. of Bank 5312 *Date of Report* March 9, 1928.

DETAILED SCHEDULE OF LIABILITIES OF DIRECTORS, OFFICERS & EMPLOYEES.

	Direct	Indirect
W. S. Speed	175,000.00	
Collateral: 1100 shs. Atchison Topeka & Santa Fe Ry., Com.		
	175,000.00	
John Stites		
As endorser on loan of Jarrett Stites		2,500.00
		2,500.00

-EXTRA SHEET PAGE 3-4-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1600.—Reports.—Rev. 2-1-[illegible], 24-12.

No. of Bank 8312 *Date of Report* March 9, 1933.

OFFICERS AND EMPLOYEES.

	Direct	Indirect
Frank I. Dugan As endorser on loan of R. I. Dugan		41.38
		41.38
J. E. Jensen Collateral: [illegible] shs. Standard Oil of New York.	306.05	
	306.05	
Raymond L. Metz Collateral: 42 shs. Barnsdall Corp. A.	330.00	
	330.00	
Catherine D. Mooney Collateral: 100 shs. American Turf Assn., 10 shs. Standard Oil Co. of New Jersey, 6 shs. Standard Oil Co. of New York.	2,125.00	
	2,125.00	
E. B. Robertson As endorser on loan of Crescent Hill Baptist Church		27,000.00
		27,000.00
A. J. Stelgenpohl As endorser on loan of C. E. Stelgenpohl.		925.00

The following officers' loans are guaranteed by President Brown, who is secured by the pledge of their stock in this bank.

L. L. Fontaine	Reduced	$500.00	since	last	examination.	6,600.00
H. R. Grant	"	50.00	"	"	"	5,150.00
Thos. Green	"	500.00	"	"	"	2,500.00
Chas. F. Jones	"	1,000.00	"	"	"	18,000.00
C. A. Bleak	"	200.00	"	"	"	1,500.00

-EXTRA SHEET PAGE 8-8-

To the Comptroller of the Currency,
Washington, D. C. *Examiner.*

Exhibit 15

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1430.—Reports.—Ed. 2,500—F. C., Oct. 29-12.

No. of Bank 6512 *Date of Report* March 8, 1928.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS.

The custody department holds for account of country banks collateral securing loans aggregating $2,442,420.20, of which the following are said to have been negotiated direct between the borrower and the various banks owning the loans.

Wakefield & Co.	$220,500.00
A. E. Latta	236,000.00
W. L. Lyons Co.	10,000.00
J.J.B.Hilliard & Son	80,500.00
Thomas Green	84,100.00
J. M. Greer	10,500.00
E. B. Robertson	3,000.00
Jas. O. Willson & Co.	18,000.00
E. W. Walker	8,000.00
	$650,600.00

The balance, $1,911,820.20, were sold out of the note case. Included in this total are the following loans, which for the reasons set out are not deemed suitable investments for country banks.

M. L. Adams - Crabb Orchard Banking Co., Crabb Orchard, Ky. $ 6,500.00
Collateral: $8,100.00 first mortgage real estate note.
Non-liquid character of the collateral.

Eugene R. Atkinson - First National Bank, Charlestown, Ind. 3,000.00
Collateral: 25 shs. Hy. Vogt Machine Co.,
$650.00 Liberty Bonds.
The stock is of a type difficult for a country bank to investigate or to get quotations on value.

Julia H. Bradbury - Farmers & Peoples Bank, Campbellsville, Ky. 16,417.17
Collateral: 180 shs. Carter Dry Goods Co.,
40 shs. Louisville Gas & Electric, 6% Pfd.,
10 shs. Louisville Gas & Electric, 7% Pfd.,
25 shs. Pocalee-Caulbert Co., 1st Pfd.
The last three stocks have listed market value of $7,642.50. The Carter Dry Goods Co. stock is closely held and not readily marketable nor value readily determinable for a country bank.

John Buchanan - Farmers National Bank, Madisonville, Ky. 6,682.10
Collateral: 200 shs. Courier-Journal Job Printing Co., Pfd.,
88 shs. do Common.
Stock does not have a ready market nor value readily determinable for a country bank.

John Buchanan - Peoples Bank, Grevel Switch, Ky. 2,296.12
Collateral: 8 shs. Courier-Journal Job Printing Co., Common,
100 shs. Centrifugal Pipe Corp.
See loan first above.

George Buechel - Corydon, Indiana, State Bank 11,100.00
Collateral: 748½ shs. Sutcliffe Co., Common.
Stock does not have a ready market.

George Buechel - Farmers National Bank, Madisonville, Ky. 3,400.00
Collateral: $589.00 Liberty Bonds,
1,000.00 Bethlehem Steel, 6's, 1948,
25 shs. Cities Service, Common.
The value of the collateral does not cover the loan.

G. R. Burton - Farmers National Bank, Madisonville, Ky. 7,138.15
Collateral: 205 shs. Puget Sound Light & Pr. Co., Common,
80 shs. Crutcher & Starks, Inc., Pfd.

-EXTRA SHEET PAGE 5-6-

To the Comptroller of the Currency,
Washington, D. C. *Examiner.*

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
FORM 1430.—Reports.—Bd. 2,500—F. C., Oct. 24-32.

No. of Bank 9818 *Date of Report* March 8, 1933.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS.

G. R. Burton (Cont'd)
Collateral: (Cont'd)
$4,500.00 note Grubaker & Starks, due 8-25-33.
Loan not fully collateraled by listed and readily marketable securities.

W. S. Campbell - First National Bank, Buffalo, Ky. 1,697.33
Collateral: 100 shs. Chicago & Great Western R.R., Common.
Value of collateral $1,200.00. Loan was since reduced $200.00, but the collateral still does not provide proper margin.

F. F. Cawood. Ind. W.W. Lewis - Corydon, Indiana, State Bank. 5,000.00
Collateral: 100 shs. Crummies Creek Coal Co.
Collateral is reported as having sound value, but is considered of a type that renders it difficult for a country bank to ascertain its value.

Jas. T. Clark - Farmers National Bank, Madisonville, Ky. 7,000.00
Collateral: 80 shs. Ohio Falls Iron Co.,
150 shs. American Turf Assn., Common,
$1,000.00 Benton Harbor & St. Joe 5's, 1935.
The listed collateral is valued at $8,790.00 on date of examination.
The first named stock not known to have a ready market nor value of same readily ascertainable by a country bank.

L. W. Coakley - Peoples Exchange Bank, Scottyville, Ky. 2,000.00
Collateral: 51 shs. Greensburg, Ky., Deposit Bank.
See comment on F. F. Cawood loan.

W. J. Cunningham - First National Bank, Buffalo, Ky. 5,000.00
Collateral: 125 shs. Crummies Creek Coal Co.
See comment of F. F. Cawood loan.

Wm. H. Fischer - First National Bank, Milltown, Ind. 3,000.00
Collateral: 100 shs. Standard Oil Co. of N. Y.,
25 shs. do
Market value of the collateral is $3,625.00, which does not give the proper margin.

Ashbrook C. Frank - Bank of Wingo, Ky. 2,500.00
Collateral: 10 shs. Courier Journal Job Printing Co., Pfd.,
25 shs. do Common.
See comment on John Buchanan loan.

J. W. Gaines - Farmers Bank, Centertown, Ky. 1,940.00
Collateral: 12 shs. Van Buren, Ky., State Bank,
$2,000.00 Dean & Shirk Corp., 2nd Mtg., 6's, due 1937-38.
The bonds are not regarded as having collateral value. The stock is regarded as of unliquid type and value not readily ascertainable for a country bank.

Harry M. Heath - Peoples Bank, Gravel Switch, Ky. 3,502.00
Collateral: 80 shs. Louisville & Nashville R. R. Co.
Market value of the collateral is $7,480.00 and is also pledged on a loan of $3,400.00 made direct. Insufficient margin.

Walter I. Kohn - Farmers National Bank, Glasgow, Ky. 18,717.00
Collateral: 100 shs. Kansas City Southern Ry., Common,
100 shs. Chicago Yellow Cab,
80 shs. Prairie Oil & Gas.
Market value of the collateral does not cover the loan.

-EXTRA SHEET PAGE 3-7-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 20,000—F. C., Oct. 24-12.

No. of Bank 9818 *Date of Report* March 9, 1928.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS.

Fred A. Kretch - Farmers National Bank, Madisonville, Ky. 4,500.00
Collateral: 75 shs. Woodson & Kretch Co.
See comment on John Buchanan loan.

W. W. Lewis - Corydon, Indiana, State Bank 10,000.00
Collateral: 200 shs. Garnett Lewis Coal Co.
See comment on John Buchanan loan.

B. M. McDevitt - First National Bank, Milltown, Ind. 3,500.00
Collateral: $3,500.00 Louisville Gas & Elec., 6's, 1937.
Bonds do not have the proper margin of value above the loan.

Reynolds & Co. - Farmers Bank, Centertown, Ky. 8,000.00
Collateral: $8,000.00 Louisville Gas & Electric, 6's, 1937.
See loan first above.

Reynolds & Co. - Commercial Deposit Bank, Winchester, Ky. 18,000.00
Collateral: 208 shs. U. S. Foil, B, Common,
$6,000.00 Louisville Gas & Electric, 6's, 1937,
4,000.00 Van Camp Tank Car Co., 7's, 1931,
4,000.00 Kentucky Rock Asphalt Co., 6½'s, 1925,
Collateral does not have proper margin of market value above the amount of the loan.

Wm. Schneider - Farmers Bank, Centertown, Ky. 4,000.00
Collateral: $11,000.00 Lien Note of Adolph Vonfrasziger.
See comment on H. L. Adams loan.

John H. Shine Co. - Commercial Deposit Bank, Winchester, Ky. 15,000.00
Collateral: 750 shs. New Albany, Indiana, National Bank,
25 shs. Conservative Life Insurance Assn.,
20 shs. Period Cabinet Mfg. Co.
Non-liquid character of the collateral.

Frank Short - Farmers Bank, Milton, Ky. 8,000.00
Collateral: $15,500.00 real estate notes.
See comment on H. L. Adams loan.

Standard Mortgage Co. - Springfield, Kentucky, State Bank. 10,000.00
do - Present holders not ascertained. 14,500.00
Collateral on these loans consists of second mortgage real estate notes, which are considered to be very undesirable type of loans to sell to country banks. See slow loans for further comments on the Standard Mortgage Co.

R. P. Thompson - Henderson County Savings Bank, Henderson, Ky. 3,800.00
Collateral: 50 shs. Carter Dry Goods Co.
See comment on Julia M. Bradbury loan.

Phillip S. Tuley - Bank of Virgo, Ky. 3,000.00
Collateral: 116 shs. Louisville Textile Co.,
20 shs. Louisville Cotton Mills.
Collateral not known to have a ready market.

H. V. Walsh - First State Bank, Pineville, Ky. 13,500.00
Collateral: 1,000 shs. Electric Rentschald Co. No market quotation found.
It is noticed that in some instances notes have been sold, the collateral on which did not sufficiently secure that specific note, but considering other loans of the borrower, his total debt was margined. It is recommended that each loan sold be properly margined in itself.

-EXTRA SHEET PAGE 5-C-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT
Comptroller of the Currency Taxation

No. of Bank, [illegible]

LOANS AND DISCOUNTS—Continued

The loans and discounts and other securities must be carefully verified and every discrepancy noted $16.07 short.

Total loans and discounts, $ 89,817,078.41

OVERDUE PAPER

A. Total bad debts, as defined by Section 5204, U. S. R. S., $ 1,461,969.09

Of which there are carried in loans and discounts, $ 951,629.24

*Carried elsewhere, $ 510,339.85

B. Other overdue paper, $ 614,841.76

Total overdue paper (including all bad debts), $ 1,966,711.83

Examiner should advise bank interest on delaulted or time loans should be collected at least every six months, and that mere payment of interest is not considered a renewal of the loan unless formal extension agreement is signed by all parties or the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6.

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
147.60 S. M. and F. K. Adams and Sid Douthitt. Loan has been due since 1-4-26. Is in the hands of attorneys for collection and has been reduced $277.40 since last examination.	147.60 ✓		147.60		8/31 93.60
1,500.00 Allgier, Koch & Company, Inc. Endorsed J. C. Koch and Perry Furnaley.			1,500.00		8/28 1180
5,000.00 J. C. Koch Endorsed Allgier & Koch. Collateral: 80 shs. Allgier & Koch and $5,000.00 lien note. Statement of Allgier & Koch is unattractive, a greater proportion of the net worth being represented by notes of stockholders. The loans have not been reduced since the preceding examination.			5,000.00		
6,100.00 Armstrong-Reynolds Company Endorsed E. L. Henderson and J. B. Armstrong. Statement of 12-31-27 lists current assets $29,000.00, current debt $47,000.00, real estate $137,000.00, mortgage indebtedness $96,000.00, net worth $86,000.00, showing a capital impairment of $36,000.00. The statement is poor. Loan has been increased since last examination and is regarded as slow. The endorsements are said to be good. -SEE EXTRA SHEET-			6,100.00		8/25 6000
TOTAL,					

Use Form 1425-c for continuation of list.

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8212

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
7,500.00 Badger Aluminum Company The loan carries a lien on 312 acres in Johnson County, Oklahoma, which has been appraised at $6,000.00 and was charged down to that amount at this examination.	7,500.00 ✓		6,000.00		1,500.00
408.08 Rigby-Howe Drug Company. Rediscounts The company has had a favorable court decision to recover on account, which should liquidate this debt.	408.08 ✓		408.08		
385.00 August R. and H. J. Bonnne Maker is in bankruptcy and it is estimated that the liquidating dividend will pay the amount at which this loan is carried.	385.00 ✓		385.00		
25.00 Bonnie L. Book Endorsed D. H. Carpenter Garage, Inc. Loan is held by attorney for collection, which is regarded as doubtful.	25.00 ✓			25.00	
37,500.00 Benevolent Association of Elks, Inc. Collateral: $50,000.00 second mortgage bonds. This property has been sold and it is reported that the second mortgage bonds will pay from twenty to twenty-five cents on the dollar, probably nearer the latter figure. An estimated loss of $15,500.00 was charged out at this examination.	37,500.00 ✓			4,400.00	15,500.00
40,000.00 Bingham-Hewitt Grain Company Endorsed Leonard Hewitt. Statement of 12-31-27 lists current assets $61,000.00, current liabilities $32,000.00, capital stock $75,000.00, which is impaired to the extent of $32,000.00. The company sustained an operating loss of $10,000.00 for the past year. -EXTRA SHEET PAGE 4-1-			40,000.00		
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—BLANKING
Form 1433 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security / Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,217.08 C. H. Bodon W. C. Young endorses $908.08. Collection regarded doubtful. Items are held by attorneys for attention.	908.08 ✓ 8/20	314.08		1,217.08 ✓	8/25 1,217.08 ✓
100.00 Annie L. and C. H. Bentle Held by attorney for collection.		100.00		100.00 ✓	
880.00 Brand & Robinson Endorsed Alfred Brand. Loan has been due since 12-28-37 and should have attention.		880.00	880.00		Wait
10,150.00 J. Graham Brown Collateral: 110 shs. Kentucky Refrigerating Company, Pfd., 110 shs. Kentucky Refrigerating Company, Com., 'A'. This note was made for the purchase of the stock pledged as collateral. The stock is not regarded as having collateral value. Loan should be collected or secured by collateral of determinable value.			10,150.00		✓
5,000.00 Robert L. Brown Collateral: 360½ shs. Brown Coal Company. Reductions in this loan are being continued, $1,000.00 having been paid since the preceding examination.			5,000.00		8/25 1000 ✓
880.00 Ben L. Bruner Collateral: 175 shs. Pennsylvania Casualty Company. Collateral is regarded as worthless. Management promises active attention to collect or secure.				880.00	Paid 12/10/40 ✓
6,820.00 Buchanan Motors Corp. Endorsed by five individuals whose worth is regarded as uncertain. Loan has been due since 7-28-38. Collateral: $10M Willis Harlan Coal Co. bonds and 200 shs. Clay County Coal Co. The Willis Harlan Coal Co. is in receivership and the bond issue totals $20M. In order for this bank to realize the amount of the above debt from these bonds it	6,820.00 ✓		6,820.00	—	✓
-EXTRA SHEET PAGE 4-B- TOTAL.					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Buchanan Motors Corp. (Cont'd) would be necessary for the property securing these bonds to be sold for $17M net. The opinion was expressed that the property is worth $28M.					
119.92 J. T. Caldwell Collateral: 30 shs. Industrial Ownership Corporation, 1st Pfd., regarded as worthless. Loan has been reduced $50.75 since preceding examination.			119.92		
108,000.00 Campbell-Heath & Company			108,000.00		
40,000.00 Wm. B. Campbell (For description of collateral and discussion of the above two loans see Campbell Line described under Large Lines on Page 6-B).			40,000.00		
88.00 Sam Curson Endorsed Geo. B. Houman and Ford B. Webster. $80.00 has been paid since preceding examination.	88.00		88.00		
10,706.00 Elerbe W. Carter $7,706.00 is endorsed by E. Leland Taylor. Collateral: 164 shs. Carter Guaranty Company, Com., 95 shs. Carter Guaranty Company, Pfd., $4,948.95 note Douglas Carter, secured by lien on real estate. The Carter Guaranty Company stock is regarded as of doubtful value. Some reduction has been made and through the endorsement and collateral it is expected that the loan can be worked out.			10,706.00		
117,189.00 Carter Guaranty Company Collateral: $15,000.00 certificate of deposit of this bank, $70,000.00 Eugene Strauss Real Estate Mortgage Bonds, $18,000.00 International Belt Corporation Mortgage Bonds, 800 shs. Union County Mining Company,		86,289.00	102,189.00		
-SEVEN SHEET PAGE 6-B- TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1435 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Carter Guaranty Co. (Cont'd) Sundry notes aggregating $51,960.28. The statement of the Carter Guaranty Company shows a very unsatisfactory condition and the loan is regarded principally on a collateral basis. The Eugene Stratton bonds are regarded as having good value, and with the other collateral the loan is thought to be secured, but should have active attention, with the view of reducing the loan.					
22,500.00 Central Consumers Company Endorsed Frank Fehr and Frank Fehr, Trustee. Collateral: $7,500.00 certificate of deposit of this bank and 8,086 shares Metropolitan Realty Company. The stock represents the equities in numerous pieces of real estate in Louisville, which are being liquidated.			15,000.00		
2,323.45 Central Paint & Roofing Company. Rediscounts Endorsed by National Roofing Company. $2,500.00 of this claim has previously been charged off. This loan was described on Page 4-6 of report of examination begun 10-14-27, since which time no new data has been submitted.	2,323.45			2,323.45	
5,440.80 John H. Chandler J. P. Ferguson is endorser on $450.00. Charles Rothaimer endorses $3,501.90. Hugh B. Fleece endorses $1,325.00. Collateral: $555.00 real estate lien note. Chandler is not known to have tangible assets and loan should be reduced.			1,938.90	3,501.90	
139,557.62 Chase & Wymond (Described on Page 4-5, report of examination begun 4-25-27). This company reports an operating loss for 1927 of $159,000.00 and has lost money during each of the last four years, the losses for			139,557.62		
-EXTRA SHEET PAGE 4-4- TOTAL.					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1482 C

No. of Bank, 9813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Chase & Hymond (Cont'd) this period aggregating about $482,000.00. The company is indebted to the Citizens-Union National Bank and the two banks are working out their debt on a pro rata basis. Certain receivables aggregating $79,364.17 are pledged for the benefit of both banks. The assets of the company are being liquidated and it is thought at this time that the debt will be worked out in full.					
22,542.71 B. G. Clarke Victor J. Bullett is endorser on $22,637.17. Collateral: $74,618.80 sundry notes, secured by agreements for deeds to property in Dade County, Florida. The parties to the note are in a controversy and bank is unable to get loan paid or satisfactorily adjusted. Bullett is regarded as good and Clarke is reported as being able to protect the part not endorsed by Bullett. It is hoped that the bank will be able to obtain a prompt and satisfactory adjustment of this matter.		22,637.17	22,542.71		
20.50 Adel Juristism		20.50		20.50	
15,460.00 Clay County Coal Company Five endorsers. Secured by lien on property which cost the company $21,000.00 and now appraised at $16,000.00.	15,460.00		15,460.00		
5,302.94 Color Cinema Productions Company. Rediscounts.	2,259.44			5,302.94	
1,262.85 Color Cinema Company.Rediscounts. The direct obligations of this long standing loan have now been paid in full. The remaining discounts are long past due and collection from the makers is regarded as doubtful. The bank has some hope of inducing the backers of this enterprise to take care of these obligations and promises prompt attention.	1,262.85			1,262.85	
SEE SHEET PAGE 4-B-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—BLANKING
FORM 1565 C

No. of Bank, 888.8

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Amount					
15,888.00 Columbia Phosphate Mining Company (Described on Page 4-B, report of examination begun October 14, 1927). Since that time Armour & Company have signed an agreement to use the phosphate from this property on a royalty basis of 75¢ per ton, calling for a minimum of $22,500.00 royalty per year. Under this agreement this loan should work out in time, as well as the claim of $15,000.00 vs. this company carried in Bonds & Securities Account.			15,888.00		
4,888.00 Parker Comm et al Collateral: $8,000.00 real estate note, secured by lien on Louisville property. Maker have agreed to sell all the real estate and it is expected that the loan will work out.	4,888.00		4,888.00		
488,000.00 Consolidated Realty Company.Direct			488,000.00		
120,079.19 Consolidated Realty Company. Discounts			120,079.19		
Collateral: 20 shs. Consolidated Realty Company, Pfd., 870 shs. Louisville Realty Company, 800 shs. General Realty Corporation,Com., 280 shs. Consolidated Realty Company, Com., 800 shs. Keystone Steel & Wire Company, $1,800.00 Consolidated Realty Mortgage Bonds, $888.88 City Warrants. In addition to the above the bank holds as general collateral to the above line a total amount of $881,880.88 of instalment notes, most of which have been given for the purchase of high-grade unimproved subdivision property. Of this amount $15,802.07 are past due. Of the rediscount line, $12,181.82 is secured by other collateral notes, having unpaid balances of $15,725.46. The collateral is of such a nature as to be slow of liquidation.					
-EXTRA SHEET PAGE 4-B-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER
Form 1488 C

No. of Bank, 9613

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$00.00 H. A. Cook Maker lives at Horse Cave, Kentucky, and collection is regarded as doubtful.		$00.00		$00.00	
8,500.00 Dant Bros. Endorsed S. J. Dant. Statement of 12-31-27 lists current assets $34,800.00; current liabilities $20,500.00, and net worth $9,400.00. Operations for 1927 show a loss of practically $17,000.00 and the owners put in $17,500.00 of new money. Management proposes to put the loan on a collateral basis.			8,500.00		
1,428.42 L. L. Dougherty Collateral: 195 shs. Industrial Ownership Corporation, $2M life insurance policy. Stock is regarded as having no value. Loan reduced $305.85 since last examination.			1,428.42		
1,577.42 E. Devee. Rediscounts These rediscounts represent notes given in payment of insurance premiums. Information in regard to financial responsibility of the endorser is lacking.		1,401.42	1,577.42		
$7,000.00 Dawson Daylight Coal Company Collateral: $50,000.00 of the company's 7% bonds. This is part of an issue of $200,000.00, $90,000.00 of which are outstanding and $80,000.00 are pledged on the company's notes. For the eleven months ending 8-28-28 the company shows net profits of $49,800.00 after depreciation and depletion charges of $41,200.00. It seems probable that the company may continue to earn money and that the loan will eventually be paid in full. Reduced $3,000.00 since last examination.			$7,000.00		
-EXTRA SHEET PAGE 4-7-					
TOTAL					

Exhibit 15

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1498 C

No. of Bank, 9818

SLOW AND DOUBTFUL PAPER AND LOSS ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,875.00 Lilly W. and R. W. Dehoney It was stated to your examiner that these parties have made arrangements to obtain an increased loan on their real estate and that this paper will be taken up with the new money thus obtained. This is an old debt previously classed as doubtful and should be collected as soon as possible.		1,875.00	1,875.00		
11,796.00 L. J. Dittmer Collateral: 100 shs. Majestic Theatre Company, Com., $10,000.00 Color Cinema Company, 7% Bond. The bond is thought to have no value. The Majestic Theatre Company stock probably could not be sold at this time for enough to liquidate this debt, but the dividends come to the bank and it is believed that the prospect of continued dividends is good and that the loan will be paid down from this source to the value of the stock in the not distant future.		11,796.00	11,796.00		
25,800.00 Dana Company of Kentucky Endorsed G. L. Everback and G. L. Aldersem. Statement of 8-11-27 shows current assets $35,000.00, current debt $44,000.00, net worth $14,000.00, and indicates a material lack of working capital. The endorsers are said to be responsible.			25,800.00		
10,000.00 Eureka Products Company Endorsed J. H. Wilkes. This is a debt of $20,000.00, which has been charged down to the amount at which shown. Statement of February 1, 1928 shows current assets $7,696.00, fixed assets $5,980.00, with all the debt in this bank. Your examiner was informed that the bank holds a life insurance policy, which has a cash surrender value of $2,814.00. From this source and from the assets of the company, it is thought the amount of the debt as now carried may be realized.			10,000.00		
-EXTRA SHEET PAGE 4-B-					
TOTAL.					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488-C

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,900.00 J. H. Etherton Collateral: 20 shs. Rose-Fawcett Company, Pfd. Collateral does not have a ready market and the value thereof was not determined. It is believed that the loan should have reductions.			1,900.00		✓
18,364.00 Fuhr Realty Company Endorsed Frank Fuhr, Trustee. Collateral: 1st mortgage on unimproved property in Brookview Subdivision. This is said to be first-class subdivision property. Loan is practically unchanged in amount since last examination.			18,364.00		✓
10,000.00 Frank Fuhr, Trustee Collateral: Assignment of equity in 8,000 shares Metropolitan Realty Company, pledged on a $15,000.00 loan. (For description of this stock please refer to loan of Central Consumers Company).			10,000.00		✓
10,400.00 Alice G. Fischer Endorsed Geo. H. Fischer & Company. Statement of the endorser dated 5-31-27 lists current assets $12,000.00, current debt $27,000.00, real estate $26,000.00, mortgage debt $13,000.00. The unincumbered real estate seems to be one-half interest in 20 acres of subdivision property known as Arcadia Place, which is carried in the statement at $40,000.00. Loan has been steady for about 2½ years and is regarded as slow.			10,400.00		✓
15,826.00 Ophaldon Coal Mining Company Endorsed R. L. Brown. Reductions in this loan have continued, $5,826.00 having been paid since the previous examination.			15,826.00		

-EXTRA SHEET PAGE 4-B-

TOTAL

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
6,800.00 W. S. Graham and N. A. Perry Collateral: 100 shs. Atlantic Bank & Trust Company, Daytonia Beach, Florida. $7,000.00 has previously been charged off on this loan. The value of the collateral is not definitely known, but statement of the bank indicates that it should have sufficient value to pay this debt. Your examiner was informed that the matter would have immediate attention to liquidate this obligation.	6,800.00		6,800.00		
1,485.00 M. L. Greenbaum Endorsed L. A. Rosenbaum. This debt was classed as doubtful at the preceding examination, since which time only $40.00 has been collected.				1,485.00	
3,613.00 H. L. Grooms et al Bank has lien notes and title to some property in Fountain Run, Kentucky, from which to realize the amount of this debt.	3,613.00		3,613.00	1,000.00	
41,363.49 Harlan Coal Company Endorsed K. U. McGuire and Karl Jungbluth, Jr.			31,363.49	10,000.00	
5,600.00 Day Coal Mining Company Endorsed Harlan Coal Company. Collateral: 2800 shs. Dawson Daylight Coal Company, Pfd., A mortgage on 58/100's interest in 492 acres of coal land in Letcher County, Kentucky. The Dawson Daylight Coal Company has been operated profitably the past year, as set out under the discussion of their loan above, and the value of the loan depends upon this stock and the mortgage on the coal lands, which are said to have good value. Loan is a slow "work-out", and full collection will depend upon what can be realized from the coal land.			5,600.00		
-EXTRA SHEET PAGE 4-10-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1485 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
515.00 Andrew and F. R. Hodapp Charged out during examination.	515.00				515.00
740.00 Mrs. F. R. Hodapp Maker is said to have an equity in her home.		740.00		740.00	
1,320.00 F. R. Hodapp	1,060.00	260.00			1,320.00
30,000.00 Jos. Hubbuch, Sr. & Sons Endorsed Sed O. Hubbuch. This loan is described on Page 4-14, report of examination begun 4-23-27, since which time no new statement has been submitted. It was stated that concern is now being audited. Advice was given at the previous examination that the company had agreed to pay the loan in four months, but it remains unpaid.			30,000.00		
29,500.00 Louis C. Humphrey Collateral: 55 shs. Belknap Hardware Company, Pfd., and 765 shs. Herald-Post Company. Maker is deceased and no disposition has been made of the loan or collateral, although at previous examination it was stated that the matter would have prompt adjustment.	29,500.00		29,500.00		
5,611.83 Marie M. Hunt Endorsed Sam T. Mayer. It appears that the payment depends upon the endorser. Loan is unchanged since preceding examination and should be secured by acceptable collateral or collected.			5,611.83		
54,400.00 Hyman Pickle Company This company is being operated by a creditors' committee, of which Vice President Crosby is a member. During 1927 substantial losses were taken in the inventory and the statement of 12-31-27 is said to represent sound values. This statement shows current assets of $115,000.00 and current debt of $152,000.00. Property account is carried at $138,000.00. -EXTRA SHEET PAGE 4-11-			39,400.00	15,000.00	
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELABORATE
Form 1455 C

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Hyman Pickle Co. (Cont'd) This includes a piece of real estate not used in the business, from which it is believed $30,000.00 may be realized. The figures submitted for the period 7-1-27 to 12-31-27, show a net loss of $31,800.00. Your examiner endeavored to ascertain what part of this represented operating loss and what part was due to the depreciation of inventory. The manager of the company was interviewed and he stated that he could account for $8,000.00 of the loss as depreciation on inventory, but he felt sure that this did not represent the full amount and that it was impossible to ascertain the exact amount of the depreciation mark-down during this period. He stated that the company had broken even during the first two months of this year. The company is liable on a lease, having eight years to run at an annual rental of $6,000.00 a year, on its local plant and machinery. It would appear that a sizeable loss may be sustained on this loan.					
3,890.16 Industrial Ownership Company Collateral: 1,275 shs. Calco Chemical Company, Pfd. Please refer to item of Industrial Ownership Corporation carried in Bonds & Securities Account.			3,890.16		
10,153.33 International Bolt Company Endorsed Marshall B. Hardy, R. P. Thompson and John B. Pirtle.		10,153.33	10,153.33		
500.00 Thos. Jefferson Memorial Fund Rmd. Fred J. Campbell. When loan was made it was to have been taken up by private subscription, but this has not been done.			500.00		
2,800.00 D. A. Keller Collateral: 54 shs. Audubon Park Realty Co., 30 shs. Star Wood Products Co. Maker is deceased. His estate is thought to be solvent. Loans have been due since 9-8-26 and no payments made in two examinations.	2,800.00		2,800.00		
TOTAL					

EXTRA SHEET FILE 6-15-

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1428 C

No. of Bank, 5813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$6,840.00 Kentucky Plumbing & Heating Company $5,881.50	6,840.00		3,521.50	1,000.00	2,119.50
Kentucky Plumbing & Heating Company. Rediscounts. Collateral: $2,638.00 note A.L. Thomas, carrying junior lien on real estate, and $6,500.00 note John H. Peters, carrying lien on 127 acres, subject to a $6,700.00 prior lien. The property mortgaged on the first note has been sold for enough to pay this bank about $1,000.00. The other lien note is regarded as of no realizable value. It is expected that from $2,500.00 to $3,500.00 will be realized from a suit on an account. $2,000.00 estimated as a loss was charged off during this examination.	5,881.50				5,881.50
$5,000.00 Kentucky Refrigerating Company Statement of the company dated 3-31-27 shows current assets $50,200.00, current liabilities $173,000.00, plant and equipment $1,215,000.00, mortgage bond issue $600,000.00, net worth $492,000.00. As indicated by the statement, the unsecured debt depends very largely upon the profitable operation of this company. The results for the year covered by the statement show net profits of $36,000.00, of which $10,000.00 was paid out for preferred dividends and $22,500.00 set up for depreciation, leaving a net profit of $3500.00. The management has been changed and it is claimed that the proposition will work out, but substantial improvement must necessarily be made in order to accomplish this.				5,000.00	
$1,615,481.06 Kentucky Wagon Manufacturing Company (Items described in detail under Large Lines). (Discussed on Page 4-20, report of examination began 10-14-27). Since the preceding examination all outstanding claims have been taken up and the bank now has full title to the property.	565,518.28		615,481.06	800,000.00	100,000.00
-SEE NEXT PAGE 4-13- TOTAL.					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488-C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Mfg. Co. (Cont'd) Since the last examination the sum of $114,380.78 has been advanced to take up claims and for operating purposes. Of this amount, at least $55,000.00 was advanced for claims, and it is thought there are other items of advances which could not be located. However, the operations of the company are still carried on at some loss and no progress is shown toward developing this property into a profitable manufacturing concern. The most likely way in which the bank can work out of their difficult position on this loan is to dispose of the properties. Since it now has full title it is in a position to make such negotiations and the management has been giving constant attention to doing this. At this time they have a live prospect for a reorganization with a western manufacturing concern, which if consummated, will very materially improve the status of this loan. Negotiations have been carried forward to such an extent that the management is hopeful that the deal may be consumated in a very short time. However, until this has actually been put into effect it is thought that this prospect should be disregarded as to the classification of the loan and should be considered on its present status, in which case it was decided to make another reduction in the carrying value of this item, and $100,000.00 was charged against Profit and Loss.					
132,000.00 Knadler & Lucas Company Endorsed W. R. MacNeal and James R. Duffin. Collateral: 492 shs. City Realty Company, $70,000.00 lien notes of the City Realty Company, secured by 46 pieces of real estate valued at $80,000.00. The audit of this concern is now in progress and consequently no further data is in the files of the credit department. The affairs of the company have been -EXTRA SHEET PAGE 4-1d-			132,000.00		
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER
Form 1488 C

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Chandler & Lucas Co. (Cont'd) is bad shape for some time and a change of management was made. One of the endorsers, Mr. MacNeal, who had had much experience in this line of business, was placed in charge and he put his personal assets behind the proposition, which gives concrete evidence of his faith in making a prosperous business of this concern. Just what progress he has accomplished during the past year cannot be definitely known until the audited figures are submitted.					
1,000.00 Shirley A. Krimm Collateral: 10 shs. Miles Silk Shop. Value of collateral is not known and loan has not been reduced in two examinations.		1,000.00	1,000.00		
28,575.87 Lampton, Crane & Ramey Collateral: $15,500.00 note of the Sterling Paint & Color Company, secured by 150 shs. H. S. Ramey Realty Company, Com., and 8 shares H. S. Ramey Realty Company, Pfd. Your examiner was advised that the collateral can be disposed of for $15,500.00. The concern is being liquidated and a report was obtained which shows that the liquidating manager has on hand: cash $21,800.00, accounts and notes receivable $22,600.00, and a judgment for $10,000.00, in connection with which an attachment has been levied on $10,000.00 worth of Liberty Bonds. The total claims are given at $174,827.00, of which $2,500.00 are preferred. After realizing on the collateral the bank would have to receive approximately a 60% liquidating dividend to pay their claim in full. Owing to the fact that $22,000.00 of the assets are notes and accounts and the claims are long past due, part of this debt is classed as doubtful.	28,575.87		22,000.00	5,575.87	
-EXTRA SHEET PAGE 4-15-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1288 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Albert Latta Collateral: 2,500.00 shs. Van Camp Packing Company, Pfd., which at present quotations does not fully collateral the loan. Loan should be collected or secured by desirable collateral.	50,000.00			50,000.00		
Belle J. and Abe C. Levi	5,500.00			5,500.00		
Abe C. Levi Company Statement of the Abe C. Levi company dated 1-15-28 shows current assets $174,000.00, current debt $56,000.00, net worth $118,000.00. Operations for the past three years show increasing losses, for 1927 being given as $48,000.00.	15,000.00			15,000.00		
Lewis & Drye Auto Company Classed as doubtful at preceding examination. Only $98.00 has been paid since.	1,150.00				1,150.00	
Charles A. Litchfield and C. J. Sternberg.	125.65		125.65		125.65	
Dennis H. Long Collateral: 2502 shs. 4th Avenue Amusement Company, 800 shs. Swiss Dyers & Cleaners Company. Loan remains unchanged since the preceding examination.	29,222.00			29,222.00		
Interstate Coal Company Endorsed D. H. Long. There is no statement of the company on file and loan is apparently made on the endorsement. Loan remains unchanged in two examinations.	27,000.00			27,000.00		
Swiss Dyers & Cleaners Company Endorsed D. H. Long. Collateral: $8,700.00 note of H. C. Moehling, which is secured by 180 shs. Swiss Dyers & Cleaners Company, and 5,000 shs. Union County Mining Company.	32,040.20			32,040.20		
-EXTRA SHEET PAGE 4-18-	Total					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1455 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Swiss Dyers & Cleaners Co. (Cont'd) This loan has been reduced only $304.06 since the preceding examination. There is no statement of the company on file, but the value is thought to rest principally on the endorsement of D. H. Long. Taking the line as a whole, the loans depend principally upon the 4th Avenue Amusement Company stock. The affairs of this company have been wonderfully improved during the past year, so that the value of the stock at this time would probably cover the entire line. This improvement, however, is due to a factor of such a nature that it is possible that it could as quickly lose its increased worth of the past year. In view of this fact and the continuity of these loans, it would seem advisable to obtain reductions.					
5,925.81 Louisville Hotel Company Collateral: $5,500.00 Louisville Hotel Company, 2nd mortgage bonds. This property has been sold and it is reported that the second mortgage bonds will pay 80% on the dollar. $1,594.75 of this debt was paid during this examination and the balance is secured by endorsement.			4,566.56		
189,845.00 Louisville Ice & Cold Storage Company Collateral: 1,898 shs. American Ice & Storage Company, and sundry installment notes aggregating $218,198.70, given by various ice and cold storage concerns. The makers of these various notes are to pay 5¢ for each 300 pound block of ice delivered by them, these payments to be placed in a fund for the retirement of the Louisville Ice & Cold Storage debt.			189,845.00		
-EXTRA SHEET PAGE 4-17-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1438 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security / Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
25,000.00 Louisville Mortgage & Finance Company To secure this debt and $10,000.00 other loan, which has been sold to correspondent banks, this bank held sundry real estate mortgage notes aggregating $41,002.35, of which $8,982.75 represents balances due on notes which have matured. Also the bank was holding notes aggregating $6,695.45, which had been paid in full by the makers to the Louisville Mortgage & Finance Company. The loan does not seem to be properly collateraled.			25,000.00		
33,250.00 Louisville Provision Company Endorsed Charles C. and Henry Knight. The affairs of this company were placed under the direction of an executive committee in an attempt to work it out of its difficulties. Recent figures submitted show current assets $385,000.00, current liabilities $359,000.00, part of the debt ($46,000.00) being secured by pledge of inventory. The fixed assets are carried at $669,000.00 and are mortgaged for $217,000.00. It is reported that the company is doing a business of $5,000,000.00 a year and profits for December and January were $8,000.00. The endorsers have some assets, but it still appears uncertain that the proposition can be worked out to a successful conclusion.			20,000.00	13,250.00	
1,400.00 J. S. Luscher Collateral: 20 shs. Coles Bros. Manufacturing Company. The collateral not thought to have value and loan has not been reduced since the preceding examination.			1,400.00		
14,000.00 Magic Soap Company Endorsed Jas. R. Duffin and W.E. Massey. Secured by a mortgage on a plant, subject to prior lien of $22,000.00. It was stated that an offer has been made to buy the property for the amount of the liens. This is an old debt and the bank should take advantage of this opportunity to dispose of this item.	14,000.00		14,000.00		
TOTAL					

EXTRA SHEET PAGE 4-10

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1456 C

No. of Bank, 6512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
3,190.00 Fulton Mandeville Collateral: 18 shs. Illinois Central, Common, 7 shs. Carter Guaranty Co., Common, 85 shs. Foulds Co., 1st Pfd., 38 shs. Foulds Co., 'A', Common. The collateral is valued at $3,140.00. M. W. Lewis, Jr., endorses $900.00 of the debt, and is said to be good. This loan reduced $300.00 since the previous examination.			3,190.00		
2,400.00 Colony Illuminating Co. Endorsed Fulton Mandeville. The statement of this company is poor. A reduction of $250.00 has been made since the last examination.			2,400.00		
8,400.00 Barrett & Miller Endorsed J. S. Miller. Guaranteed by Sam Black. Company are florists. Statement of 12-31-27 lists current assets $18,800.00, current debt $15,600.00, which does not give a commercial ratio. Profits have been satisfactory, but evidently have been withdrawn from the business, as a comparison of net worth for the past three years shows a slight decrease each year. $1,000.00 was paid during this examination.			6,800.00		
850.00 Etta Belle MacAtee Collateral: 1 diamond ring, said to have sufficient value to protect the debt. Collateral is not of a desirable nature and no reduction has been made in the loan in two examinations.			850.00		
12,000.00 Mercer Coal Mining Company Endorsed by Robert L. Brown and Gibraltar Coal Mining Company. This is an old debt, which, however, has had a substantial reduction of $6,000.00 since the preceding examination.			12,000.00		6/4 1000.00

-EXTRA SHEET PAGE 4-19-

TOTAL

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1435 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
17,399.30 Charles J. Meriwether Endorsed C. H. Meyer		7,400.91	17,399.30		
39,627.51 Charles J. Meriwether.Rediscounts		14,965.96	39,627.51		
4,596.29 Charles J. Meriwether Endorsed C. J. Meyer. Maker is a contractor and his statement of 3-24-27 lists current assets $115,800.00, current liabilities $110,400.00, real estate $219,000.00, mortgaged for $140,000.00. It would appear from this statement that the affairs of the maker are considerably involved.			4,596.29		
300.00 T. P. Middleton $100.00 was paid during examination.		300.00	300.00		
5,916.95 Geo. D. Morrison, Jas. R. Duffin, W. E. Massey, L. M. Reader and E. V. Board. These parties are endeavoring to promote an enterprise known as the New Mammoth Cave Development Company. There is a movement now to create a National park of the Mammoth Cave territory, and it appears that repayment of this loan depends very largely on the success of this movement. An intensive campaign is being made to raise the necessary funds to purchase and donate this property to the government. However, due to the uncertainty in this connection a classification of doubtful is given to this loan.				5,916.95	
180,000.00 Murray Rubber Company (For discussion of this loan see Campbell Line under Large Lines on Page 6). The result of last year's operations of this company were so disappointing that it would seem likely that the unsecured debt of the company would shortly become subject to some discount unless an earning power is developed. Owing to the uncertainty of the management being able to accomplish in a short time such a material improvement as would be necessary, part of the loan is classed as doubtful.			100,000.00	80,000.00	
-EXTRA SHEET PAGE 4-20-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1456 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,125.00 C. L. Nelson Collateral: Preferred and Common stock of the Citizens Hotel Company, which are regarded as of doubtful value. Loan has been reduced $375.00 since the preceding examination.			1,125.00		
409,706.85 E. B. Norman & Company Statement of the company dated 12-1-27 lists current assets $820,000.00, current liabilities $414,000.00, other assets $231,000.00, mortgage and deferred indebtedness $175,000.00, net worth $397,000.00. It will be noted that the current ratio is inverted and that the debt is sharply in excess of the net worth. This company entered into a contract with a southern company for certain operations on a tract of timber, which was owned by the southern company. The contract provides that the subject company shall cut and deliver to the southern company all the timber on this tract of a specified variety, not less than twenty million feet, at a specified price of $22.00 per thousand feet. After performance of this contract the subject company is to have title to the remaining timber on this tract, as well as title to the land itself. The timber has recently been cruised by experts, who reported that there is more than enough of this specified variety of timber to fulfill the contract for the twenty million feet. As a guaranty, subject company placed $100,000.00 in escrow, and it was stated that during the coming summer the subject company would begin to draw down portions of th' $100,000.00 as the contract is nearing completion. As collateral security on this line this bank holds sundry invoices aggregating $95,846.15, covering shipments of lumber, and the company's note of $270,000.00, secured by chattel mortgage on cut lumber. It was stated that the company now has			409,706.85		
-EXTRA SHEET PAGE 4-R1-					
TOTAL.					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—REVISED
Form 1458 C

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
E. B. Norman & Co. (Cont'd) on hand 6,000,000 feet of cut lumber and that the average selling price of this product last year was $47.00 per thousand feet. On this basis the value of the cut lumber would be $300,000.00. In the absence of information to the contrary, it would seem that the amount of lumber on hand would represent at least one year's cut for this company and that it is not moving to the market as rapidly as would be desirable. The statement of the company also shows a gain to net worth for the year of practically $62,000.00. At this time the loan is classed as slow and is regarded as an undesirable credit for this bank. It may be said, however, that this large loan is in connection with working out a debt previously contracted by the company.					
2,350.00 E. B. Norman, Jr. Collateral: 45 shs. E.B. Norman Company. (See first above). $100.00 reduction since last examination.			2,350.00		
6,000.00 E. B. Norman Endorsed A. E. Norman, Jr. J. V. Norman signs $3,300.00. Collateral: 218 shs. E.B. Norman & Company. (See second above). J. V. Norman is regarded as abundantly good. $300.00 reduction since last examination.			6,000.00		
50,000.00 Norman Lumber Company			50,000.00		
18,918.46 Norman Lumber Company. Rediscounts of the Norman Kiln Drying Company. Statement of the company dated 12-31-27 lists current assets $89,600.00, current liabilities $57,800.00, other assets $70,000.00, net worth $159,000.00. The other assets consist chiefly of stock in subsidiary companies. The ratio is poor and the loss to net worth for the year is shown as $11,200.00.			18,918.46		
-EXTRA SHEET PAGE 4-28-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1488 C

No. of Bank, 3512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
5,750.00 A. E. Norman, Jr. Collateral: 92 shs. Norman Lumber Company. (See first above). Collateral is of a non-liquid type. A reduction of $250.00 was made since last examination.			5,750.00		
17,000.00 Norman Kiln Drying Company Endorsed E. B. Norman, A. E. Norman, Jr. and J. V. Norman. The latter party is said to have an outside worth of $150,000.00. Statement of the company dated 12-31-27 lists current assets $22,800.00, current liabilities $21,900.00, real estate and improvements $108,600.00, net worth $71,700.00. Earnings given as $25,000.00 before taxes. The ratio does not furnish a commercial credit. However, the company is making money and it was reported to your examiner that the company made $6,000.00 in the month of February this year.			17,000.00		
275.00 P. M. O'Bryan Collateral: $600.00 in notes regarded as having no value. Reduced $125.00 since last examination.			275.00		
42,397.10 Parkway Lumber & Construction Company. Endorsed Louis Rosenburg, Frank Robenson and E. H. Ortner. Collateral: 1,122 shs. Standard Mortgage Company and sundry lien notes aggregating $36,456.98. The Standard Mortgage Company stock at the market quotation is worth $32,538.00. Statement of the company dated 8-31-27 lists bills and accounts receivable $112,800.00, current liabilities $415,000.00, real estate $486,000.00, machinery and equipment $19,300.00, net worth $804,000.00, net profits $45,800.00. Loan has been reduced about $4,000.00 since the preceding examination.			42,397.10		
-EXTRA SHEET PAGE 4-23-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1458 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
11,000.00 Parkland Tire & Rubber Company Endorsed Henry W. Imerde. $6,000.00 of the debt is also endorsed by Ben H. and Wm. J. Imerde and A. F. Faure. Statement of the company dated 12-31-27 lists current assets $42,700.00; current debt $45,400.00, of which $10,700.00 is due to the endorser, Henry W. Imerde; machinery and equipment $24,100.00; net worth $18,000.00. The company suffered a further loss in 1927, the loss being $8,516.09, and the original capital of $75,000.00 now being impaired to the extent of $27,000.00. It was stated to your examiner that the endorsements will protect the bank from loss on this loan.			11,000.00		
203.05 Elliott Pennebaker	203.05				203.05
28,400.00 Progress Chair Company Endorsed L. A. Rosenbaum. As stated in report of the preceding examination, this company is being liquidated. A report on the matter at this time indicates that the bank may expect to realize about $4,400.00 on this debt. The balance classed as loss and charged off.	28,400.00		4,400.00		24,000.00
240.00 E. H. Ray Collateral: $4,000.00 Michigan Railway Company, 6's, (in default). The market value of the collateral is about $360.00.	240.00		240.00		
27,914.00 Reutlinger & Co. Loan			27,914.00		
22,601.28 Reutlinger & Co. Rediscounts. Collateral: Sundry securities having estimated market value of $30,329.00, Also $1M Union County Mining Co. 1st Mtg.6's, due 1939 and $600.00 lien note. Direct loan not well margined and it is noted that the rediscounts include notes of Trumbo, Schupp & Schmidt. (See their loan in this schedule. Rediscounts reduced during this examination to amount classed as slow.			10,540.80		
-EXTRA SHEET PAGE 4-24- TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
175.00 Jacob Schuckman Loan has been due since 3-4-27 and collection should be made.	175.00		175.00		
1,542.15 Shapin Manufacturing Company Company is in liquidation and loan has been reduced $454.85 since the preceding examination.	1,542.15		1,542.15		
5,000.00 C. A. Singer Secured by mortgage taken for D.P.C. on two pieces of real estate, one of which is valued at $7,000.00, with prior liens of $2,250.00. The other parcel is valued at $7,500.00, with prior liens of $4,100.00.			5,000.00		
1,609.27 Southern Engineering Company Elmore Sherman is endorser on $600.00. Balance secured by a chattel mortgage on machinery.			600.00	1,009.27	
6,500.00 Standard Lumber Company Endorsed R. Carnahan. Statement of the company dated 12-31-27 shows a current ratio of 1.86 to 1. No operating figures are given, but a loss to net worth of $2,400.00 is noted. A comparision of this statement with the one for the preceding year shows a reduction in current assets and current liabilities of practically the same amount. However, the fixed assets show a book increase of $98,400.00 and depreciation reserve shows an increase of $84,000.00. The loan has been reduced from $10,000.00 since the preceding examination and $500.00 was paid on this loan during this examination.			6,000.00		
95,500.00 Standard Mortgage Company Endorsed Max L. Simons. Collateral: $354,229.46 of second mortgage real estate notes on improved property, of which amount $70,814.18 is past due.			95,500.00		
-EXTRA SHEET.PAGE 4-28-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1432 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Standard Mortgage Co. (Cont'd) This collateral is held to secure the above debt and $20,500.00 of notes sold to others for investment. Loan has been reduced $21,500.00 since the last examination.					
150.00 Clarence C. Steinbach Collateral: 5 shs. E. B. Norman Company. Reduced $100.00 since last examination.			150.00		
925.00 C. B. Stelgenpohl Endorsed A. J. Stelgenpohl and John Small. Collateral: $1,160.00 unsecured note, due 3-26-27. Loan has been reduced $125.00 since the preceding examination.			925.00		
980.31 F. H. Straub Laura A. Straub endorses $125.00. Is said to have an equity in her home. Loans are with attorney for collection.	852.31			980.31	
7,500.00 Strube's Garage Endorsed E. B. Strube. Collateral: 195 shs. Strube-Pettit Motor Company. The real estate of the Strube-Pettit Motor Company is valued at $100,000.00, subject to a prior lien of $26,000.00. The net rental is about $195.00 per month. The stock pledged as collateral represents a one-half ownership of the concern. There has been no reduction in this loan in two examinations.			7,500.00		
15,438.88 A. V. Thomson Endorsed C. C. Hiestt. Collateral: 1,250 shs. Fidelity Oil Company (par $1.00). (80% paid in liquidation), $1,000.00 Church of Christ Bond, 5 shs. Weatherby-McKennie Company. (In liquidation). The maker is deceased and the estate is being held by the trust	15,438.88		13,238.89		
-EXTRA SHEET PAGE 4-26-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1486 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
A. V. Thomson (Cont'd) department of this bank. The estate is said to be solvent. $2,197.84 was paid on this loan during this examination. 52.03 Wm. V. and S. S. Thompson	52.03				52.03
990.11 Thraves, McCullough & Lancaster	990.11		990.11		
40,472.51 W. V. Thraves Secured by mortgage on 220 acres of land near Lexington, Kentucky, having valuable improvements. There is a prior lien of $60,000.00. The owners of the property have resisted selling it and it may be necessary to arrange a foreclosure of the mortgage in order to liquidate this undesirable asset. The paper is held by attorneys for collection.	40,472.51		40,472.51		
216,090.74 Trumbo, Schupp & Schmidt Endorsed Giles B. Van Cleave.			216,090.74		
8,000.00 Giles B. Van Cleave Endorsed Trumbo, Schupp & Schmidt.			8,000.00		
50,000.00 J. Dolfinger Company Endorsed Giles B. Van Cleave.			50,000.00		
152,417.17 J. Dolfinger Company Endorsed Giles B. Van Cleave.			152,417.17		
8,950.00 Giles B. Van Cleave Collateral: 199 shs. Gold Trading Stamp Company, which is said to have sufficient value to protect this loan. The following collateral is held to secure the entire line listed above: $300,000.00 mortgage on 13 acres of subdivision property, subject to a prior lien of about $11,000.00, 325 4/7 shs. Bucks Stove & Range Company, Com., 315 5/7 shs. Bucks Stove & Range Company, 6%, Accumulative Pfd. The total line, exclusive of the loan secured by Gold Trading Stamp stock, aggregates $426,807.51, and there are said to be other			8,950.00		
-EXTRA SHEET PAGE 4-29- Total.					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1455 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Giles B. Van Cleave (Cont'd), claims aggregating $70,000.00. The management is giving this line intensive attention to liquidate the companies. Your examiner was informed that on the basis of present negotiations it is reasonable to expect that the accounts receivable of Trumbo, Schupp & Schmidt will be sold in total for $175,000.00, the inventory of Trumbo, Schupp & Schmidt for $45,000.00, and an offer of $75,000.00 has been made for a valuable leasehold which the company assigned to the bank. These items aggregate $295,000.00, and there are a few other small items to be liquidated. From the above, it would appear that the bank will have about $175,000.00 to be realized from the 15 acres of subdivision property. This property is valuable and is located in the highest grade residential section of the city. A local real estate firm has appraised the property at from $200,000.00 to $225,000.00, if sold as a whole, and from $200,000.00 to $210,000.00 as a subdivision. It was stated by an officer of the bank that this property would probably be listed with a local real estate firm for subdividing during the Spring. Nothing more definite than the above can be given in regard to this large loan at this time.					
1,750.00 J. C. Utterback Collateral: 40 shs. Palmer Hotel Company, Paducah, Kentucky. Reduced $100.00 since the preceding examination.			1,750.00		
200,000.00 Van Camp Packing Company Unsecured. (For discussion of this loan see Campbell Line on Page 6, under Large Lines).			200,000.00		
The credit files of the bank contain neither a financial nor an operating statement to disclose the fact that the loan is or is not subject to criticism, nor to show that it is not doubtful, and the classification is an arbitrary					
-EXTRA SHEET PAGE 4-B-					
TOTAL.					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8212

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Van Camp Packing Co. (Cont'd) one. It is known, however, that in previous contacts with Mr. W. D. Campbell, who controls the management of the maker company, that this bank has acquired some assets of doubtful value.					
$76.50 Forrest E. Vaughn Charged off during this examination.	$76.50				$76.50
$3,215.50 Robert F. Vaughn Collateral: 335 shs. Hoffman Heater Company, Com. Collateral is regarded as of uncertain value. Reduced $301.85 since the preceding examination.			$3,215.50		
40,000.00 H. Verhoeff & Company Endorsed R. M. Hartwell and John S. Green. This company has been in process of liquidation for about one year. The bank is handling the estate of one of the endorsers in the trust department, and from this source will receive $17,494.85. This will leave about $22,506.00 to be realized from the assets of the company. In a statement dated 1-31-30 the assets are listed at $36,997.25, of which amount $26,666.45 is composed of accounts receivable. Owing to the lack of progress made in realizing on the assets of the company during the past year, it would seem that there is some doubt of this amount being realized therefrom and $10,000.00 is classed as doubtful.	40,000.00	30,000	30,000.00	10,000.00	
$99,900.00 White & Associates (See Large Lines).			99,900.00	150,000.00	
$6,900.00 W. B. Willis Collateral: 234 shs. Chase & Wymond, Com. Collateral thought to have only negligible value. $600.00 paid on the loan since the last examination.			6,900.00		
-EXTRA SHEET PAGE 4-30-					
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1406 C

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$0,827.77 E. H. Woods (This loan described on Page 4-29 of report of examination began 10-14-27). This loan is secured by a mortgage on 2,500 acres of land in Allen County, Kentucky, subject to prior lien of $41,700.00. It is reported that this land is very good farming land and has sufficient value to protect both mortgage debts. The difficulty is in finding a purchaser during this period of depressed farming conditions.			$0,827.77	$0,000.00	
8,000.00 Amos Yeager Statement of 1-1-28 lists current assets $41,700.00, current liabilities $29,700.00, net worth $17,700.00. A net profit is shown of $6,654.87, but net worth shows a loss of $3,600.00. Statement is poor, and apparently money is being drawn out which should be left in the business.			8,000.00		
100,000.00 S. Zorn & Company			100,000.00		
135,000.00 Gold Proof Milling Company Endorsed S. Zorn & Company. S. Zorn & Company also have a loan for $140,000.00, secured by grain. The Gold Proof Milling Company loan is collateraled by $140,000.00 1st mortgage bonds on the plant of the company. The plant is valued at $215,000.00 and the bond issue is $170,000.00. Statement of S. Zorn & Company dated 3-1-28 shows current assets $345,000.00, current liabilities $245,000.00, with a net worth of $112,000.00. The amount of credit advanced to these companies is believed to be entirely too large in proportion to their assets. It was stated that the company would obtain a new loan on its fixed assets and that the loans in this bank would be cleaned up, with the exception of the amount loaned on grain. It would appear to be highly desirable that such an arrangement be effected. -EXTRA SHEET PAGE 4-30-			135,000.00		
TOTAL					

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
5,770.00 Georgia National Bank Bank holds cashier's check aggregating $2,685.99. It was stated that a further liquidating dividend would be paid on the bank's claim and that a compromise on two of the discounted notes held by the bank would probably realize sufficient to pay the above debt.	5,770.00		5,000.00	770.00	
137,001.56 carried at 46,019.56 Planters Bank, Clarksdale, Miss. This claim has been reduced $11,107.37 since the last examination. It is not easy to determine what will be realized from the liquidation of the assets but it is thought probable that a further small loss may be sustained.	46,019.56		40,000.00	6,019.56	
10,854.81 Peoples Bank, Springfield, Tenn. Your examiner was advised that a 5% liquidating dividend is expected and that from $12,000.00 of collateral not on hand it is thought at this time that the balance of the debt may be realized.	10,854.81		10,854.81		
1,750.00 Jas. H. and H. C. T. Richmond Wm. H. Stumpte endorses $1,000.00. Stumpte is said to be responsible.		1,750.00	1,000.00	750.00	
-EXTRA SHEET PAGE 6-81- TOTAL	951,489.94	96,239.99	4,640,844.25	708,186.81	181,896.88

TREASURY DEPARTMENT
CONTROLLER OF THE CURRENCY—CLASSIFIED
No. 1488.—Page 1

Exhibit 15

No. of Bank, 2513

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate
-SEE EXTRA SHEET-		

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.

Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility, under Section 5239, U. S. R. S., for all loans contained on excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	200,536.42
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	198,253.05
3. Aggregate amount on which real estate security has been taken in violation of law, (Include unlawful real estate bonds.)	90,337.77
TOTAL,	489,127.24

* These loans need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
-SEE EXTRA SHEET-							
TOTAL,							

Are properly executed certificates (Forms 1415, 1416, 1416a) attached to loans? No

9—1209

Exhibit 15

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1480.—Reports.—Ed. 25,000—F. C., Oct. 24-12.

No. of Bank 5812 , *Date of Report* March 9, 1928.

EXCESSIVE LOANS.

Kentucky Jockey Club. (Carried at the Main Office, 5th & Main).	Direct loan.	$254,000.00
Kentucky Jockey Club. (Carried at 44th Street Branch).	Direct loan.	156,800.00
Kentucky Jockey Club. (Loan carried in Bonds, Securities, Etc.)		800,000.00
	Total	$610,800.00

Wakefield & Company 100,000.00
Collateral: $100,000.00 certificate of deposit of this bank.
Wakefield & Company. Cash item. 36,960.00
J. M. Greer 300,000.00
Collateral: *5,000 shs. Louisville Gas & Electric Company, 'A', Com.,
*3,478 shs. Van Camp Packing Company, Pfd.,
929 shs. Kentucky Jockey Club, Pfd.,
*1,500 shs. Continental Oil Company,
100 shs. L. & N. R. R.,
*1,000 shs. Van Camp Packing Company, Com.

* In name of Wakefield & Company.
\# In name of Jas. B. Brown.

Mrs. L. I. Harris . 300,000.00
Collateral: # 270 shs. Wells-Kilborn Coal Company,
*4,000 shs. National Candy Company, Com.,
*2,500 shs. Continental Oil Company,
*8,100 shs. Van Camp Packing Company, Pfd.,
*1,000 shs. Van Camp Packing Company, Com.
(Van Camp Packing Company discussed under Campbell Line on Page 6-1).

* In name of Wakefield & Company.
\# In name of Jas. B. Brown.

The J. M. Greer and Mrs. L. I. Harris loans were classed as accommodation loans for Wakefield & Company in the report of examination begun 4-23-27, which classification was sustained by your office, and the management instructed to reduce the loan to the lawful limit. During this examination the Wakefield & Company loan has been reduced to within the legal limit.

Total $736,960.00

-EXTRA SHEET PAGE 5-1-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1436.—Reports.—Rd. 20,000—F. C., O. t. 24-22.

No. of Bank 0812 *Date of Report* March 9, 1932.

LARGE LINES.

KENTUCKY JOCKEY CLUB LINE.

Kentucky Jockey Club. Excessive Loan shown on Page 8-1.		$410,000.00
A. E. Letts Collateral: $320,000.00 Kentucky Jockey Club Notes.		320,000.00
Lincoln Field Jockey Club.	(Carried in Loans).	225,000.00
do	(Carried in Bonds & Securities).	150,000.00
	Total	$1,375,000.00

There has recently been a consolidation of five race tracks, including the two mentioned above. The new corporation is known as the American Turf Association. It was stated to your examiner that the refinancing will supply sufficient working capital and that all of these loans will shortly be paid in full.

-EXTRA SHEET PAGE 8-B-

To the Comptroller of the Currency,
Washington, D. C.

Examiner

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480—Reports.—Ed. 8,500—F. C., Cat. 24-1a.

No. of Bank 8812 *Date of Report* March 9, 1928.

OTHER LOANS ESPECIALLY MENTIONED.

Guy D. Atkisson — $10,000.00
No statement on file. The records show that maker owns a piece of real estate assessed at $8,800.00 and mortgaged for $10,000.00. He carries a checking account with the bank, which has lately averaged $6,000.00.

Bankers Trust Company — 136,900.00
Collateral: Bonds having market value of $19,800.00; $21,005.99 of first mortgage real estate notes and $134,600.00 of maker's first mortgage bonds.
Of the first mortgage bonds, $800.00 were issued in 1925, $4,100.00 issued in 1926, $15,600.00 issued in 1927, $72,200.00 issued from 1-1-27 to 8-29-27 and $21,000.00 issued from 10-4-27 to 2-17-28. This indicates that the company does not have a ready market for its bonds. It was stated to your examiner that these bonds are issued on a conservative basis and that they have good merit, but that the company is confronted with the problem of creating a ready market for its issues.

Calvin F. Boles. C. E. Choens, surety. — 19,837.71
Money was used to purchase a home and has not been reduced since 1-27-27. Surety is said to be good but has no statement on file with the bank.

A. Brandeis & Sons — 235,000.00
Endorsed Alfred Brandeis.
The loan has collateral with an estimated market value of $120,275.00. The statement of the company dated 12-31-27 shows a net worth of $300,200.00, and the assets are composed principally of stocks and bonds carried in the statement at $332,000.00, and real estate carried in the statement at $181,000.00.
Statement indicates that advances to the firm should be made on a collateral basis.

Geo. M. Clark — 233,000.00
Collateral: 800 shs. Standard Oil of Kentucky,
151 shs. Louisville Title Company,
626 shs. Merchants Ice & Cold Storage Company.
The market value of the collateral is estimated at $171,267.00, which does not furnish sufficient collateral for the loan.

James T. Clark — 47,000.00
Collateral: 400 shs. Standard Oil of Kentucky,
20 shs. Majestic Theatre Company, Com.
The market value of the collateral does not furnish the proper margin for the loan.

Duffy Ice Company — 12,000.00
Endorsed Thomas J. Duffy.
Statement dated 10-1-27 shows current assets $6,500.00, current liabilities $30,900.00, fixed assets $70,600.00, investments $18,300.00, mortgage debt $15,000.00, net worth $49,700.00.
This statement does not compare favorably with the one rendered for the preceding year. Net profits of $16,500.00 are shown, and a loss to net worth of $6,900.00.

Falls City Plumbing & Supply Company — 15,000.00
Endorsed L. P. Hyman.
No new statement has been filed since the preceding examination, at which time loan was described on Page 4-15. The loan has been substantially reduced and bank is asking payment of the balance.

-EXTRA SHEET PAGE 6-6-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT
Comptroller of the Currency — Washington
Form 48.—Rd. 10,000—Apr. 30-28.

No. of Bank, 8818

LIST OF REAL ESTATE LOANS

1 Name of borrower.	2 Amount of loan.	3 Prior liens.	4 Estimated value of property.	5 Date mortgage taken.	6 Maturity of mortgage.	7 State whether secured by improved farm or other property.	8 Is property located within legal boundary.
#1							
Olaf Andersen	10,459.38		175,000.		Serial	Other	D.P.C.
Badger Aluminum Co.	7,500.00		8,000.	2-28-24	1-27-27	Farm	"
Clay County Co.	15,460.00		16,000.	2-15-24	Serial	City	"
Columbia Phosphate Mining Co.	15,288.00	$60M	75,000.	2-21-25		Other	"
Fehr Realty Co.	3,061.80		7,000.	1-18-27	4-20-28	City	"
Fehr Realty Co.	15,208.80			1-18-27	2-19-28	Other	"
Harlan Coal Co.	41,563.49			9-10-26	8-6-28	Other	"
Magic Soap Co.	14,000.00	$25M	26,000.		10-24-28	Other	"
G. B. Reeves	5,000.00		12,000.	2-16-22	2-16-28	Other	"
Edwin Ritter	7,691.84			9-8-25	7-2-28	City	"
C. A. Singer	8,000.00	6,250.	14,500.	2-1-28	2-1-29	City	"
Eugene J. Stevens	22,000.00		120,000.	4-8-27	4-8-30	City	"
W. V. Threves	40,472.81	$60M	120,000.	2-2-25	Serial	Farm	"
	200,536.48						
#2							
J. Morgan Chinn	6,259.05						
Congregation of the Resurrection	36,297.95						
General Realty Co.	131,381.67						
Frank B. Hower	2,250.00						
H. F. Marx Mfg. Co.	1,284.45						
Jos. E. Unsbaak	134.00						
	196,565.05						
#3							
E. H. Woods	90,287.77	41,700.	135M	2-8-27	2-8-28	Farm	Yes
TOTAL							

EXTRA SHEET PAGE 2-B

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488.—Page 3

No. of Bank, 8818

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
-SEE EXTRA SHEET-		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

-SEE EXTRA SHEET-		

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 2,000—F. C., Oct. 24-28.

No. of Bank 9818 *Date of Report* March 9, 1928.

LARGE LINES.

KENTUCKY WAGON COMPANY LINE.

RECAPITULATION:

Kentucky Wagon Manufacturing Company. (Claim carried in Bond Account).	$207,617.14
Kentucky Wagon Manufacturing Company. Overdraft.	10,103.93
Kentucky Wagon Manufacturing Company. (Carried in loans).	460,586.09
National Motors Corporation. (Carried in loans).	311,578.47
Associated Motors Company. (Bond carried in Bonds, Securities, Etc.).	358.83
Kentucky Wagon Manufacturing Company.	3,651.43
Endorsed Associated Motors Industries: W. E. Massey	7,500.00
Endorsed Kentucky Wagon Manufacturing Company. R. C. Kinkead	1,964.85
Endorsed Kentucky Wagon Manufacturing Company. National Motors Corporation	86,000.11
Endorsed Kentucky Wagon Manufacturing Company. National Motors Corporation	22,350.00
Endorsed Jas. R. Duffin, Robert V. Board and Wm. E. Massey. Kentucky Wagon Manufacturing Company. Unmatured rediscounts.	8,226.42
Kentucky Wagon Manufacturing Company. (Discounted by Louis P. Hynes Company).	404.00
Total	1,015,481.06

(This line is discussed under Slow and Doubtful Paper and Losses on Loans).

CAMPBELL LINE.

The reasons for including these various items under one line have been fully set forth on Pages 6-1 and 6-2 of the report of examination which was begun 10-14-27.

Cadet Knitting Company 100,000.00
Guaranteed by Campbell Heath & Company.
Report of examination begun 10-14-27, Page 6-1, sets forth various items composing the 1-1-27 statement. No later statement was found in the credit department of the bank. Requests for payment of this loan have been made by the bank for the past few months, but it has not been able so far to obtain payment. During this examination the paper was extended to mature $25,000.00 in April, $30,000.00 in May, and $45,000.00 in June, and the officers of the Cadet Knitting Company made positive promise that the paper would be paid as it matures.
As was stated in the report of the last examination, the latest statement on file indicates a basis for commercial credit. The fact that the company has not obtained credit elsewhere to lift the debt in this bank is not reassuring. If the statement above referred to represents sound values, it would seem likely that the company could have obtained this money elsewhere.

Campbell Heath & Company 100,000.00
Collateral: $100,000.00 Murray Rubber Company, 1st Mortgage, 7% bonds, due 1942,
250 shs. Murray Rubber Company, Pfd.
The collateral on this loan is regarded as being undesirable, owing to the fact that there seems to be no ready market for the bonds or stock,

-EXTRA SHEET PAGE 6-1-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1459.—Reports.—Ed. 2,000—F. C., Oct. 24-12.

No. of Bank 6818 *Date of Report* March 9, 1928.

LARGE LINES.

CAMPBELL LINE (Cont'd)

Campbell Heath & Company (Cont'd)
and also because of the financial condition of the Murray Rubber Company, which is more fully discussed under the loan of Murray Rubber Company hereinafter described in this Large Line.

Wm. D. Campbell — 40,000.00
Collateral: 4,000 shs. Van Camp Packing Company, Pfd.
The market on this stock at the present time is given as 5 bid and 10 ask, which would not give sufficient value to the collateral to cover the loan. It is believed that under the present condition of the Van Camp Packing Company that its stock does not furnish satisfactory security for a bank loan, as there is no market for it; in fact, your examiner knows of no trades in this stock having been made for some time. It seems to be held in the hands of a few individuals and trade in this stock would be subject to the usual bickerings incident to a private trade. Under such circumstances it can not be regarded as satisfactory collateral for a bank loan.

Albert Latta — 20,000.00
Collateral: 2,000 shs. Van Camp Packing Company, Pfd.

J. M. Greer — 15,000.00
This is part of the $300,000.00 loan listed in the excessive loan to Wakefield & Company.
The collateral on this loan aside from the Van Camp Packing Company stock would furnish a 20% margin on a loan of $225,000.00. The remainder of the loan is included in this large line as being collateraled by Van Camp stock.

Mrs. L. I. Harris — 150,000.00
This is one-half of the $300,000.00 loan listed in the excessive loan to Wakefield & Company, and the portion of the loan included here is arrived at on the same basis as the Greer loan listed first above. On this loan a value of $200.00 a share is given the Wells-Kilhorn Coal Company stock, although it has no ready market.

Van Camp Packing Company. Unsecured. — 200,000.00
do Secured by crude cottonseed oil. — 89,919.80
This company is controled by W. D. Campbell. He has persistently refused to furnish a statement of the company, and therefore your examiner has no means of classifying the loan. It is represented that the company is good and could pay the unsecured obligation on demand. Such a situation, however, is not satisfactory, as complete and detailed information should be had by the bank on all loans of this size. The loan is a steady one and is never reduced or paid out.

Murray Rubber Company — 150,000.00
Endorsed Rev. Murray, Jr.
During this examination an additional $125,000.00 was loaned to the Murray Rubber Company, secured by assigned accounts.

$500,000.00 Murray Rubber Company, 1st Mortgage, 7's, due '44. Carried in Bond Account at — 326,499.00
A statement of this company dated 2-29-28 lists current assets $978,000.00; current liabilities $644,000.00; fixed assets $1,896,000.00; mortgage bonds outstanding $750,000.00; net worth $1,548,000.00, represented by $500,000.00 preferred stock and $1,000,000.00 common stock, which is impaired to the extent of $125,000.00.
The statement indicates a loss to net worth of $220,000.00 for the eleven months beginning 4-1-27. It is also noted that on 12-31-26 the surplus account of this company stood at $322,000.00 and the capital structure is now the same as at that date. Unless this company can be made to earn a profit, and that done quickly, it is feared that not only the stock of the

To the Comptroller of the Currency, Washington, D. C. -EXTRA SHEET PAGE 6-B- Examiner.

Exhibit 15

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 11,000—F. C., Oct. 24-25.

No. of Bank 9312 *Date of Report* March 8, 1928.

LARGE LINES.

CAMPBELL LINE (Cont'd)

Murray Rubber Co. Bonds (Cont'd)
company will be worthless but the bonds and current debt of the company will represent some hazard to the holders. In view of the poor showing made last year, the outlook is extremely discouraging.
It was reported to your examiner that the parties interested in this company will put $250,000.00 new money into it, and that they are optimistic and have entire confidence that they will place this company on a paying basis, and that very shortly. Your examiner cannot believe that such an outstanding improvement will be accomplished.
Mr. D. Campbell is a director in the Murray Rubber Company.

$100,000.00 Liberty-Washington-Cedar Street Corporation, 2nd Mortgage Bonds. 100,000.00
Guaranteed by White & Associates.
This item is carried in the Bonds & Securities Account and are part of a total issue of $250,000.00 2nd mortgage bonds, subject to a prior lien of $110,000.00. The amount originally held by this bank was $125,000.00. The bonds are due serially and all maturities of principal and interest have been met. This lends confidence to the belief that the bonds will eventually be paid. This bank has received payment for $6,500.00 since the preceding examination.
No value is attached to the guarantee of White & Associates.

Industrial Ownership Corporation 149,950.00
Collateral: 6,597 shs. Van Camp Packing Company, Com., and 38,000 shs. Calco Chemical Company.
This item is carried in the Bonds & Securities Account.
The Van Camp Packing Company is a Campbell enterprise. The Calco Chemical Company is a dye works located in an eastern State. It was built by the United States Government during the War at a large price and was sold after the War at a very low price. The company has not been able to operate profitably, and unless it can be put upon a paying basis the stock can be considered as possessing only negligible value. The common stock has a book value of a little more than $7.00 a share, after deducting from net worth $829,000.00, which represents goodwill, deferred charges, and development and research items carried in the assets. The statement of 12-31-27 reports profits of $289,000.00 before charges of $95,000.00 for depreciation and research reserves, leaving a net to surplus of $196,000.00.

Sundry stocks and bonds carried in the Bond Account at $175,000.00. 100,000.00
Of these stocks, the following were acquired directly or indirectly through Campbell or Campbell Heath & Company:
500 shs. Industrial Ownership Corporation,
500 shs. Murray Rubber Company, Pfd.
Your examiner was able to ascertain a value of about $75,000.00 for stocks held in this account other than the Campbell stocks, hence has charged the Campbell Line with only $100,000.00. In valuing these stocks under Bonds & Securities your examiner has classed $75,000.00 as doubtful and $25,000.00 as loss.

White and Associates 949,900.00
Endorsed W. D. Campbell.
Collateral: 554 shs. Cadet Knitting Co., Pfd., Total of line. 1,801,268.80
$50M note of W. D. Campbell,
$50M note Liberty-Washington-Cedar St. Corp.,
$25M note Hanes Bldg. Corp.,
$11M certificate of deposit of this bank,
750 shs. Liberty-Washington-Cedar Street Corp.,
$154,800.00 note of Campbell Heath & Co., secured by
57,082 shs. Cadet Knitting Co., Common,
4,069 shs. Murray Rubber Co., Common.
Aside from the $11M certificate of deposit, the collateral is of such a nature that its value is exceedingly difficult to determine. This bank

-EXTRA SHEET PAGE 6-B-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 21,000—F. C., Col. 24-22.

No. of Bank 9818 *Date of Report* March 9, 1938.

LARGE LINES.

CAMPBELL LINE (Cont'd)

White and Associates (Cont'd)
holds $100,000.00 of second mortgage bonds of the Liberty-Washington-Cedar Street Corporation and from the fact that this issue is being retired serially it is assumed that the equity in this property is being increased and that the value supporting the note and stock of this corporation is increasing. However, no further data in regard to this corporation was available to your examiner. It is apparent that a very large portion of this loan is dependent upon the stock of the Cadet Knitting Company. Just what this is worth your examiner is unable to say. The statement of the company was listed on Pages 6-1 and 6-2 of report of examination begun 10-14-37, since which date no newer statement was available. This statement shows a book value of $11.80 a share for the common stock, but this amount is not thought to be of any benefit in arriving at the realizable value of the stock. (See comments on the Cadet Knitting Co. above). At the last examination it was reported that the Cadet Knitting Company was about to enter a consolidation through which a price would have been paid for the stock that would have enabled Campbell to have liquidated this debt. However, this arrangement was not consummated and it is reported that the present plan of liquidating this loan is to place the stock in small amounts with individuals. It is hoped that some favorable action will be had on this loan.

The above listed line of credit includes loans amounting to $450,000.00 made on an unsecured basis to corporations. The statements of the makers and/or other circumstances in connection with the loans indicate that the loans do not constitute proper investments of the funds of a bank. Another portion of the line amounting to $436,400.00 is composed of mortgage bonds, which are considered to be undesirable assets for a national bank for the reason that there appears to be no ready market for the bonds; one issue is a junior lien, and while maturities are being met when they become due, the margin of security is not thought to provide the proper protection, although complete data in regard to the issue is lacking. The other issue is subject to the criticism of the matter of security, as the financial condition of the company and other auxiliary data indicates that the supporting security may not only be undesirable but may prove to be inadequate. The remaining portion of the line amounts to $854,650.00 and is composed of loans, collateraled in, most part by certain stocks, and direct ownership of other stocks. The major criticism is the matter of security. The discussion of the various items above shows the difficulty in arriving at values and the question of whether the values are sufficient to protect the loans held by the bank has not been sufficiently determined for the satisfaction of your examiner. The stocks apparently do not have readily realizable value, as there is no ready market for them at prices which would pay out the above debts. Another factor is that the stocks are reported as being held in large blocks in the hands of a few individuals, who control the affairs of the companies. Under such circumstances the matter of selling the stocks would involve the matter of selling control of the companies, and negotiations for such a procedure would be subject to the bickerings incident to a private trade, and the interest of this bank is quite substantially involved in such bickerings. Such a situation cannot be considered as a banking proposition. To say the least, it is a very undesirable condition for a national bank to have interest in such a matter, and with the additional criticism of the matter of adequate security, it behooves the management of this bank to give the above line its most careful and active attention.

-EXTRA SHEET PAGE 6-4-

To the Comptroller of the Currency,
Washington, D. C. *Examiner*

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1488.—Reports.—Ed. 10,000—F. C., Cat. 24-32.

No. of Bank 8812 *Date of Report* March 9, 1928.

OTHER LOANS ESPECIALLY MENTIONED.

2,180.00

Hugh B. Fleece
John H. Chandler endorses $200.00.
Collateral: 125 shs. Bankers Mortgage Company, the market value of which is estimated at $2,294.00, which does not give proper margin on the loan.

75,000.00

Gibbs-Inman Company
Statement dated 12-31-27 lists current assets $75,000.00, current liabilities $28,000.00, real estate and buildings $434,000.00, mortgage indebtedness $186,000.00, equipment and monotype metal $161,000.00, total reserves $135,000.00, net worth $436,000.00.
The statement does not indicate a commercial credit. However, the company is making some progress, the gain to net worth for 1927 being shown as $27,000.00.

208,000.00

Herald-Post Company
Endorsed James B. Brown.
Loan has not been paid out since 3-4-1924 and is a capital loan.

22,000.00

Hibbs-Kiefer Hat Company
Endorsed Harry C. Hibbs and Ky. B. Kiefer.
Statement of 10-1-27 lists current assets $94,000.00, current debt $38,000.00, net worth $97,000.00.
The accounts receivable are $86,700.00 and seem to be somewhat large for sales of $194,000.00. Net profits for the year shown as $1,700.00 and $6,000.00 was withdrawn from the business for dividends, representing 12% on the capital stock.

125,000.00

Hirsch Bros. & Company
The company manufactures catsup, pickles, etc. Audited statement of 12-31-27 lists current assets $672,000.00, current debt $210,000.00.
The company lost $101,000.00 in 1926 and $29,281.76 in 1927.

97,500.00

Hoffman Heater Company
The audited consolidated statement of the Hoffman Heater Company of Louisville and the Hoffman Heater Company of California dated 12-31-27 lists current assets $457,000.00, current liabilities $198,000.00, fixed assets $272,000.00, mortgage debt $69,000.00, net worth, after deducting goodwill and deferred charges $496,900.00.
Last year's operations resulted in a loss of $47,601.87. Company also lost money in 1926. While the current ratio is good, unless the company can be placed upon an earning basis the problem of disposing of an inventory may be presented. $5,000.00 was paid on the loan during the examination.

70,000.00

Indian Hills Development Company
This is a high-grade subdivision proposition. The company furnishes a memorandum under date of January 31, 1928, listing real estate at $872,000.00, showing bank debt $142,000.00.
This is a capital loan. Management stated that responsible individual endorsements would be obtained.

6,000.00

Irvine Construction Company
Endorsed James A. Wallace.
No financial statement on file, but the endorsement is believed to protect the loan, which has been reduced from $12,000.00 at preceding examination.

-EXTRA SHEET PAGE 6-7-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1220.—Reports.—M. 31,000—F. C. Co. 24-28.

No. of Bank 5513 *Date of Report* March 9, 1928.

OTHER LOANS ESPECIALLY MENTIONED.

Kentucky Book Manufacturing Company Endorsed W. E. Hamill. Statement of 12-31-27 shows current assets $18,900.00, current liabilities $13,300.00, real estate $14,100.00, other assets $24,800.00, net worth $39,500.00. Loan has been very steady in the bank and the profits of the company are small, being $2,040.00 for 1927.		7,500.00
Kentucky Public Elevator Company This loan was described on Page 4-19, report of examination begun 12-24-27, since which time no new statement has been filed. The loan has been reduced about $10,000.00 each year and $10,000.00 was paid during this examination.		70,000.00
Larimore Automobile Company E. T. Larimore endorses $4,000.00. Statement of 12-31-27 lists current assets $63,000.00, current debt $40,000.00, $10,000.00 reserves, net worth $31,847.49. Loss to net worth $1,800.00.		12,300.00
Kentucky Tobacco Warehouse Company.	Loan	65,500.00
do	Rediscounts	41,973.33
Collateral: $35,000.00 certificate of deposit of this bank, and sundry bills receivable aggregating $17,500.00. No new statement of this concern has been filed since last examination, at which time it was described on Page 6-9. A personal statement of E. T. Larimore dated 11-24-26 lists real estate valued at $54,200.00, there being a $10,000.00 lien on a farm included in this item at $31,800.00; stocks listed at $102,800.00, part of which are pledged to secure $40,000.00 loan; miscellaneous assets $13,000.00; owing $9,000.00 to banks.		
C. A. Koerner Company Collateral: $30,000.00 note Herald-Post Company, endorsed by James B. Brown, which matured 10-8-28.		64,018.67
Munn Insurance Agency Endorsed Owen R. Munn, Louis Grossman, A. H. Reinert and Jacob A. Cohen. Statement of 12-31-27 lists current assets $56,600.00, current liabilities $22,100.00, net worth $30,000.00. Net profits for 1927 are shown as $25,400.00. Loan has been continuous in the bank since 1925 and shows a further increase since last examination of $2,000.00.		12,500.00
Annie Long Peabody and J. R. Peabody Collateral: 100 shs. Centrifugal Pipe Corporation, 1 diamond Lavaliere. The value of the collateral is not sufficient to cover the loan. No reduction since the previous examination.		7,915.00
Henry Pilchers Sons Endorsed W. E. Pilchers. Statement of 12-31-27 shows current assets $430,000.00; current liabilities $349,700.00, of which $120,000.00 is collateral trust notes secured by pledge of bills receivable; fixed assets $151,000.00, mortgaged for $37,806.00; net worth $410,000.00, after deducting $305,000.00 carried as goodwill. A large part of the current assets is composed of notes and accounts receivable with long deferred payments. Most of these, however, are due from churches and are good. The profits of the company for 1927 were meagre, being $12,800.00 after preferred dividends.		84,000.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 6-8-

Examiner.

Exhibit 15

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 8-30—F. C., Oct. 24-32.

No. of Bank 9812 *Date of Report* March 9, 1933.

OTHER LOANS ESPECIALLY MENTIONED.

Reed & Reed — 11,408.00
do — Rediscounts — 3,742.08
Makers are general agents for John Hancock Mutual Life Insurance Company. No statement is on file. The loan has been increased $8,906.00 since the preceding examination.

Stanley Reed and McKay Reed — 22,445.87
Collateral: 1,050 shs. Continental Oil Company, having an estimated value of $17,850.00.
The collateral does not protect the loan. The maker is a member of the firm of Reed & Reed.
(See above)

Standard Printing Company — 86,000.00 6/ -850-
Endorsed D. B. Rees and Edward Gottschalk.
Statement of 12-1-27 lists current assets $422,000.00, current liabilities $278,000.00, fixed assets $449,000.00, bonded indebtedness $150,000.00, reserve for depreciation $168,000.00, miscellaneous stocks and bonds $168,000.00, net worth $611,000.00.
Of the current assets, $226,000.00 is listed as accounts receivable. The sales are reported at $820,000.00. It is stated, however, that the major portion of the amount given as accounts receivable are various county warrants. The large amount on hand would indicate that they are not being collected as promptly as should be.

Starks Realty Company — 118,000.00 6/ -20,000-
Isaac F. Starks, surety.
Statement of the company dated 12-31-32 lists current assets $325,000.00, current liabilities $214,000.00.
The other principal item of assets is a down-town building in Louisville, valued at $3,100,000.00, mortgaged for $2,000,000.00.
$20,000.00 has been paid on this loan since the previous examination.

Sutcliffe Company — 70,000.00 ✓
Endorsed H. F. Willenbrink and George Bopchal.
Statement of 12-31-27 lists current assets $423,000.00, current debt $215,000.00.
The company did a business last year of $1,175,000.00 and show net profits of only $6,000.00.

Tip-Top Baking Company — 55,000.00
Endorsed by T. M. Murphy.
Statement dated 12-31-27 lists current assets $30.6M, current debt $21.6M, plant $198M, reserve for depreciation $21.6M, net worth $186M, after deducting $26M carried as goodwill.
This statement shows an improvement over the one for the preceding year, but the current ratio is still inverted. The net profits are reported as $26M, but a comparison of the two statements seems to indicate that substantial reserves were set aside during the year and that the progress made during the year is really better than as shown by the statement.

Wheeler Realty Company — 40,000.00 ✓
Endorsed by Blakemore Wheeler and W. C. Wheeler.
Statement of 12-31-27 lists current assets $18,248.00, first and second mortgage notes receivable $15,800.00, real estate $38,000.00, salesmens' accounts $18,800.00, open debt $48,000.00, net worth $42,800.00. Net profits for the year $1,480.07.
There is collateral having a market value of $28,000.00 on a loan of $8,000.00 of Blakemore Wheeler, which was sold by the bank to a country correspondent.

-EXTRA SHEET PAGE 8-9-

To the Comptroller of the Currency.
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1480.—Reports.—Ed. 11-30—P. C., Oct. 24-28.

No. of Bank 8818 *Date of Report* March 9, 1928.

OTHER LOANS ESPECIALLY MENTIONED.

T. L. Young $20,000.00
Collateral: 333 shs. Grassmide Creek Coal Company,
$25,000.00 note of L. H. Stone, due 7-10-28, secured by
800 shs. Wallens Creek Coal Company,
$25,000.00 note Hogden & Brooks Coal Company, due 1-25-25,
(in liquidation).
The loan has been continuous in the bank for some time. $200.00 has been paid since the preceding examination.

A. H. Hargis $1,870.84
This is a certificate of deposit of the Hargis Commercial Bank of Jackson, Ky., and is said to be a form of borrowing for the bank. As such, it should be put on a proper basis of a bank loan, i.e., on a collateral basis.

-EXTRA SHEET PAGE 6-10-

To the Comptroller of the Currency,
Washington, D. C. *Examiner.*

Exhibit 15

TREASURY DEPARTMENT
Comptroller of the Currency—Examiner
Form 7 Issue—Form 7

No. of Bank, 8818

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes*		Name of issuing corporation, character of mortgage, rate, and maturity		Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed on same. List any valuable securities charged off (See note below)
#6						
2,500,000.	2	U. S. Consols,	30.	2,500,000.00		To secure Circulation
#8						
50,000.	4½	4th L. L. Bonds		50,000.00	51,875.00	To secure U.S. Deposit
175,000.	4½	Trans. Bonds, 47-52.		175,000.00	206,906.25	" " " "
				225,000.00	254,781.25	
#7						
2,400.	5½	1st L. L. Bonds		2,400.00	2,488.16	
4,800.	4½	" " "		4,800.00	4,488.80	
184,700.	4½	2nd L. L. Bonds		184,700.00	185,688.80	
487,800.	4½	4th L. L. Bonds		487,800.00	488,906.25	
372,100.	4½	Trans. Notes, 47-52.		372,100.00	430,210.25	
6,089,200.	5½	Trans. Notes, 52.		6,089,200.00	6089,200.00	
				7,040,800.00	7,185,210.50	
#10		MUNICIPALS.				
1,000.	5	Port of New Orleans,	28.	1,000.00	1,000.00	Secures Postal Savings
4,000.	5	do do	29.	4,000.00	4,088.80	" " "
5,000.	5	do do	32.	5,000.00	5,188.00	" " "
15,000.	5	do do	37.	15,000.00	15,989.50	" " "
10,000.	4½	do do	48.	9,800.00	10,478.00	" " "
5,000.	4	do do	48.	4,800.00	4,912.50	" " "
10,000.	4½	Los Angeles, Cal. Lt.,	46.	9,800.00	10,971.00	" " "
14,000.	5½	Louisville, Ky.,	31.	13,110.00	15,220.00	" " "
20,000.	4½	do do	31.	20,420.00	21,800.00	" " "
60,000.	5½	do do	41.	57,200.00	62,370.00	" " "
10,000.	4½	do do	34.	10,100.00	10,800.00	" " "
25,000.	4	do do	47.	24,970.00	25,975.00	" " "
20,000.	5	do do	41.	23,625.00	25,475.00	" " "
10,000.	4½	Omaha, Neb.,	35.	10,000.00	10,444.00	" " "
9,000.	4	Parkersburg, W. Va.,	29.	8,660.00	9,000.00	" " "
25,000.	5	Rocky Mount, N. C.,	32.	25,000.00	27,972.50	
10,000.	4	State of Tenn., 'A',	49.	9,800.00	10,148.00	
5,000.	4½	Louisville, Ky.,	34.	3,228.00	5,460.00	
100,000.	4	do do	47.	105,780.00	108,800.00	
985,884.34	5	State of Ky. Warrants		985,884.34	985,884.34	
				1,144,764.34	1,161,881.84	
		FOREIGN.				
5,000.	4	Porto Rico,	28.	4,980.00	4,980.00	Secures Postal Savings.
25,000.	5	Nova Scotia Tramway & Power Co.,	46.	21,000.00	23,820.00	
				25,980.00	28,800.00	
		PUBLIC UTILITIES.				
170,287.50	4½	Ky. Ind. Terminal,	41.	148,225.76	188,988.48	Secures War Loan Deposit
100,000.	5	Buffalo Rys.,	31.	88,280.00	92,000.00	
100,000.	5	Crosstown St. Rys.,	32.	88,280.00	91,000.00	
115,000.	6	Louisville C. & E.,	37.	112,100.00	119,770.00	110M on Repur.Agreement
202,000.	5	do do	52.	180,800.00	209,808.00	
7,000.	5	Louisville Home Tel.,	35.	7,000.00	7,000.00	
800,000.	6	Louisville Rys.,	28.	800,000.00	800,000.00	
		-SEE EXTRA SHEET-				
			TOTAL,			

* If short-term or long-term notes carried in this account exceed in any case the limit prescribed by Section 5200, U. S. R. S., they should be listed also with excessive loans.

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1438, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, state, if possible, the amount of the original indebtedness.

Exhibit 15

TREASURY DEPARTMENT
Comptroller of the Currency
Form 1564.—Remodeling
Rd. 82 —Apr. 10, 1922

No. of Bank 8815 *Date of Report* March 9, 1928.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	PUBLIC UTILITIES. (Cont'd)			
98,000. S	Louisville Rys., 50.	87,508.80	92,120.00	
288,000. S	Louisville Rys., 50.	194,577.20	196,075.00	17M on Repur. Agreement
		1308,085.84	1472,481.40	
	RAILROADS.			
2,500. S	C. I. & L. Ry., 66.	2,506.25	2,650.00	
10,225. 4½	C. M. & St. P., 2014.	7,575.00	7,469.82	
2,400. S	International Rys., 68.	1,360.00	1,808.00	
		11,441.21	11,747.82	
	MISCELLANEOUS.			
400. 7%	Assoc. Metals Industries (See Kentucky Wagon Co. Loan Page 6-1).	388.63	0	
5,000. 6	Bankers Mortgage Co.R.E., 31.	5,000.00	5,000.00	
15,000.	Columbia Phosphate Mining Co., 12-1-26. (For discussion of this claim please refer to the loan of the Columbia Phosphate Mining Company, described on Page 4-6).	15,000.00	15,000.00 S Slow	B.P.N
14,844.34 6	Graphite Products Corp. of Del., (1 yr. notes)	14,844.34	14,844.34 Doubtful 14,844.34	B.P.N.
Note dated 2-10-28, due one year, secured by 5,209 1/3 shares Graphite Products Corporation. The total indebtedness of this company is about $199,000.00, of which $65,155.70 is held by this bank and has been charged down to the present carrying value. The only asset left consists of lien notes of $45,000.00 held by the Chemical National Bank of New York. The maker bought the properties of the Graphite Products Corporation for $88,000.00, paying $10,000.00 cash and executing notes for $45,000.00, secured by a lien on the property. These notes have matured and have been extended from time to time, as the maker has not been able to organize a company to operate the properties as was intended when he purchased it. The production of graphite on these properties has heretofore been a complete failure. The claim is classed as doubtful.				
148,980. S	Industrial Ownership Corp., 6-7-28.	148,980.00	148,980.00 Doubtful 73,000.00 S Slow 74,980.00	B.P.N B.P.N
(For discussion of this claim please refer to the Campbell Line in Large Lines, Page 6-8). The value of the claim depends upon the collateral.				
300,000. 4	Kentucky Jockey Club, Demand Notes, dated 8-8-27. (See Large Lines Page 6).	300,000.00	300,000.00	
100,000. S	Liberty-Washington-Cedar Street Bldg., Bar. (This item discussed in the Campbell Line, Page 6-8).	100,000.00	100,000.00 D.P.C. Slow $100,000.00	
150,000.	Lincoln Field Jockey Club, Demand Note, dated 8-16-27. (See Large Lines Page 6).	150,000.00	150,000.00	
350,000. 7	Murray Rubber Co., 44. Interest Paid to 1-1-27. (This item discussed in the Campbell Line, Page 6-8).	326,459.00	326,459.00 D.P.C. Slow.	B.P.N
22,000. 6	Eugene & Hall Streets R.R., 30. First mortgage on real estate valued at $150,000.00. This item taken for debt previously contracted.	22,000.00	22,000.00 D.P.C.	
	-EXTRA SHEET PAGE 7-1- Total,			

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

GOVERNMENT EXHIBIT
Comptroller of the Currency
Page 1 of ___ Pages
St. ___ Apr. ___, 1933

No. of Bank 9813 Date of Report March 9, 1933.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. F. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	MISCELLANEOUS (Cont'd)			
200 shs.	National Candy, Com.	5,700.00	5,600.00	
62 shs.	Louisville Rys., Com.	1,716.00	1,976.00	
10,280.16	Claim vs. Harry T. & Freida T. Best	10,280.16	10,280.16	
(This item was paid during the examination).				
463.68	Claim vs. Clay County Coal Co. Represents taxes paid. (See loan Page 4-5).	463.68	463.68	Slow
207,814.14	Claim vs. Ky. Wagon Co. (See Large Lines, Page 4-1).	207,814.14	207,814.14	Classed under Slow Loans
35,000.	Claim vs. A. E. Latta	35,000.00	35,000.00	
This represents a purchase of 58 feet on Main Street, opposite National Bank of Kentucky. It was originally purchased by the bank with the intention of building a future banking home. It was desired to purchase some adjoining property and the property was put in the name of A. E. Latta in order that the public might not be advised that the bank was purchasing real estate. It was feared that an undue enhancement in real estate prices of adjoining property would follow any public knowledge of the purchase of the bank. The property has been held since 7-11-24.				
13,606.80	Claim vs. Peoples Bank, Springfield, Tenn. (See loan of this bank Page 4-31).	13,606.80	13,606.80	Slow $13,606.80.
408.31	Claim vs. Badger Aluminum Co. (See loan, Page 4-1).	408.31	0	Loss $408.31
108.48	Unmatured Coupons	108.48	108.48	
888 shs.	International Planters Corp., Pfd.			Slow $40,000.00
2,783 shs.	do do Com.			Doubtful $75,000.00
900 shs.	Louisville Rys., Com.	178,000.00	180,000.00	Loss $25,000.00
5 shs.	L. H. & St. L. Ry., Pfd.			
7,200 shs.	Rich Patch Land Co.			
500 shs.	Industrial Ownership Corp.			
800 shs.	Murray Rubber Co., Pfd.			

A statement of the International Planters Corporation dated 1-31-33 lists current assets $1,347,000.00, current debt $466,000.00. Fixed assets of the company are only $61,000.00. There is $880,000.00 of preferred stock and 108,821 shares of no par, common. The equity of the common stock is carried on the books at $586,300.00. After deducting the item of goodwill the common stock has a book value of $3.40 a share. The net earnings of the company for the six months ending 1-31-33 are reported at $49,798.35. The 900 shares of Louisville Railway, Common, are appraised at $84,200.00.
No value is attached to the stock of the Rich Patch Land Company or the Industrial Ownership Corporation.
The Murray Rubber Company Preferred Stock is regarded as of questionable value.

		1,451,799.66	1,408,345.72
	RECAPITULATION:		
	Municipals	1,144,788.34	1,161,581.84
	Foreign	25,950.00	28,200.00
	Public Utilities	1,296,095.84	1,472,481.40
	Railroads	11,441.85	11,747.88
	Miscellaneous	1,451,799.66	1,408,345.72
		4,010,071.69	4,080,296.88

EXTRA SHEET Page 7-B
TOTAL,

To the Comptroller of the Currency,
Washington, D. C.

Examiner

Exhibit 15

TREASURY DEPARTMENT
Comptroller of the Currency, Washington
Form 1136—Part 2

No. of Bank, 9818

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate taken for debts previously contracted,	14,135.18	14,135.18
2. Aggregate amount acquired in violation of law,		
TOTAL,	14,135.18	14,135.18

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease on property located at Fourth & Guthrie Streets in Louisville, Ky., purchased for use as branch office. Later decided to open branch office elsewhere.	14,135.18		14,135.18	—	0	1200.00	1-1-25
TOTAL,	14,135.18		14,135.18	—		1200.00	

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation?
Banking house leased--Furn. & Fix. carried at fair valuation.
2. Is banking house suitable and convenient? Free of incumbrance and adequately insured?
3. Are vault and safe secure? Are contents adequately insured? Is banking room used by any other banking institution?
No

RESERVE

1. Was reserve with Federal Reserve Bank sufficient on date of examination? If not, give the deficiency in dollars.
No $871,384.81--restored 3-10-28
2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid?
One - $8.00

NOTE.—The directors should be advised of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is intact.

BANK ACCOUNTS

1. State rate of interest received on open accounts.	2. State rate of interest paid on open accounts.
1½ - 3%	3%

OVERDRAFTS

1. State whether habitually granted. What amount is unsecured? Secured?
Yes $58,790.01
2. Did you verify amount at date of examination?
No
3. Did you compare amount stated in last report of condition with amount shown by the books for same date?
Yes
4. Is overdraft account shown on the general ledger?
Yes
5. Does bank keep detailed daily record of overdrafts? Did you instruct?
Yes
6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

-SEE EXTRA SHEET-

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.

-SEE EXTRA SHEET-

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Did you instruct?
Yes

Describe any irregular items	Itemize losses estimated
-SEE EXTRA SHEET-	

Exhibit 15

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Ed. 8,000—7-C., Oct.-26-28.

No. of Bank 5818 Date of Report March 9, 1936.

OVERDRAFTS.
4th & Chestnut.

F. M. Counterbauer		$ 48.28	Doubtful	
L. H. Holman		500.00	Loss	12-29-26
M. J. Tayler		.15	"	7-19-26
Mrs. Edna Antons	(Savings)	20.00	Doubtful	7-9-27

214.

8th & Main.

Butler Tire Co.	$ 11.94	Doubtful	
John A. Vetter, Gen. Agt.	29.57	Loss	
Kentucky Wagon Co.	10,105.95		

1245

-EXTRA SHEET PAGE 8-1-

To the Comptroller of the Currency, Washington, D. C. Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1489—Reports—Bd. 2,000—W. C., Oct. 24-23.

No. of Bank 9818 *Date of Report* March 9, 1928.

IRREGULAR ITEMS.
(4th & Chestnut)

$15,075.00	Memo. covering purchase 100 shs. General Motors	
255.00	Check Mattie L. Drake	
87.84	" protested O. L. Bartlett. End. Cooper Elec. Service Co.	
(20.00	Memo. representing forged check.	Loss
(10.00	Forged check--Mrs. J. W. Johnson, 11-13-27.	do
(40.00	2 checks Kentucky Exterminator Co.	do
20.00	Check B. J. Pike. End. D. K. Clarke, 9-29-27.	Doubtful

IRREGULAR CASH ITEMS.
(5th & Main)

$ 466.00	2 checks S. M. Sanfley--held to prevent overdraft.	
1,750.00	Memo. 2-4-28 covering cashier's check issued to Packard Lou. Motor Co. for automobile.	
26,960.00	110 shs. Nat'l Bank Kentucky, Louisville Trust Co. Stock carried since 1-25-28, a/c Wakefield & Co.	
100.00	Check J. H. Richmond. End. Wm. A. Shumate.	
21.52	" J. P. Woolfolk--in pay. of note.	
22.50	Coupon Federal Land bond called	Doubtful
660.00	" Eugene Straus Cabinet Works, 10-8-27.	

F.R.5-4-36.

-EXTRA SHEET PAGE 8-B-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1.—Page 9

No. of Bank, 9812

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept and amount outstanding stock does not agree, give particulars.
Properly kept and outstanding agrees.
2. If bank owns any shares of its own stock, so state and advise how and when acquired.
None owned. 110 shares carried in cash items in name of Wakefield & Co., $88,000.00
3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.
20 shs. taken D.P.C. on loan of P. D. McCulloch.
4. Is stock registered by outside registrar?
No
5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?
No

NOTE.—Examiner should note and report if surrendered certificates are not properly assigned, canceled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Give (1) Date of declaration of last dividend. 12-9-27 Payable? 1-2-28 Annual dividend rate is 16 %

(2) Amount of last dividend, $ 160,000.00 (3) State when reported. 1-11-28

1. Was last report of earnings and dividends correct? If not, give details.
Yes
2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses (items 2b and 2c) as required.
Yes
3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books.
None found.
4. Is itemized expense account kept, and did you inspect that account and interest-paid account to date of previous examination?
Kept—inspected.
5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Examined by public accountant annually.
Do the minutes record such action?
Yes
6. Did you inspect all earnings accounts from date of last examination?
Superficially
7. State amount of losses charged off since last examination on loans, $ 151,382.06 Bonds, $ — Other, $ 37,450.60
—SEE EXTRA SHEETS— 38.00
8. State amount recovered on charged-off assets since last examination. 2,864.18

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. 1% - 2½%. Certificates of deposit. 3.1% paid on public funds. 2% & 2½%
2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose.
Yes
3. Does bank retain all canceled certified checks or take receipts for any delivered?
Yes
4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited. Verified at each transaction. 2% int. paid semi-annually. Last paid 1-1-28.
5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for.
30 days notice provided for.
6. Give total of dormant ledger. $72,000.40 How are withdrawals safeguarded? O.K.'d by Auditing Department.
7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing.
Yes
8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination.
Yes—except individual deposits.
9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination.
Yes

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list.
None disclosed.
2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere.
Federal Reserve Bank—occasionally.
3. Average borrowings since last examination.
$2,400,000.00 Bills Payable. Repurchase Agreement $200M.

List outstanding liabilities for money borrowed whether on bills payable, rediscounts, open accounts, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Reserve bank:							
War Finance Corporation:							
TOTAL,							
Other:							
Stewart Dry Goods Co.	$200,000.00	7-8-27	1 yr.	4.88%	100M Lee.G.L., 175M Lee.Rye.,	Repurchase agreement.	
TOTAL,	$200,000.00						
GRAND TOTAL,	$200,000.00						

Exhibit 15

TREASURY DEPARTMENT,
Office of Comptroller of the Currency.
Form 1227—Reports—R.S. 5136—P. C., Oct. 24-23.

No. of Bank 9818 Date of Report March 9, 1920.

CHARGE-OFFS AND RECOVERIES SINCE LAST EXAMINATION.

		CHARGE-OFFS			RECOVERIES	
		Loans & Discts.	Bonds & Sec.	Other	Loans & Disc.	Other
10-18	Shelby Schuster				17.50	
19	Sue Bohner			2.50		
24	Check cashed by F.R.Phillips			9.95		
28	Badger Aluminum Co.	7,500.00				
"	L. L. Barnes	101.25				
"	Aug. R. Bremer	975.00				
"	Dosch Chem. Co.	1,116.94				
"	Ronnie M. Eckert	30.00				
"	Barwin Products Co.	5,000.00				
"	do do	5,000.00				
"	F. S. Graham	9,000.00				
"	W. C. Hartwell	779.89				
"	Wm. G. McBride	200.00				
"	Progress Chair Co.	10,000.00				
"	Lillian C. Killman	975.00				
"	Elmer B. Springer	30.00				
"	W. A. Thomas & Co.	61.25				
"	do	2,737.26				
"	H. Verhoff	5,000.00				
"	do	5,000.00				
"	Julian T. Yager	200.00				
"	H. L. Greene	1,148.10				
"	Ky. Wagon Co.	100,000.00				
"	H. Geo. Klinsee	223.07				
"	Robt. S. Bradley	27.00				
"	Anna C. Leachman	200.25				
"	Albert R. Miller	450.00				
"	Ellis Owen & Others	125.00				
"	John Welsh	25.75				
11-7	Dosch Chem. Co.				10.00	
14	Protest fees			2.50		
17	C. H. Furch				51.25	
25	Exam Savings Difference (4th Street)			1.00		
28	C. D. Smith check			16.70		
"	Expense Unifying Loa. Tr. & N.Mk. Ky. Stock			12,000.00		
"	Oscar H. Furch				105.51	
29	Shelley Schuster				17.50	
12-9	G. Walker Thompson				20.00	
15	E. D. Marshall				279.29	
17	H. L. Greene	500.00				
"	Sundry C/D's, 4th Street			16.55		
"	do 9th "			58.05		
"	Cash Item, M. C. Bird, 9th St.			137.00		
"	" " L.E. Howard, 4th St.			461.62		
"	" " C. H. Ellis " "			104.00		
21	C.D. Exam Bnk.Co. Recovered					25.00
21	Cash short			125.45		
1920						
1-5	Allen E. Smith				10.00	
"	S. J. McBride				40.15	
"	Shelley Schuster				17.50	
9	Nat'l Cotton Seeds Prod.Co.				529.71	
"	L. L. Barnes				225.00	
11	Eberts Bros.				449.87	
17	Chas. G. McKretar				25.00	
25	Jellicoe Mk. & Trust Co.				7.50	
29	Bank Income Tax--Gennan Bank			25,441.25		
2-5	Shelley Schuster				17.50	

-EXTRA SHEET PAGE 2-1-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Form 1580 – Reports – Ed. 9-30 – 9. C. Cos. 9-12.

No. of Bank 8218

Date of Report March 9, 1932.

CHARGE-OFFS AND RECOVERIES SINCE LAST EXAMINATION.

		CHARGE-OFFS			RECOVERIES	
		Loans & Discts.	Bonds & Sec.	Other	Loans & Disc.	Other
2-4	Ellis Owen				107.65	
"	Earl Bradfelder				85.00	
8	John A. Vetter				102.47	
"	Allen E. Smith				10.00	
16	R. E. Dunlap				33.00	
18	G. W. Thompson				20.00	
20	Moody Boyd				80.00	
3-5	Loss on sale of silver			19.32		
6	Sundry O.D.'s,4th Street			14.33		
10	Shelley Schuster				17.50	
		151,384.05		37,430.60	2,584.15	56.00

-EXTRA SHEET PAGE 9-B-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT
Comptroller of the Currency - Examining
F 1428—Page 10

No. of Bank, 581.

BOOKS AND ACCOUNTS

GENERAL LEDGER.

1. Is satisfactory general ledger kept? Yes — By whom kept? Mr. Williams — Is daily statement taken? Yes

2. Are accounts with correspondent banks reconciled at least monthly? Yes — By whom? Auditing Department

3. Are reconcilements verified? No — By whom? — Is reconcilement book kept? Yes

4. Are the general and control accounts carried on the general ledger? Yes — If not, give full explanation.

5. Are loans and discounts proved at least monthly? Yes — Does custodian verify? Proven by Auditing Department.

6. Are certificates of deposit proved frequently by listing outstanding items? Yes

7. Does the employee verifying them issue the certificates? No

INDIVIDUAL AND SAVINGS LEDGERS.

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers. Yes

2. Is satisfactory individual ledger kept. Yes

3. State whether bank verifies balances with depositors periodically. No

4. State form of individual and savings ledgers. Machine posted.

5. State how often individual or savings ledgers are proved. Individuals proven monthly. Savings every two months.

6. Whether by some one other than clerk keeping same. Proven by Auditing Department.

7. Is balancing of pass book or statement noted on the ledger? In what manner? All accounts balanced monthly.

8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? Yes — State name. Catherine Haggan

9. Are officers and employees required to take annual vacations? No

10. Is interest properly credited every six months on savings accounts? Yes

IN GENERAL.

1. Are paid and canceled drafts filed satisfactorily? Yes

2. Are proper entries made in Redemption Fund and Circulation Accounts? If not, were instructions given? Yes

3. Are the books so kept that the examiner can readily make a thorough and complete examination? Yes

4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection. No

5. Is all business for each calendar day included in proper account for that date? Yes

6. Are erasures made of entries on books by the use of acid or otherwise? If so, did you give proper instructions? None noted.

7. Does the bank keep a liability ledger? Yes — How often balanced? Every two weeks. — Is it a practicable book? Yes

8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions? Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held. Weekly—Friday

2. In what manner do they authorize or approve loans or discount? Approve all loans made since last meeting.

3. State whether they have an active discount committee. Are their meetings and actions properly recorded? No—officers act. — No

4. State whether they have an active examining committee. Is complete and satisfactory report on file? Examining annually by public accountants.

5. Give date of last committee examination. Do minutes record report? Are active officers only on committee? Dec., 1927 — Not as yet received.

6. State whether loans and discounts to their firms and corporations are specially acted upon by the board. No

7. Are the by-laws adequate? Yes — Are their provisions regularly observed by the officers and directors? Yes

8. Was copy of report of last examination by examiner considered by directors and noted on minutes? Yes—at meeting 12-6-27.

9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes? Yes

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—BALTIMORE
Form 1436.—Page 11

No. of Bank, 8512

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

Affiliated with Louisville Trust Company through unification of stock.

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

Yes

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

Individually

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

Yes

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state. Directors Bohmer and Kelley are directors, Security Bank, Louisville.

ITEMS FOR SAFE KEEPING

All directors are directors of the Louisville Trust Co.

Is a proper record kept of securities left for safe-keeping? Yes Were securities checked against such records? Yes

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
All loans and discounts,	4,640,344.25	703,186.51 81.82	151,268.58 329.72	
Overdrafts,				
Premium on U. S. Bonds,				
Bonds, securities, etc.,	570,519.68	164,844.34	25,405.31	
Banking house,				
Furniture and fixtures,				
Other real estate;		42.50	70.00	
Cash Items,				
Shortages,				
Judgments,				
Unpaid Bills,				
TOTAL,	5,210,863.93	868,154.97	177,071.61	

Were estimated losses charged off during examination?

List items requiring attention and note any corrections made or promised during examination.

-SEE EXTRA SHEET-

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	2,000,000.00
Net undivided profits,	481,619.09
All reserve accounts,	564,390.28
TOTAL,	3,046,009.37

W. W. Kane, Jr.,
Examiner.

per John S. Wood
Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 8.

W. J. Wolff
Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 15

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430—Reports.—El. 25,000—F. C., Oct. 24-23.

No. of Bank 8312 *Date of Report* March 9, 1928.

CRITICISMS.

1. Slow & Doubtful Loans. — A large part of the overdue paper is classified in this schedule and efforts to collect and improve the condition of these assets should not be relaxed.

2. Excessive Loans. — Two in number. One was reduced to within the legal limit during this examination and prompt reduction of the other was promised.

3. Large Lines. — Your examiner is of the opinion that the assets of this bank which require the most serious attention of the management are included in large lines as listed on Page 6 and supplemental pages. They total quite large sums and are thought to be potential sources of large losses. The most careful and active attention should be given, as well as to other substandard assets listed in this report.

4. Illegal Real Estate Loan. — Please refer to previous reports for circumstances in regard to this loan.

5. Credit Department. — This department is showing progressive improvement. However, it is believed that further improvement can be made, especially in respect to the following recommendations:

(a) Officers should dictate memoranda for the credit files following interviews or conferences with borrowers, or whenever information relating to a borrower is obtained from any source.
(b) All letters received by the bank which contain any information of credit value in regard to any borrowers should be placed in the proper individual credit file and not in the general correspondence file of the bank.

-EXTRA SHEET PAGE 11-1-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1488.—Reports.—Ed. 36,000—F. C., Oct. 24-28.

No. of Bank 8812 *Date of Report* March 9, 1928

STATEMENT OF THE FOURTH STREET BRANCH OF THE NATIONAL BANK OF KENTUCKY, LOUISVILLE, KENTUCKY, CLOSE OF BUSINESS ON MARCH 9, 1928.

ASSETS

Cash	$ 199,478.56
Cash Items	20,207.98
Clearings	44,719.15
Loans, Discounts and Acceptances	3,382,809.27
Overdrafts	1,186.47

LIABILITIES.

Individual Deposits	4,881,640.56
Savings Deposits	1,845,997.19
Christmas Savings Deposits	30,301.65
Certificates of Deposit	1,871,872.13
Cashiers Checks	10,444.79
Certified Checks	1,259.58
Due to Clearing House Account of Returned Checks	2,215.46

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
FORM 25 D

Assistant Route 28

The National Bank of Kentucky, Louisville, Kentucky.
(Title and location of bank)

Examined by W. U. Kane, Jr. Date 3-9-1933 No. of Fed. Res. Dist. 8

No. of Bank 2318

BALANCE SHEET OF ACTIVITIES IN TRUST DEPARTMENT

ASSETS			LIABILITIES		
1. Investments (other than No. 2)	$ 1,708,804. 75		1. Private Trust Accounts	$ 1,815,920. 05	
2. Deposits in Savings Banks @ %			2. " " " Income	2,274. 02	
3. Deposits in other Banks @ %			3. Court Trusts (Executor, Administrator, etc.)	708,710.00	
4. Deposits in Commercial Dept. of own Bank @ %	216,256. 16		4. " " Income	44,617. 02	
5. Cash on hand (Held in Trust Dept.)			5. Profits due Bank		
6. Advances to Trusts		75	6. Other Liabilities (List)		
7. Other Assets (List)			Vouchers Outstanding 1932 - $720.00, 1933 - $1,050.00	1,770. 00	
TOTAL	1,977,741. 00		TOTAL	1,977,741. 00	

CORPORATE TRUSTS

Total amount of collateral trust bonds outstanding where bank acts as trustee		4,782,000.
(a) Ledger value of securities deposited in Trust Department to secure same		4,976,000.
2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee		1,814,780.
3. Ledger value of securities held for account of sinking funds		None
4. Total amount of sinking funds uninvested (Include in 2, 3, 4, or 5)		None
5. Face amount of unissued bonds held: (a) Certified	100,000.	
(b) Uncertified	None	
6. Face amount of canceled bonds held		1,102,270.

(a) Are receipts filed for all canceled bonds delivered?
None delivered.
(b) Are certificates filed for all cremated bonds?
None cremated.

IN GENERAL

No. of individual trusts 68 No. of corporate trusts 16

1. What trust powers have been granted to bank?
All powers under Sec. 11 K, Fed. Res. Act.
2. What trust powers is bank now exercising? Trustee, Escrow agent, Executor, Co-Executor, Administrator, Agent, Committee, Guardian, Registrar, Transfer Agent.
3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors?
Yes
4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
Yes
5. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another?
Yes

Exhibit 15

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
FORM 130 E

No. of Bank 12

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

(a) Do bonds of officers and other employees of trust department now in force specifically cover their duties as such?
Yes

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Yes

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
No

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department? Yes List securities pledged.

NAME	PAR VALUE	MARKET VALUE
Various U. S. Government Bonds	526,100.00	540,000.00
Total,	526,100.00	540,000.00

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?
No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes

12. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Approved by committee

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.
None

20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.
No

21. What audit or examination of trust department books and securities is made by or for the directors?
Annual audit made by public accountant.

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes

23. List criticisms, if any.
SEE [illegible]

Exhibit 15

TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1456.—Reports.—Ed. 12,000—F. C. Co. 2-23.

No. of Bank 5012 *Date of Report* March 9, 1923

CRITICISM.

The National Bank of Kentucky acts as Administrator and Trustee for the Estates of Geo. C. Fetter, Jr. Among the assets of the Estate was a margin account with the now defunct brokerage firm of Geo. H. Wood & Son. The National Bank of Kentucky purchased the securities of this margin account and the securities are now pledged on a loan for the estate. The securities consist of:

		Estimated Value
900 shs.	Lou. Gas & Elec. Co. com.	$87,000.00
700 "	Mo. Pac. Pfd.	77,700.00
300 "	Stand. Oil of Calif.	16,500.00
300 "	" " " Indiana	22,200.00
800 "	" " " Kentucky	100,000.00
		$303,400.00

The securities are in the name of the brokerage firm of Wakefield & Co. However, they are not set up on the books of the Trust Department for the account of the Estate. This is done to avoid paying inheritance tax, according to the trust officer.

The matter was called to the attention of management at the last examination, and it was agreed that the assets will be correctly shown on books of trust department. However, this has not been done.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY.
Form 1430.—Reports.—Rd. 20,000—T. C., Oct. 20-22.

No. of Bank 8512 *Date of Report* March 9, 1922.

COLLATERAL TRUST BONDS WHERE BANK ACTS AS TRUSTEE.

	Total Issue	Outstanding	Cancelled
Liberty Insurance Bank	$4,800,000.00	4,752,000.00	48,000.00

OTHER BONDS WHERE BANK ACTS AS TRUSTEE.

Audobon Country Club	140,000.00	140,000.00	
Bakrow-Leatherow Balloon Co.	85,000.00	85,000.00	
W. F. Brown & Sons Lumber Co.	875,000.00	1,430.00	873,570.00
Consolidated Realty Co.	65,000.00	65,000.00	
Crescent Hill Baptist Church	200,000.00	200,000.00	
Lawson Daylight Coal Co.	200,000.00	130,000.00	70,000.00
Ruuart Packing Co.	250,000.00	238,000.00	12,000.00
Gold Proof Milling Co.	170,000.00	30,000.00	
Hart Manufacturing Co.	100,000.00	98,000.00	2,000.00
Irving Building Co.	135,000.00	135,000.00	
Standard Printing Co.	150,000.00	135,000.00	15,000.00
U. S. Postal Realty Corp.	150,000.00	7,300.00	142,700.00
Van Camp Tank Car Co.	375,000.00	320,000.00	55,000.00
Giles B. & Florine R. Van Cleave	300,000.00	300,000.00	
		1,884,730.00	1,182,270.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 15

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING DIV.
Form 1—10,000—Oct. 30, 1922.

No. of Bank, 5813

ACCEPTANCES.

1. Does the bank make acceptances for account of customers? Yes
2. In accepting drafts for customers under the provisions of the Federal Reserve Act, does the bank require an adequate written agreement or guarantee from its customer to provide funds to meet the acceptance at maturity? Yes
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of such acceptances? Yes
4. Does the bank purchase its own acceptances? If so, state amount now held. No
5. Are purchases of its own acceptances included in loans and discounts? None
6. Remarks.

LETTERS OF CREDIT AND TRAVELERS' CHECKS.

1. Does the bank issue letters of credit and travelers' checks? Yes
2. In issuing letters of credit and travelers' checks (other than for cash) does the bank require an adequate written agreement or guarantee from its customer? Yes
3. Does the bank properly show on its books and in its report of condition its liability, and its customers' liability to it, on account of letters of credit and travelers' checks outstanding or honored? Yes

CLERK'S COPY.

EXHIBIT II

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. 497 3

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

October Term, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

v. *Petitioner,*

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents:

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

EXHIBITS

VOLUME No. ------

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,

ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

INDEX TO EXHIBITS

EXHIBITS			Transcript of testimony	
Number	Volume	Page	Page	
16	2	486		National Bank Examiners' Report of examination of National Bank of Kentucky as of October 13, 1928
17	2	572		National Bank Examiners' Report of examination of National Bank of Kentucky as of May 25, 1929
18	2	653		National Bank Examiners' Report of examination of National Bank of Kentucky as of December 31, 1929
19	2	759		National Bank Examiners' Report of examination of National Bank of Kentucky as of April 26, 1930
20	2	875		National Bank Examiners' Report of examination of National Bank of Kentucky as of September 17, 1930
21	2	992		Minutes of meeting of Board of Directors of National Bank of Kentucky held on June 7, 1929 re: organization of Banco-Kentucky Company
22	2	1046		Letter from Trabue, Doolan, Helm & Helm, Attorneys for National Bank of Kentucky addressed to Charles F. Jones, Cashier, dated September 5, 1929, enclosing copy of letter from Mr. Helm to Mr. Jones dated June 14, 1929

Exhibit 16

Form 1227
TREASURY DEPARTMENT
OFFICE OF THE COMPTROLLER OF THE CURRENCY
Washington

State whether special or regular examination R.GUL.R

A copy of this report of examination is furnished to the Board of Directors of the examined bank for their information and consideration. The information contained therein is based upon the records and books of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources believed to be reliable, and prepared by the Examiner to be correct.
If, in any of the information in regard to the affairs of the bank of such a character as to make it necessary for the Examiner to rely upon the good faith and correctness of statements made to him by officers and employees of the bank, he has so accepted it for the reason as correct, he is, nevertheless, not in a position to guarantee the accuracy of such part of the information as may not have been obtained direct from the bank.

Name of Examiner, John S. Hord No. of Bank, 5112 Fed. Res. Dist. No. 8

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kanawha, Louisville, Jefferson, Kentucky
(State)

Examination commenced at 1:30 o'clock P M, on October 13, 1928

Examination closed at 4:30 o'clock P M, on October 27, 1928

Jas. B. Brown, President. Chas. F. Jones, Cashier.

Resources	Amount	Liabilities		Amount
1. Loans and Discounts,	33,118,421.60	1. Capital Stock Paid In,		4,000,000.00
2. Overdrafts,	3[illegible],322.58	2. Surplus Fund,		2,000,000.00
3. Interest earned not collected,	234,849.05	3. All other Undivided Profits, Less expenses, etc.	345,246.75 52,937.62	292,309.13
4. Customers' liability account of "Acceptances,"	1,500.00	4. Reserved for Depreciation and Losses,		172,081.05
5. U. S. Bonds to secure circulation,	2,300,000.00	5. Reserved for Interest, Taxes, etc.,		306,840.51
6. U. S. Bonds and certificates pledged,	5,285,400.00	6. Interest collected, not earned,		274,073.77
7. U. S. Bonds and certificates not pledged,	2,447,900.00	7. Due to Federal Reserve Bank,		110,000.00
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,		8,768,228.00
9. War Savings Stamps,		9. Certified Checks,		54,027.74
10. Bonds, Securities, etc. pledged and unpledged,	3,551,880.64	10. Cashier's Checks Outstanding,		119,007.80
11. Federal Reserve Bank Stock,	180,000.00	11. Dividends Unpaid,	8,812.00	
12. Banking House, 25,000.00 Furniture and Fixtures 148,380.67	177,380.67	13. Demand Deposits: Ind. Dep. subject to check, (including those subject to notice of less than 30 days,	24,276,299.06	
13. Other Real Estate Owned,	13,266.34			
14. Due from Federal Reserve Bank,	2,716,846.89	Ctfs of Dep. due in less than 30 days,		24,285,111.06
15. Due from Federal Reserve Bank Transit Account,	3,232,527.03	13. Time Deposits:		
16. Due from Trust Companies, Banks, and Bankers,	1,619,650.39	A. Savings Deposits (not subject to notice of, [illegible] days),		
17. Exchanges for Clearing House,	711,687.94	1. Evidenced by pass book,	3,043,702.56	
18. Checks on other Banks in same place,	13,218.01	2. Evidenced by Certificates of Deposits,	4,039,768.49	
19. Cash,	210,319.51	B. Other Deposits subject to 30 or more days' notice,		
20. Cash Items,	70,763.55	C. Postal Savings,	89,871.69	7,933,042.74
21. Cash Short,		14. United States Deposits, (including U. S. Disbursing Officers)		
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	15. Circulation rec'd, Less on hand and returned,	2,500,000.00	2,500,000.00
23. Other Funds with Treasurer U. S.,		16. Bonds Borrowed,		800,000.00
24. Other Assets (describe),		17. Bills Payable with Federal Reserve Bank and War Finance Corporation,		2,800,000.00
Items in transit	1,433,914.29	18. Other Bills Payable,		
Taxes paid for customers	4,118.25	19. Notes and Bills Rediscounted with Federal Reserve Bank and War Finance Corporation,		3,866,301.96
		20. Other Notes and Bills rediscounted,		
		21. Bills of exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown in this schedule,		739,562.51
		22. Accepted Bills of exchange payable abroad,		
		23. Cash Letters of Credit and Travelers' Checks Outstanding,		2,800.00
		24. Acceptances Executed to Furnish Dollar Exchange,		
		25. Acceptances Executed for Customers,		
		26. Time Drafts Issued,		
		27. Cash Over,		5,375.83
		28. Other Liabilities (describe),		
		Credits held over		6,205.34
		Participations outstanding		658,500.00
TOTAL,	57,866,966.94	TOTAL,		57,866,966.94

CONTINGENT LIABILITIES

Unused letters of credit outstanding,	$ 2,500.00
Future contracts to buy and sell exchange,	$ -0-

Form 1425.—Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit #16

No. of Bank, 8312

DIRECTORS (Use Form 1430, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 3.

Par value of shares owned	Name	Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
	SEE EXTRA SHEET				
		Total,	1,288,675.97	1,808,389.61	
		Less duplications,			
		Net total,	1,288,675.97	1,808,389.61	
		Loans to officers (not directors) and employees (omit duplications),	38,386.15	20,550.77	
		Total,	1,318,062.12	1,828,940.38	

How many board meetings since last examination? 30

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	340,999.39	975,062.73
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	1,409,170.98	1,416,721.00

OFFICERS AND EMPLOYEES

	Name	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President,					
Vice President,	SEE EXTRA SHEET				
Cashier,					
Assistant Cashier,					
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety. Surety

Are bonds in force? Yes In whose custody? Auditor

Are officers and employees adequately bonded?

Were they inspected? Yes

Does record show directors have approved bonds? No recent approval noted.

9—1202

-5

Exhibit 16

Form 144a—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9619 *Date of Report* October 18, 1926.

[redacted]

Par value of shs.	Name		Post office address	Liability as Payee	Liability as endorser	Occupation
1,000.00	J. S. Akers	55	Louisville, Ky.			Vice-President
1,000.00	H. J. Angermeier	39	do		$1,608.86	do
1,000.00	John M. Atherton	18	do			Retired
1,000.00	Oscar R. Bloch	37	do			Physician
1,000.00	Chas. H. Bohmer	34	do		$25,000.00	Vice-Pres. Louisville Title Co.
250,000.00	James B. Brown	39	do	$22,366.06	448,755.00	President
1,000.00	R. Lee Callahan	28	do		60,000.00	Pres. Callahan & Sons.
1,000.00	A. J. Carroll	22	do	11,500.00		Attorney
1,000.00	Geo. H. Clark	27	do	$14,500.00	75,000.00	Pres. Ohio Falls Iron Co.
1,000.00	S. W. Coons	17	do			Ch. of Bd. Standard Oil Co. of Ky.
1,000.00	Allen P. Dodd	37	do			Attorney
1,000.00	Stuart E. Duncan	35	do	29,000.00	19,100.00	Pres. Peaslee-Gaulbert Co.
1,000.00	Jos. H. Durbin	25	do			V.P. American Creosoting Co.
1,000.00	Geo. L. Everbach	-	do	2,500.00		Attorney
1,000.00	James Garnett	25	do			do
1,000.00	Augustus Gray	27	do			Vice Pres. Louisville Title Co.
1,000.00	J. J. Hayes	29	do			Vice President
1,000.00	J. Kennedy Hain	30	do			Attorney
1,000.00	Bayler O. Hickman	18	do	$1,225.55		Vice-Pres. Ewald Iron Co.
1,000.00	S. G. Hieatt	22	do	$5,594.40	734,723.12	Pres. Consolidated Realty Co.
1,000.00	Saunders P. Jones	18	do	30,000.00	64,000.00	Pres. Jones-Dabney Varnish Co.
1,000.00	Milburn P. Kelley	29	do			Pres. Louisville Bedding Co.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 8-1 *Examiner.*

Form 1506—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 16

No. of Bank 8818 *Date of Report* October 13, 1928.

DIRECTORS

Par value of shs.	Name		Post office address	Liability as payer	Liability as endorser	Occupation
1,000.00	Walter I. Rhim	22	Louisville, Ky.	88,975.25	818.70	Pres. [illegible] Straus & Sons.
1,000.00	Brainard Lemon	14	do	79,000.00	104,184.38	Pres. Lemon & Sons
1,000.00	S. C. Lyons	6	do	881,038.38		Member of firm- W. L. Lyons & Co.
1,000.00	Chas. C. Mengel	16	do			Pres. Mengel & Co.
1,000.00	Thos. J. Minary	21	do			Ch. of Bd. Louisville Ry. Co.
1,000.00	E. J. O'Brien Jr.	16	do			Member of firm E. J. O'Brien & Co.
1,000.00	E. B. Gunby	25	do		1,250.00	Vice President
1,000.00	John B. Pirtle	3	do		10,188.38	V.P. Louisville Trust Co.
1,000.00	Morton Quinn	25	do	13,500.00		V.P. Louisville Title Co.
1,000.00	R. S. Reynolds	-	do	136,084.60	15,829.13	Pres. U.S. Foil Co.
1,000.00	Arthur M. Rutledge	25	do			Attorney
1,000.00	Wm. Short	27	do			do
1,000.00	Wm. S. Speed	15	do	35,438.00		Pres. Louisville Cement Co
1,000.00	John Stites	25	do	2,000.00	4,868.15	Pres. Louisville Trust Co.
1,000.00	Henry Vogt	19	do			Pres. Henry Vogt Mach. Co.

EXTRA SHEET PAGE D-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1439.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

Exhibit 16

No. of Bank 8313 *Date of Report* October 15, 1920

OFFICERS AND EMPLOYEES.

Position	Name	Payer	Endorser	Bond	Occupation
President	James R. Brown	$20,566.06	448,758.00	$00M	Publisher
Vice President	H. J. Angermeier		$1,605.88	Blanket	Mine
do	E. D. Crosby		1,250.00	Bond	"
do	J. J. Hayes			Covers	"
do	Frank I. Dugan			all	"
do	E. B. Robertson	19.61	$0,080.77	Officers	"
do	Henry Thiemann			and	"
do	John S. Akers			Employees	"
do	L. L. Fontaine	6,500.00			"
Cashier	Chas. F. Jones	17,000.00			"
Asst. Cashier	A. P. Rumber				"
do	Oscar Kleck	1,100.00			"
do	David W. Gray				"
do	Thos. Green				"
do	Edw. E. Lee				"
do	E. E. Grant	5,000.00			"
do	F. L. Moseley				"
Auditor	W. T. Zarechnicks				"
Other Employees	804	2,968.84	800.00		

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 2-8

Form 1498.—Page 3
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 16

No. of Bank, [illegible]

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?

Banks, bankers, brokers, merchants, manufacturers, real estate operators, lumber concerns, mining interests, tobacco interests, finance concerns, etc.

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?

Yes, aside from lines described on Page 6 and on supplemental pages.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.

Listed and unlisted securities, warehouse receipts for commodities, insurance policies, and bills receivable. Collateral register maintained.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.

SEE EXTRA SHEET

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reason.

SEE EXTRA SHEET

6. State whether all paper claimed by the bank as its property, including collateral appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.

Yes

7. Give highest, lowest and average rate of interest obtained.

6% 4½% 5.06

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.)

Bank has sold a number of loans to country correspondent banks. The list attached describes certain loans that do not in all respects, measure up to the standard of loans that should be bought by country bankers as secondary reserves

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through indorsement of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for bank's benefit exists, describe fully.

The loans are assigned without recourse, but as a practical proposition they are bills payable. These loans are sold from the note case of the bank, hence it might be difficult for bank to escape liability for any loss sustained, even if it desired to escape liability..

10. Do they take loans to accommodate other banks, and to what extent?

Some loans taken for accommodation of country correspondent banks.

11. Does sending bank appear to be in any way liable? (See No. 10.)
List liabilities of National Banks.

SEE EXTRA SHEET

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)

Credit files show improvement. Not enough supplemental data is filed.

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 16

No. of Bank 9813 *Date of Report* October 13, 1926.

LIABILITIES OF CORPORATIONS IN WHICH LOANS ARE INTERESTED.

	Direct	Indirect
Krug Robinson Clo. Co. Ind. by Frank Krug and securities having an estimated market value of $185,880.00 Director Rudd interested.	135,000.00	
Callahan & Sons Director Callahan interested and endorsee.	60,000.00	
Consolidated Realty Corp. Coll. 800 shs. General Realty Corp., " 800 " Louisville " " " 200 " Cons Realty Corp. Com $86,208.77 Bills Receivable Director Rieatt interested and guarantees Endorsee Estate A. V. Thomson	225,000.00	$1,184.66 21,641.49
Electric Refrigeration Co. Director Augenstein interested and guarantees.	15,000.00	6,603.85
General Realty Corp. Secured by mortgage on real estate Director Rieatt interested and endorsee.	151,925.00	
Guaranty Realty Co. Director Rieatt interested and, with others, endorsee.	99,000.00	
Hart Mfg. Co. Director Ahern interested	85,000.00	68,707.85
Herald Post Co. (loan) " (overdraft) Guarantees Trumbo, Schupp & Schmidt " J. Dalfinger & Co. 5,000 shs. Standard Oil Co. of Ky., pledged to secure this debt. Director James B. Brown interested.	325,000.00 149,139.48	5,671.70 21,000.00 14,000.00
International Malt Co. Director Pirtle interested and endorsee.	19,158.33	1,388.45
James Dabney Co. Director James endorsee.	64,000.00	3,711.89
C. A. Kearney & Co. Coll. $0,000.00 note Herald Post Co. due 10-9-26 Vice-President Dugan interested.	61,015.97	
Lemon & Son Director Lemon interested and endorsee.	280,000.00	1,015.38
Ohio Falls Iron Co. Director-Sleet interested and endorsee direct loan.	75,000.00	3,333.33
Ohio River Sand Co. Director Bulmer interested and guarantees.	225,000.00	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 16

No. of Bank 9818 *Date of Report* October 15, 1929.

LIABILITIES OF CORPORATIONS IN WHICH DIRECTORS ARE INTERESTED.

	Direct	Indirect
Reynolds & Co. Coll. - Sundry listed stocks with a satisfactory margin. Director Reynolds interested.	354,618.80	
Herman Strauss & Sons Director Kahn interested.		1,475.80
American Turf Assn. Director Brown interested.	600,000.00	
Mengel & Co. Endorser on Bagge Bros. Director Mengel interested.		28,358.15

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 1-2

Examiner.

Form 1488 — Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 16

No. of Bank 9813 *Date of Report* Sept. 15, 1932.

LIABILITIES OF DIRECTORS, OFFICERS AND EMPLOYEES.

	Direct	Indirect
H. J. Augenstein		
Guarantees Electric Refrigerator Co.		$ 21,603.85
Chas. H. Balmer		
Endorser on Ohio River Sand Co.		256,000.00
James B. Brown		
Joint maker with J. W. M. Stewart, et al	$220,566.06	
Endorser - G. S. Schlesinger		505.00
" Chas. H. Lewis		4,580.00
" Herald - Post Co.		200,000.00
Guarantor O. A. Klenk		1,100.00
" C. F. Jones		17,000.00
" H. R. Grant		5,000.00
" L. L. Fontaine		6,500.00
" Isham Bridges		19,500.00
	220,566.06	445,785.00
R. L. Callahan		
Endorser - Callahan & Sons		60,000.00
A. J. Carrell	13,500.00	
Coll: 145 shs., Standard Oil Co. of Calif.		
302 " American Turf, Com.		
Geo. M. Clark	214,500.00	
Coll: 2000 shs. American Turf, Com.,		
40 " Second Natl. Bank, New Albany, Ind.		
45 " Majestic Theatre Co.		
Endorser, Ohio Falls Iron Co.		75,000.00
	214,500.00	75,000.00
Stuart E. Duncan	89,500.00	
Coll: 400 shs. Pesalee Gaulbert Co. Com.,		
736 " Standard Oil Co., Ind.		
Endorser - Gale Francis		100.00
" Wm. O. Duncan		10,000.00
	89,500.00	10,100.00
Geo. L. Everbach	2,000.00	
Collateral: 50 shs., U. S. Steel, Com.		
Baylor O. Hickman	51,225.35	
Collateral: 729 shs. American Turf, Com.,		
$35,000.00 real estate notes, Alex. Hayburn.		
C. C. Hieatt	27,674.40	
do. Joint with H. J. Scheirich	14,000.00	
Coll: 89½ shs. , Consolidated Realty Co., Com.		
$22,500.00 notes, Gardner Communities Co.		
Discount of Lemon & Son	812.00	
" " Cons. Realty Co., Joint with H. J. Scheirich	11,110.00	
Endorser - Gardner Communities Co.		12,881.25
" Riddell Robinson Mfg. Co.		1,722.33
" Edw. J. Clem		808.17
" A. V. Thomson Estate		11,720.32
" Guaranty Realty Co.		99,000.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 8-8

Examiner.

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 16

No. of Bank [redacted] *Date of Report* Oct. 18, 1933

LIABILITIES OF DIRECTORS, OFFICERS AND EMPLOYEES.

	Direct	Indirect
C. C. Rieatt (cont'd.)		
Endorser - General Realty Co.		$121,980.00
Guarantor - Consolidated Realty Co. - Direct and indirect		476,984.06
	$25,806.40	$754,765.12
Saunders P. Jones	30,800.00	
Coll: 2,600 shs., Jones Dabney Co., Com.		
Endorser - Jones Dabney Co.		64,000.00
Guarantor - H. J. Prebock		600.00
	30,800.00	64,600.00
Walter I. Kahn	88,275.25	
Coll: 500 shs. Yellow Cab Mfg. Co.,		
20 " Prairie Oil & Gas Co.,		
1366 " Herman Straus & Sons,		
580 " S. O., Kansas,		
280 " S. O., N.J.,		
200 " National Candy Co.,		
40 " Louisville Gas & Elec. "A",		
514 " S. O., Ky.,		
298 " S. O., N.Y.,		
16 " Louisville G. E. "B",		
400 " American Turf		
Endorser, Geo. D. Sleigh		81,870.00
	88,275.25	81,870.00
Brainard Lemon	79,000.00	
Coll: 1,200 shs., U. S. Foil "B",		
780 " S. O., Ky.,		
Endorser - Mary Lemon Tyler		1,680.00
" do.		3,448.00
" Lamy L. Overbeeker		856.35
" C. M. Bryant		200.00
" Lemon & Son		100,000.00
	79,000.00	106,184.35
S. C. Lyons	81,085.35	
Joint with W. L. Lyons, et al		
Member of firm, W. L. Lyons & Co. - Secured by listed securities.	250,000.00	
	331,085.35	
H. D. Crumby		
Endorser - St. Marks Church		1,250.00
John Pirtle		
Endorser, International Salt Co.		10,155.33
Huston Quinn	13,800.00	
Coll: 100 shs., L. & N. R. R. Co.,		
100 " U. S. Foil "B".		

EXTRA SHEET PAGE 3-4

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 148b—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5418 *Date of Report* Oct. 18, 1922

LIABILITIES OF DIRECTORS, OFFICERS AND EMPLOYEES.

	Direct	Indirect
R. S. Reynolds	$134,054.60	
Coll: 1000 shs., U. S. Foil "B"		
100 " Sou. Ry.		
1000 " Wabash Ry., Com.		
1,000 " K. C. Southern.		
Endorser - F. E. Clark		$ 6,574.95
" W. J. Waymack		4,000.00
Guarantor W. G. Golden		5,287.08
	134,054.60	15,862.13
W. S. Speed	89,485.00	
Coll: 800 shs., Kentucky Rock Asphalt, Com.		
$10 M. Alabama Mills - 6% - 45.		
John Stites	2,000.00	
Coll: 80 shs., Louisville Ry. Co. Pfd.		
Endorser, Jarrett Stites		2,250.00
H. H. Sweets		250.00
W. M. Hannah		312.13
J. E. Stites		600.00
	2,000.00	4,362.13
J. E. Jansen	204.56	
Coll: 18 shs. S. O., N. Y.		
Raymond L. Metz	975.00	
Coll: 50 shs., American Turf, Com.		
Catherine D. Mooney	2,025.00	
Coll: 120 shs., American Turf, Com.		
10 " S. O., N. J.		
6 " S. O., N. Y.		
E. B. Robertson	19.61	
Overdraft		20,000.00
Endorser - Crescent Hill Baptist Church		20.77
" Alice L. Quisenberry		
	19.61	20,020.77
A. J. Stallenpahl		710.00
Endorser - C. B. Stallenpahl.		

The following officers' loans are guaranteed by President Brown, who is secured by pledge of their stock in this bank:

L. L. Pentaine	- Reduced	$500.00 since last examination	$ 6,500.00
H. R. Grant	"	150.00 " " "	8,000.00
Chas. F. Jones	"	1,000.00 " " "	17,000.00
O. A. Block	"	400.00 " " "	1,100.00

EXTRA SHEET PAGE 3-6

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1489.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 16

No. of Bank 8818 *Date of Report* October 15, 1928.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS WHICH APPEAR OBJECTIONABLE FOR REASONS SET OUT

Julian M. Bradbury — 6,632.17
Coll. - 40 shs. Carter B. Gds. Co.
Collateral of an unliquid type and its market value rather difficult for a country banker to ascertain.

F. P. Curwood and W. W. Lewis — 5,000.00
Coll. - 100 shs. Grannies Creek Coal Co.
Same criticism as above.

Jas. T. Clark — 2,000.00
Coll. - 20 shs. Majestic Theatre Co. valued at $1,760.00. Collateral insufficient to secure this particular note. Bank holds other notes of maker secured by collateral and, considering the entire line, it appears properly secured.

Jas. T. Clark — 5,000.00
Coll. 150 shs. American Turf Assn. Com. valued at 4,650.00.
20 " Ohio Falls Iron Co.
The stock of the Ohio Falls Iron Corp. is closely held and any market, naturally narrow.

W. H. Gland — 8,500.00
Coll. - 85 shs. Lou. Tin & Stove Co.
Same criticism as above.

Wm. G. Duncan — 4,689.20
Coll. 150 shs. Reeve & Reynolds A Market value $600.00. Insufficient margin.

E. H. Flanagan — 5,000.00
Coll. 51 shs. Citizens Bank, Brukesboro, Ky.
Sale of collateral of this type too restricted. Bank is small and its condition would be difficult for a country banker to ascertain.

Ashbrook G. Frank — 1,000.00
Coll - 10 shs. Courier Journal Job Ptg. Pfd.
25 shs. " " " Com.
See above criticism

Owen Gathright — 4,000.00
Coll. - 25 shs. Commonwealth Power Com. valued $2,940.
25 shs. American W. W. & Elec." " 1,250.
25 shs. Hurbison & Gathright Co. Pfd.
Listed collateral does not provide the usual margin.

Owen Gathright — 15,000.00
Coll. - 100 shs. West Penn. Elec. A valued 10,700.00
6 shs. Amer. W. W. & Elec. Com. 540.00
76 " Penn-Ohio Edison " 3534.00
105 " Hurbison & Gathright Co. Pfd
100 " " " Com

To the Comptroller of the Currency, Washington, D. C.

Same criticism as made on the $4,000.00 loan.

Examiner.

Exhibit 16

Form 1480—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* October 15, 1928.

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS WHICH APPEAR OBJECTIONABLE FOR REASONS SET OUT.

Frank A. Gerst 4,000.00
Coll. - 100 shs. Amer. Turf Assn. com. valued 4,000.
$00.00 Liberty bonds " 800.
Insufficient margin.

J. Hump Goodloe 5,000.00
Coll. - 50 shs. Pickrell Motor Co.
Collateral of an unliquid type.

J. M. Greer (direct loan) Henderson Co. Savings Bk. 10,000.00
Coll. - 200 shs. Lou. G. E. Co. A valued at 9,200.00
200 shs. Nat. Candy Co. com. " 3,700.00
42 " Cent. Oil. Co. " 714.00
Value of collateral furnishes a 18% margin.

John C. Haskins 5,000.00
Coll. 61 shs. Louisville Bridge & Iron Co.
Collateral of an unliquid type and its value difficult to obtain.

F. W. Klagsby 5,000.00
Coll. - 50 shs. American Turf Com. valued 2,200.
Value of collateral furnishes a 10% margin. Bank holds other loans of maker secured and considering the entire line is properly margined.

A. W. Kramer 2,365.55
Coll. - 75 shs. Standard Sanitary Com. valued at 2,700.
Same criticism as the F. W. Klagsby loan.

Fred A. Kratch 5,000.00
Coll. 75 shs. Woodson & Kratch
A market for or value of this stock would be difficult for a country banker to ascertain.

A. E. Letts (direct loan to Wallins Nat. Bk. (Wallins Creek, Ky.) 5,000.00
Coll. - 200 shs. Northern Texas Elec. Co. Com. valued at $5,000.00.
No margin.

Louisville Mortgage & Finance Co. 10,000.00
Coll- Sundry real estate notes agg. $15,150.00
Collateral of an unliquid and extremely unsatisfactory type to sell to country bank.

Chas. J. O'Connor 1,700.00
Coll. 60 shs. Pittsburgh Coal Co.
Collateral unlisted and its value difficult to ascertain.

E. E. Robertson (direct loan to Bank of Milltown, Ind.)- 5,000.00
Coll. 1 sh. Standard Oil Co. of Ky. valued 140.00
$800. Louisville Title Co. bds. " 800.00
$800. Calor Cinema 7% 1926
50 shs. Crummies Creek Coal Co.
Same criticism as the Chas. J. O'Connor loan.

Howard L. Savage 5,000.00
Coll. 19 shs. Coca Cola Com valued 5,401.00
44 " Lou. Bridge & Iron Co.
Same criticism as the Chas. J. O'Connor loan.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 8-7

Form 1480.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 16

No. of Bank 8818 *Date of Report* October 13, 1928

LOANS HELD FOR ACCOUNT OF COUNTRY BANKS WHICH APPEAR OBJECTIONABLE FOR REASONS SET OUT.

Wm. Schneider — $5,000.00
Coll. - 11,000.Real Estate notes
Collateral of an unliquid type.

Jos. Schwab, Jr. — $5,071.19
Coll. 4,000. Louisville Ry. Co. 5-1930 valued 5,800.00
Insufficient margin.

John H. Shine — $2,500.00
Coll. 18 shs. New Albany, Ind. National Bank,

John H. Shine — $7,500.00
Coll. 85 shs. New Albany (Ind.) Nat. Bank,
5 shs. Second Nat. Bank, New Albany Ind.
The market value of collateral of this character difficult to obtain.

Gran W. Smith's Sons — $5,000.00
Coll. 100 shs. Louisville Ry. Co. com. valued 5,500.00
11 " Funeral Auto Co.
The Funeral Auto Co. is a small corporation and any market for its stock restricted.

Standard Mortgage Co. — $5,000.00
Coll. 13,022.36 second mortgage real estate installment notes.
Collateral of this type considered undesirable as notes sold to country banks.

R. P. Thompson — $3,500.00
Coll. 40 shs. Carter Dgds. Co.
Collateral of an unliquid type.

C. C. Trenbart — $5,675.80
Coll. 75 shs. Ky. Power & Light Co. com. valued 4,050.00
Margin of 10% insufficient.

Phillip S. Tuley — $2,500.00
Coll. 118 shs. Louisville Textile Co. com.
30 " Louisville Cotton Mills
Collateral of an unliquid type.

E. K. Wardem — $1,500.00
Coll. 28 shs. Cons.-Realty Co. Pfd.
75 " " " " — 5,000.00
Loan of Consolidated Realty Co. classed as slow.

Ben S. Washer — $6,000.00
Coll. 100 shs. Crescent Hotel Co.
Collateral of an unliquid type and market restricted.

M. M. Yarbro — $8,000.00
Coll. 95 shs. Carter Dgds. Co.
25 shs. General Motors Co. valued 5,450.00
The Carter Dgds. Co. stock is regarded as unliquid collateral.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 5-6

FORM 1426.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

Exhibit 16

No. of Bank 9613 *Date of Report* October 18, 1932.

LIABILITIES OF NATIONAL BANKS.

Whitley National Bank,	Corbin, Ky.	R/P	10,000.00	Coll.	$16,000.00	R/E
National Bank of Cynthiana,	Ky.	Rediso.	30,000.00			
1st National Bank,	Harrodsburg, Ky.	"	25,902.90			
"	Hopkinsville, Ky.	R/P	25,000.00	Coll.	34,000.00	R/E
"	Princeton, Ky.	"	25,000.00	"	30,000.00	bonds
Lincoln Co. R/E	Stanford, Ky.	"	25,000.00	"	34,000.00	"
First Nat. Bank,	Horse Cave, Ky.	Repurch. agree.	14,945.50	bonds.		

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-9

Form 1425—Page 4
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 16

No. of Bank, 8312

LOANS AND DISCOUNTS—Continued

The loans and discounts and other securities must be carefully verified and every discrepancy noted

Total loans and discounts, $ 35,112,421.60

OVERDUE PAPER

A. Total bad debts, as defined by Section 5204, U. S. R. S., $ 1,200,857.75

Of which there are carried in loans and discounts, $ 1,200,857.75

*Carried elsewhere, $

B. Other overdue paper, $ 567,254.83

Total overdue paper (including all bad debts), $ 1,768,112.58

Examiner should advise bank interest on demand or time loans should be collected at least every six months; and that mere payment of interest is not considered a renewal of the loan unless formal extension agreement is signed by all parties or the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6. Give maturity dates of "bad debts."

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
75.60 G.M. & F.K. Adams & Sid Douthitt Loan has been due since 1-4-26. Reduced $74.00 since last examination.	75.60		75.60		
1,000.00 Allgier-Koch & Company, Inc. Endorsed J.S. Koch & Perry Parmley. Coll: $5,500.00 lien note, Ray Appleby, given 1-24-27. (If all payments are made, balance due is about $2,500.00). $566.98 sundry lien notes.			1,000.00		
2,755.17 J. C. Koch Endorsed Allgier - Koch & Company. The statement of the company is unattractive. The loan of the company has been reduced $800.00 since last examination and the loan of J. C. Koch has increased $455.17.			2,755.17		
1,250.00 F. M. Allgier Coll: 5 shs. Bank of St. Helena, $1,700.00 2nd lien note of J. M. Dawson.			1,250.00		
4,650.00 Armstrong - Reynolds Company Endorsed E. L. Henderson, J.B. Armstrong & Luther C. Reynolds. No new statement since last examination. Old statement is poor. Claim endorsers are good. Reduced $1,450.00 since last examination.			4,650.00		
TOTAL,		SEE EXTRA SHEET.			

Use Form 1425-c for continuation of list.

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1438-C

Exhibit 16

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
5,800.00 Eugene R. Atkinson Coll: 25 shs., Henry Vogt Machine Company, Com., $250.00 Liberty Loan bonds. Loan began 1-17-25 and has not been paid out. Collateral regarded as good.			5,800.00		
Carried at $6,000.00 Badger Aluminum Company The hope for collection of this loan lies in the sale of 512 acres in Johnson County, Oklahoma. The property is apparently very difficult to sell and bank may suffer a further loss.	6,000.00		4,000.00	2,000.00	
194,500.00 Bankers Trust Company Coll: Sundry bills receivable, aggregating $20,005.47, and Sundry bonds aggregating $210,000.00, some of which appear to be difficult to sell to the investing public. The line is rather a large one.			194,500.00		
225.47 August R. Bumner, et al Charged off during this examination.	225.47				225.47
13,200.00 Benevolent Association of Kiks, Inc. Loss charged off during this examination.	13,200.00		2,960.00		10,240.00
1,065.72 Charles H. Boden Maker is dead. It is estimated that his estate will pay the bank about $930.00. This amount may be increased or reduced through costs and other claims. The endorser is a rural mail carrier.	1,065.72		665.72	200.00	
408.08 Rediscounts of Bagby - Howe Drug Company Your examiner was advised during this examination that Bagby - Howe will pay on this loan about $290.08 if the United States Government makes no appeal against a certain tax decision. Loss charged off during this examination.	408.08		290.08		118.00

EXTRA SHEET PAGE 4-1

TOTAL

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
100.00 Anna L. & C. H. Bostick It is said that the parties own a residence subject to a lien in a building and loan association. Suit has been brought and it is hoped that collection can be made.	100.00			100.00	
10,151.67 J. Graham Brown Coll: 150 shs. Kentucky Refrigerating Company, Com. "A", 110 shs. do. Pfd. The note was made for the purchase of the stock pledged as collateral. The stock is of uncertain value. The loan was renewed during examination and the promise was made that it would be paid at maturity.		10,151.67	10,151.67	Paid	Paid
2,000.00 Robert L. Brown Coll: 860½ shs. Brown Coal Company. Loan reduced $1,000. since last examination and a further payment of $500.00 was made during this examination.			2,000.00		000
895.00 Ben L. Bruner H. T. Larrimore is endorser on $75.00 and is regarded as good. The maker has a position with the State Tax Commissioner in Kentucky. He has reduced $155.00 since last examination.			75.00	820.00	0
26,414.05 John Buchanan Coll: 200 shs. Courier-Journal Job Printing Co., Pfd., 100 shs. do. Com., 100 " Centrifugal Pipe Company, 400 shs. American Turf. The value of the two last securities is about $17,000.00. The Courier-Journal stock is said to have value, but there is no market for it. Loan began 1-8-24 as $14,000.00.			26,414.05		
6,880.00 Buchanan Motors Corporation Endorsed by 5 parties. Coll: $10,000.00 Willis-Harlan Coal Company, 1st, 6's. This loan has been due since 7-25-25. Charged off during this examination.	6,880.00				6,880.00
TOTAL					

EXTRA SHEET PAGE 4-B

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$45,000.00 Cadet Knitting Company Vice-President Angermeier advised your examiner that the company is being refinanced and that in his opinion the loan will be paid within thirty to forty days.		45,000.00	45,000.00		
72.22 J. T. Caldwell Reduced $47.50 since last examination. Maker is now in Jackson, Mississippi. It is claimed that he pays $25.00 each maturity.			72.22		47.50
96,151.25 Campbell, Heath & Company Coll: $100,000.00 Murray Rubber Company Bonds. (See discussion of Murray Rubber Company loan). The rubber company is in a deplorable condition and your examiner thinks the value of the bonds is very questionable.			75,000.00	21,151.25	✓
40,000.00 Wm. D. Campbell Coll: 4,000 shs. Van Camp Packing Company, (Par $20.00). The collateral at present is quoted on the market at 20. This value is based on the assumption that the refinancing plans of the Van Camp Packing Company will be consummated. No reduction since last examination.			40,000.00		✓
$230,471.50 White & Associates Endorsed Wm. D. Campbell. Coll: $25,000.00 note Hamm Building Corporation, $25,000.00 note, Liberty-Washington-Cedar Street Corporation, $30,000.00 note Wm. D. Campbell, secured by 750 shs. Liberty-Washington - Cedar Street Corporation, $154,000.00 note Campbell, Heath & Company, secured by 35,908 shares Cadet Knitting Company . Vice-President Angermeier advised your examiner that in his opinion this note will be paid within thirty or forty days.		230,471.50	230,471.50		✓
$60.00 Fred J. Campbell Secured by chattel mortgage on a Ford automobile. Party is making partial payments, and			60.00		60.00
Total,		EXTRA SHEET PAGE 4-B			

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1488-C

Exhibit 16

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Fred J. Campbell (cont'd.) it is believed that the loan will be collected in full. $500.00 Thomas Jefferson Memorial Fund Endorsed Fred J. Campbell. It has been claimed during the last several examinations that this loan would be paid through a public subscription, but this has not been done. The endorser is now in California. It is believed that after he has paid his own note to the bank for $550.00 he will begin payment of this note.		$500.00	$500.00		
$115,826.76 Carter Guaranty Company Call: $10,000.00 bonds, International Belt Company. (This is being foreclosed). $70,000.00 Eugene Strunz Cabinet Works, 1st, 6's. (This company is in liquidation. It is said that this bank holds all but $10,000.00 of the outstanding bonds). $12,500.00 mortgage of the company, secured by all of its assets not already pledged. $14,100.00 notes, secured by mortgages on vacant lots in Cedar Grove Sub-division. $8,000.00 secured by a 1st lien on 4417 Barnum Street, $11,400.00 lien notes of G. R. Wade, $2,726.76 lien notes of F. Quenzler. The Carter Guaranty Company is being liquidated. The Louisville Trust Company holds as trustee for the protection of bank creditors a lease on property located on the west side of Fifth Street, between Liberty Street and Walnut Street, subject to a prior lien of $80,000.00 - also a lien on property located immediately west of above property, subject to a prior lien of $6,000.00. This is a difficult "work-out" proposition and your examiner feels that there is some doubt concerning the ultimate collection of all of the loan.			90,000.00	25,826.76	
10,234.20 Elisabe W. Carter H. L. Taylor is endorser on $7,305.20. (cont'd.)			7,305.20	2,929.00	
Total					

EXTRA SHEET PAGE 4-4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1428 C

Exhibit 16

No. of Bank, 853.2

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kilerbe W. Carter (contd.) Coll: $4,345.95 note of J. Douglas Carter, secured by deed of trust on 215 acres in Stafford County, Virginia. The collateral note is dated 9-15-25, payable on demand, with no interest paid. The portion of the loan endorsed by Taylor is regarded as unquestionably good. The balance is regarded as doubtful. Reduced $500.00 since last examination.					
475.00 Wm. C. Cawthon The maker is in bankruptcy. Estimated loss charged off during this examination.			300.00		175.00
4,570.00 John H. Chandler Hugh B. Flagge is endorser on $960.00. Charles Morheimer is endorser on $3,025.00. J. P. Ferguson is endorser on $585.00. Coll: $555.00 lien note, $10,000.00 life insurance policy with a cash value of about $1,480.00. Reduced $870.80 since last examination.			3,000.00	1,570.00	
75,702.51 Chess & Wymond, Inc. No new statement since last examination. This bank and the other creditor bank are working out their debt in conjunction. It is claimed that the company is now making some progress and the hope is expressed that no loss will be suffered. Reduced $54,855.11 since last examination.			75,702.51		
20.50 Adolph Christian Charged off during this examination.	20.50				20.50
15,480.00 Clay County Coal Company Your examiner was advised that the property has been sold for $15,100.00, less commissions, etc. Estimated loss charged off during this examination.	15,480.00		12,480.00		3,000.00
2,515.19 Rediscounts Color Cinema Productions, Inc.	2,323.44		1,505.51		1,009.93
752.85 Rediscounts Color Cinema Company Estimated loss charged off during this examination.	752.85				752.85
TOTAL					

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1488 C

Exhibit 16

No. of Bank, 3513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
15,000.00 Columbia Phosphate Mining Company During this examination advice was received from the company that the contract with Armour & Company reads that buyer shall mine and pay for 25,000 prepared and dry tons during its first year's operation, dating twelve months from the date shipments begin. On the first 20,000 tons shipped, there shall be no payment, as this will cover the $15,000.00 royalty advanced on the contract by Armour & Company. The price is 75¢ per long ton. Armour & Company is reported to have advised that their minimum requirement is 60,000 tons per year. Up to the present time no mining has been done by Armour & Company and it is stated that it will probably be in the early months of 1929 before operations will begin. The Columbia Phosphate Mining Company is said to have no expenses beyond interest and taxes. It is stated that it will be the policy of the company when the royalties begin to come in to use the funds in liquidation of the company's obligations. On the basis of this information it would seem that this loan and the asset carried in Claims and Judgments are good, but it will probably be slow in working out.			15,000.00		
2,381.22 J. Parker Conn, et al Coll: $5,000.00 note, secured by a lien on Louisville property, subject to a prior lien of $8,500.00. It is claimed that this property is worth $14,000.00. Loan reduced $2,303.78 since last examination.	2,381.22		2,381.22		
200.00 H. A. Cook It is claimed that R. V. Board verbally guaranteed $100.00 of this loan.	200.00			100.00	100.00

EXTRA SHEET PAGE 4-6

TOTAL

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1428 C

Exhibit 16

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$35,000.00 - Loan Consolidated Realty Company			$35,000.00		
$1,154.05 - Rediscounts Consolidated Realty Company			$1,154.05		
Coll: 200 shs. General Realty Corp., Com., (in name of C. C. Hiett), 370 shs. Louisville Realty Corporation, 220 shs. Consolidated Realty Corporation, Com., Sundry bills receivable aggregating $215,217.91. (Of this amount, $448,396.96 is secured by vacant property.)					
Your examiner submits the opinion that this type of security is extremely undesirable for a commercial bank. The large amount of credit advanced accentuates its undesirability. Taking into account the direct and indirect liability of the company to the bank, it is believed that a larger amount of collateral should be pledged. It is further believed that the amount of collateral secured by unimproved property should be decreased and the amount secured by desirable improved property should be increased.					
The statement of the company dated 12-31-27 shows:					
Direct Liability of the Company $5,507,957.00					
Indirect Liability 1,946,908.00					
Total Liability $7,454,865.00					
Net Worth(Claimed) 5,628,625.00.					
Statement shows an operating loss of $12,965.00					
Dividends Paid 102,515.00					
Total $115,396.00					
Added to Surplus by Re-valuation of Assets 76,680.00					
Total Loss $38,816.00.					
It can be readily seen that no dividends should have been paid. Even after arbitrarily adding $76,680.00 to value, the dividend resulted in a loss of $38,816.00. In its present condition your examiner feels that this advance of credit is entirely too large and that it is inadequately secured with collateral, a part of which, at least, is subject to just criticism.					
$20.90 Embrey Cessar The maker is Sheriff of Jefferson County, Kentucky. Loan was renewed during this examination.		$20.90	$20.90		
TOTAL			EXTRA SHEET PAGE 4-1		

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,070.56 L. L. Daugherty Coll: $5,000.00 life insurance policy with no cash surrender value. It is claimed that maker is paying $20.00 at each maturity. Loan reduced $857.84 since last examination.			1,070.56		
1,200.52 - Rediscounts K. Daves Miss Daves has gone and cannot be located. The rediscounts are insurance notes and appear to be worthless. Charged off during this examination.	1,200.52				1,200.52
36,000.00 Dawson Daylight Coal Company Collateral: $50,000.00 bonds of company. The condition of the company has improved intrinsically. The difficulty appears to arise from the fact that non-union coal companies have suffered as a result of the adjustment of wage scales in the Union fields. Coal production now exceeds demand, hence all coal companies are suffering in some degree. Management of bank deserves credit for having effected a re-organization of the maker company. If this had not been done, it is probable that bankruptcy would have resulted and that bank would have suffered a loss. Reduced $1,000.00 since last examination.			36,000.00		
2,120.00 Lilly W. and R. W. Dabaney Secured by a third lien on 7 pieces of property in Louisville, appraised by the Louisville Title Company at $31,000.00, prior liens $19,200.00. It would appear that bank should be able to work out this loan without loss.			2,120.00		
11,496.00 L. J. Dittmer Coll: 100 shs., Majestic Theater Company, $10,000.00 Color Cinema Company, Debentures. This loan was due 9-10-27. Some action should be taken to collect.	11,496.00		9,000.00	2,496.00	
Total.			EXTRA SHEET PAGE 4-5		

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

Exhibit 16

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
11,000.00 Duffy Lee Company Endorsed Thomas J. Duffy. Statement of the company is poor. Vice-President Dugan expressed the opinion that the endorser is good. Loan began as $12,000.00, 11-25-25, and has not been paid out.			11,000.00		
200.00 Robert E. Dundon and Wm. C. McCormick Maker is a reporter on the Herald - Post. Loan was renewed during this examination.		200.00	200.00		
500.00 John Dupere, Jr. Maker is dead and claim has been allowed against his estate. The Fidelity & Columbia Trust Company is executor and has advised that the estate is solvent.	500.00		500.00		
1,950.00 C. C. Hahn, et al Coll: Assignment of an equity in sundry notes aggregating $17,226.13, which are pledged to secure indebtedness of the makers to the Standard Mortgage Company. It is believed that the loan will be collected in full, but it will be slow.		1,950.00	1,950.00		
1,900.00 J. R. Etherton Coll: 50 shs., Rowe - Fawcett Company, Pfd. Collateral is of an unliquid type. No reduction since last examination.			1,900.00		
10,000.00 Eureka Products Company Endorsed J. H. Wilms. The face amount of this loan is $20,000.00. It has been charged down to $10,000.00. The bank holds a life insurance policy with a cash surrender value of about $9000.00. Your examiner was advised during this examination that negotiations are pending for a settlement of the loan by the payment to the bank of $10,000.00.			10,000.00		
[redacted]					
TOTAL					

SUPPLEMENTAL DEBIT

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Lee E. Fath	$10.25	$10.25		$10.25		
F. S. Graham & H. S. Perry	6,500.00	6,500.00		6,500.00		
Both loans are collateraled by 100 shs. Atlantic Bank & Trust Company, Daytonia Beach, Florida. Vice-President Dugan contracted a sale of the collateral recently at $12,500.00, but due to a controversy with the issuing bank, transfer of the stock on the records of the issuing bank was refused. Suit is now being brought against the Atlantic Bank & Trust Company on account of its failure to transfer the stock.						
Frank Fehr, Trustee - Joint with Frank Fehr	10,000.00			10,000.00		
Coll: Assignment of an account said to aggregate $20,010.11, deposited with the Louisville Trust Company.						
The funds in the deposit are being held pending the determination of a suit.						
H. H. Fulton, et al	80.00		80.00			80.00
Charged off during this examination.						
Geo. H. Fisher & Company	3,142.39		3,142.39	3,142.39		
Alice G. Fisher	10,000.00		10,000.00	10,000.00		
Endorsed Geo. H. Fisher & Company.						
McPherson Realty Company	110.35		110.35	110.35		
Endorsed Geo. H. Fisher & Company.						
Coll: $5,000.00 Kentucky Title Company Bonds.						
Geo. H. Fisher is dead. Vice-President Augenstein advised your examiner that estate has enough real estate to pay its debts, if the value can be realized. No doubt, by the next examination of this bank the matter will have been definitely determined.						
Hugh B. Flowers	1,800.00			1,800.00		
Ernest Woodward is endorser on $1,000.00.						
Mrs. H. L. Flowers	264.00		264.00			264.00
Charged off during this examination.						
		EXTRA SHEET PAGE 4-10				
	TOTAL					

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER
FORM 1488 C

Exhibit 16

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
111.65 Elmer D. Furst - Joint with Charles H. Musgrove Furst is of limited financial responsibility. Musgrove is dead. Claim has been allowed against estate. The estate consists of some small houses.	111.65		111.65		
5,800.00 J. G. Gallagher C. L. Gallagher is endorser on $1,800.00. Coll: 100 shs. Louisville Ry., Com., $1,800.00 Kentucky Title Company Bonds, $975.00 real estate note. It is claimed that C. L. Gallagher is good. If so, the value of the collateral is adequate to protect the balance of the loan.	5,800.00		5,800.00		
10,826.00 Garfield Rock Asphalt Company Endorsed by Henning Chambers and 4 others. The company is in bankruptcy. The endorsers are good.			10,826.00		Paid
25,410.96 J. W. Chase C. E. Chase, Surety. The maker is dead and his estate is said to be good, but is slow on account of consisting of real estate. The surety is also said to be good. The loan has been due since 4-22-27.	25,410.96		25,410.96		
75,000.00 Gibbs - Inman Company Statement dated 12-31-27 shows: Current Assets $90,000.00; Current Liabilities $90,000.00; Fixed Assets $787,000.00; Mortgage Indebtedness $186,000.00; Net Worth $486,000.00. The company is operating without adequate working capital. It would seem to be advisable for the company to sell some of its fixed assets to supply this deficiency.			75,000.00		
10,000.00 Gibralter Coal Mining Company Endorsed P. L. Brown. Continued reductions have been made on this loan. It is agreed that $2,000.00 shall be paid each 90 days. Reduced $3,500.00 since last examination.			10,000.00		
Total.					

EXTRA SHEET PAGE 4-11

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1493 C

Exhibit 16

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
8,000.00 Mercer Coal Mining Company Endorsed R. L. Brown and Gibraltar Coal Mining Company. Reductions also continue to be made on this loan. Reduced $4,000.00 since last examination and it is agreed that $2,000.00 will be paid each 90 days.			8,000.00		
120,000.00 Gold Proof Milling Company Endorsed S. Zorn & Company. Coll: $140,000.00 bonds of the company. It has always appeared to your examiner that the advances to this company and to S. Zorn & Company were greater than the net worth of the companies would warrant. The maker company has been a continuous borrower since the fall of 1922.			120,000.00		
2,583.00 H. L. Greene, et al Bank holds a first mortgage on a residence and 10 acres, and owns a post-office and drug store, which rents at $20.00 per year. This is a very slow "work-out" proposition, but every effort is being made to obtain results.	2,583.00		1,583.00	1,000.00	
843.26 N. B. Hammond Endorsed Robert V. Beard. The maker is an oil distributor. The endorser is good.		843.26	843.26		
20.00 Robert Hardin Endorsed Henry Johnson.		20.00	20.00		
48,410.26 Harlan Coal Company Endorsed K. U. Maguire and Cecil Jungbluth.			38,410.26	10,000.00	
5,600.00 Day Coal & Mining Company Endorsed Harlan Coal Company. Coll: 280 shs., Dawson Daylight Coal Company, Pfd., A mortgage on 55/100 interest in 492 acres of undeveloped coal land in Letcher County, Kentucky. At this time it is believed that value attaches to the preferred stock of the Dawson Daylight Coal Company. It is difficult	5,600.00			5,600.00	
TOTAL					

EXTRA SHEET PAGE 4-12

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank, 883.2

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Day Coal & Mining Company (contd.) to determine the value, if any, of the undeveloped coal land. The loan of the Day Coal & Mining Company is in legal process of collection. Owing to the position taken by the Kentucky River Coal Corporation, the landlord of the Day Coal & Mining Company, the matter of collecting the note is involved in considerable difficulty. If the claim of the landlord for rentals is upheld, collection will have to be made from the Harlan Coal Company, the endorser. Your examiner feels that bank will sustain further loss on account of the direct and indirect liability of the Harlan Coal Company.					
4,000.95 F. P. Harter Motor Company Endorsed F.D. & D.S. Harter. Statement of the company dated 4-30-25 shows: Current Assets $37,441.00; Current Liabilities $15,984.00; Other Assets $12,019.00; Net Worth, after deducting Loss and goodwill, $18,887.00. Among the Current Assets, is the item "Used Cars", aggregating $12,965.00. It is claimed that the endorsers are good.				4,000.95	
37,674.40 C. C. Hiatt Call: 100 shs. Consolidated Realty Company, $22,500.00 Garden Communities Corpn. The loan was due 7-2-25 and was renewed during this examination. Maker has been a continuous borrower since 12-23-25.		7,500.00	37,674.40		
800.00 F. R. Hodapp In addition to this direct loan of $800.00, $1,762.81 of his notes endorsed by the Color Cinema Companies are estimated as a loss elsewhere in this report. This only serves to accentuate the difficulty of his effort to liquidate his indebtedness at the present rate of payment.	100.00	700.00	400.00	400.00	
TOTAL					

EXTRA SHEET PAGE 4-18

SUPPLEMENTAL SHEET 6

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank, 9513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$6.75 Geo. Horn The maker has a bakery. He is regarded as poor pay. Vice-President Angermeier claims that the loan will be collected within 30 days.	6.75			6.75	
$25,000.00 Joseph Hubbuh, Sr., & Sons Statement dated 1-1-28 shows: Current Assets $175,000.00; Current Liabilities $117,000.00; Other Assets $53,000.00; Mortgage Indebtedness $80,000.00; Net Worth $91,500.00. Of the Current Assets, $113,000.00 consists of inventory, consisting of wallpaper, curtains, etc. This inventory is very heavy in relation to the other current assets and it is feared that in liquidation, its book value might shrink rather heavily. The statement shows a loss for 1927 of $7,075.00. About a year ago, it was promised by maker that this loan would be paid out within 6 months, but this has not been done. Loan has been reduced $10,000.00 since last examination.			15,000.00	10,000.00	
$9,500.00 Lewis D. Humphrey Coll: 55 shs. Balkmap Hardware Company, Pfd., 765 shs., Herald-Post Company. Maker has been dead about two years. About a year ago, it was promised that prompt disposition would be made of the matter, but nothing has been done. Unless some adjustment can be made, this loan should be charged off.	9,500.00			9,500.00	
$9,600.00 Hyman Pickel Company 1,216.76 H. D. Crumby, Agent for Creditors of Hyman Pickel Company. Statement dated 6-30-28 shows: Current Assets $95,618.00; Current Liabilities $145,995.00; Fixed Assets $84,089.00; Net Worth $33,281.00. A loss to net worth was sustained for the fiscal year in the sum of $98,618.00. A large part of this was due to a defective inventory, which occurred under a previous management. The company			34,400.00 816.76	35,000.00 400.00	

EXTRA SHEET PAGE 6-16

TOTAL

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank 883.2

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Hyman Pickel Company (contd.) is under an agreement to pay $6,000. rental per annum for the building it occupies covering an unexpired term of seven years. This contract is a serious problem to the maker company and would probably add to the loss sustained if company should go into liquidation. The National Bank of Kentucky on March 7, 1927, guaranteed the Louisville National Bank against loss to the extent of $4,000.00 on account of a loan of company held by said Louisville National Bank. This might also add to the amount of loss to be sustained by the National Bank of Kentucky. The statement tells a sad story. Unless there is a decided change in the fortunes of the company, the loss of the bank may exceed the $35,000.00 estimated as doubtful.					
70,000.00 Indian Hills Development Company This is a subdivision promotion. At the time of the last examination, it was promised that responsible individual endorsement would be obtained, but this has not been done.			70,000.00		
10,155.35 International Salt Company Endorsed John R. Pirtle and four others. The company is out of business. It is claimed that there are enough salable assets to pay the indebtedness of the company. However, the loan is classified in this report on the basis of the endorsement of Director Pirtle, which is undoubtedly good.	10,155.35		10,155.35		
8,856.45 D. A. Keller Estate Coll: 54 shs. Audubon Park Realty Company, 50 shs., Star Wood Products Company. Maker is dead. This is regarded as a "work-out" proposition.			8,856.45		
4,881.80 Kentucky Plumbing & Heating Company Coll: $8,897.80 lien notes of F. H. Culbertson, covering property on 15th Street Road. Prior lien $10,000. It is being foreclosed.	4,881.80		1,000.00		3,881.80
(contd.) TOTAL					

EXTRA SHEET FOR [illegible]

SUPPLEMENTAL SHEET

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1482 C

Exhibit 16

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Plumbing & Heating Co. (contd.) Coll: (contd.) $2,500.00 lien note of A.L. Thomas, same being a second lien.					
80,000.00 Kentucky Public Elevator Co. Statement dated 6-30-28 shows: Current Assets $59,700.00; Current Liabilities $60,000.00; Fixed Assets $665,000.00; Net Worth $699,300.00. Statement shows a loss to net worth of $16,877.61. This loss began prior to 1925. Reduced $10,000.00 since last examination.			60,000.00		
83,000.00 Kentucky Refrigerating Company Statement dated 5-31-28 shows: Current Assets $62,265.00; Current Liabilities $217,745.00; Fixed Assets $1,256,947.00; Mortgage Indebtedness $870,000.00; Net Worth $418,808.00. The statement shows an operating profit for the company of $11,547.00, but after declaring a dividend on the preferred stock and making necessary charges for depreciation, the statement shows a loss to net worth of $15,510.00. This loan is of long standing and is exceedingly undesirable.				83,000.00	
1,082,542.31 Kentucky Wagon Manufacturing Company (Items described in detail under Large Lines on Page 4-1). (Discussed on Page 4-15, report of examination began 3-8-28). The company has continued to operate at a loss. This is almost necessarily true, as a large plant of this type requires a large volume of output and profitable sales to absorb the necessary overhead incident to its operation. The plant has consistently lost money on its operations during the past few years and will continue to do so until its output can be enlarged and its sales expanded. It has been rather interesting to observe the constant high level of debt, in spite of the semi-annual charge-offs of $100,000.00 each. At the time of the last examination,	788,797.50		682,542.31	400,000.00	

EXTRA SHEET PAGE 4-16

TOTAL

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

Exhibit 16

No. of Bank, 5313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Mfg. Co. (contd.) the debt was $1,015,421.06. $100,000.00 was charged to Profit and Loss at that time. The total of the line at this examination is $1,062,542.31. A substantial portion of this is loss, but a part of it is probably due to new inventory essential to the operation of the plant. However, in the opinion of your examinef the operation of the plant, even at a loss, has probably been a wise thing. If the plant had not been maintained as a going concern, it is hardly likely that the present encouraging prospect for a profitable sale of the plant could have been found. At the time of the last examination there was an excellent prospect to close a deal for the sale of the plant. All details were agreed upon, and the deal is said to have fallen down through dissension that arose concerning a division of commission among the agents who negotiated the deal. Another deal was, however, in prospect and was immediately pushed vigorously. At this time, all the evidence available tends to show that deal will be shortly consummated, whereby four million dollars of stock will be underwritten to yield the company 90, or a total of $3,600,000.00. If the deal is consummated, the bank will receive the face of its debt in full, plus interest. This will result in a recovery of something over a half million dollars. Data available seems to show that the underwriters, a French financial concern, with 26 French banks, have the money ready to pay over as soon as the French Government approves a license for the sale of the preferred stock. It is said that the stock has been actually issued and is ready to deliver as soon as approval has been secured. During this examination, a representative of the company went to Washington for an interview with the French Charge' d'Affaires, to furnish certain information requested by the French Government. The firm in France particularly interested in this deal is said to represent the General Motors Company in continental Europe. 75% of the					
TOTAL,					

EXTRA SHEET PAGE 4-17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1435 C

Exhibit 16

No. of Bank, 883.0

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Mfg. Co. (contd.) distribution of this French company is said to be in Russia. It is further said that these sales are negotiated through representatives of the Russian Government. It is represented that the principal output of the Kentucky Wagon Company, especially its trailers, can be distributed in large volume; in fact, it is represented that the maximum capacity output of the plant can be used. All of this seems too good to be true, but evidence available indicates a strong possibility that the deal may be consummated. If the deal is consummated, the problem of the Kentucky Wagon Company will have been solved. In view of this possibility, your examiner has not requested the management of the bank to make a charge to Profit and Loss during this examination. If the deal should fail of consummation, we are confronted with the fact that the bank has a plant whose indebtedness is constantly increasing through loss, and is further confronted with the fact that the present rate of depreciation should be continued for some time. The management of the bank agreed that if the deal has not been consummated by January 10, it will charge to Profit and Loss $100,000.00, which charge-off is temporarily waived at this time, in view of the favorable prospect for immediate sale of the plant.					
110,000.00 Knadler & Lucas Call: 492 shs., City Realty Company, $70,000.00 note of W. R. Mattheal, secured by 46 pieces of real estate in Louisville, valued at $80,000.00. Statement of the company for 1927 shows: Current Assets $102,176.00; Current Liabilities $233,706.00; Fixed Assets $46,736.00; Alabama Account $9,817.00; Other Assets $5,338.00; Deficit in Net Worth $70,102.00. The company shows a loss for 1927 of $44,738.00. The statement is just about as bad as it could be. The only thing that suggests any strength to the loan is the		110,000.00	80,000.00	30,000.00	

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

Exhibit 16

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kneller & Lucas (contd.) $70,000.00 collateral loan secured by the various parcels of real estate. It is claimed that the new manager has ability and hopes to work out the affairs of the company. One difficulty confronting him is the generally depressed condition of the industry. The bank has already charged $35,000.00 to Profit and Loss and will be very fortunate to escape further substantial loss.					
$1,016.87 C. A. Koerner & Company Coll: $50,000.00 Herald Post Company, endorsed by J.B. Brown, due 10-10-26. The loan is long overdue and should be put in bankable form.	$1,016.87		$1,016.87		
$8,381.87 Lampton, Crane & Ramey Loss charged off during this examination.	$8,381.87		$8,381.87		$8,000.00
1,125.00 Lewis & Drye Endorsed Edgar C. Lewis. This loan has been classed as doubtful for several examination. In spite of vigerous efforts on the part of the management to collect the loan, only $25.00 has been paid since last examination. Unless collected by next examination it should be charged off.		1,125.00			
$9,222.00 Dennis H. Long Coll: 2652 shs., Fourth Ave., Amusement Company, 205 shs. Swiss Cleaners & Dyers Company. No reduction since last examination.			$9,222.00		
$7,000.00 Interstate Coal Company Endorsed H. H. Long. No reduction since last examination.			$7,000.00		
$1,652.17 Swiss Dyers & Cleaners Company Endorsed D. H. Long. Coll: $6,700. note, H. C. Moehling, secured by 150 shs., Swiss Dyers & Cleaners Company, and 5,000 shs. Union County Mining Company. Reduced $400.15 since last examination. The value of the stock of the			$1,652.17		
TOTAL					

EXTRA SHEETS PAGE 4-16

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1435 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Swiss Dyers & Cleaners Company (contd.) Fourth Avenue Amusement Company pledged to secure the loan of D.H. Long is regarded as sufficient to cover all three loans. This stock is very valuable and the business of D. H. Long and his companies is desirable. The principal criticism is based on the fact that only negligible reductions are made in any of the loans.					
3,250.00 Belle G. & Abe C. Levi Coll: $2,000.00 Liberty Loan Bonds, $1,000.00 Loew's Theatre 6's, due '47. The loan should be reduced to an amount that will be amply margined by the collateral, as it is based upon the value of the collateral. Reduced $250.00 since last examination.			3,250.00		
27,500.00 Abe C. Levi Company Endorsed Belle G. Levi. Statement of the company is poor, showing an operating loss of $48,000.00. Loan increased $12,500.00 since last examination.			27,500.00		12,500
1,884.37 Louisville Hotel Company Endorsed Edwin J. Miller. It is claimed that the endorser is good.			1,884.37		Paid
158,313.75 Louisville Ice & Cold Storage Company Coll: 1,568 shs. American Ice & Storage Co., Sundry instalment notes, aggregating $210,195.70, given by various and sundry ice and cold storage companies. The makers of these various notes have agreed to pay five cents for each three hundred pounds of ice delivered to them, these payments to be placed in a fund for the retirement of the debt of the Louisville Ice & Cold Storage Company. The loan began 9-30-26 as $204,133.33. The rate of retirement would appear to be about $25,000.00 per annum, at which rate it will require about six more years to work out this loan. It can hardly be considered the type of loan desirable for a commercial bank.			158,313.75		
To			EXTRA SHEET PAGE 4-80		

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1498 C

No. of Bank, 8518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$5,000.00 Louisville Mortgage & Finance Company Coll: Sundry bills receivable, aggregating $30,718.47. During examination, $6,494.56 additional collateral was obtained. Statement of the company dated 5-1-26 shows: Cash $5,226.00; Lien Notes $70,962.00; Treasury Stock $50,000.00; Current Liabilities $37,481.00; Net Worth, after deducting Treasury Stock, $50,654.00. The statement shows a loss to net worth of $5,545.00. During this examination, the collateral was checked with the books of the company to ascertain its general character.			$5,000.00		
$5,450.00 Louisville Provision Company Endorsed Charles G. & Henry Knight. The affairs of this company are under the direction of a creditors' committee. Statement dated 7-7-26 shows: Current Assets $427,880.00; Current Liabilities $504,473.00; Fixed Assets $678,463.00; Mortgage Indebtedness $313,500.00; Net Worth $520,113.00. The bank also has a loan secured by a pledge of certain inventory. The loan is classed as a "work-out" proposition, with some question as to the eventual recovery in full.			$5,450.00		
$60.00 J. S. Luscher Loan reduced $1,050.00 since last examination.			$60.00		
1,291.00 Wm. Lynch Coll: 35 shs. Louisville Rys., Com., $1,000.00 Louisville Rys., 1st, 5's. The collateral is adequate to protect the loan, but the bank has never seen fit to foreclose under the collateral agreement, although the loan has been past due since 10-23-26. It seems that there is some question as to the ownership of the collateral.	1,291.00		1,291.00		

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TOTAL

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
14,000.00 Magic Soap Company Coll: Mortgage on plant, subject to a prior lien of $22,000.00. Property has been sold on deferred payments, but it is claimed that the loan will be taken up within a short time.	14,000.00		14,000.00	Paid	Paid
650.00 Etta Belle Mattee Coll: 1 diamond ring. Loan has been reduced $200.00 since last examination.			650.00		
1,075.00 Fulton Mandeville Coll: 7 shs. Carter Guaranty Company, Com., 25 shs., Fould & Company 1st Pfd., 28 shs. do. Class 'A', Com. Loan reduced $2,115.00 since last examination.			1,075.00		
5,600.00 Murrett & Miller Endorsed J. S. Miller. Statement dated 1-1-23 shows: Current Assets $14,591.00; Current Liabilities $15,622.00; Fixed Assets $42,005.00; Net Worth $35,480.00. Statement shows an operating profit of $6,265.00, but a loss to net worth of $5,336.00.			5,600.00		
16,368.95 Chas. J. Meriwether Endorsed C. H. Meyer.	16,368.95				16,368.95
35,344.93 - Rediscounts Chas. J. Meriwether Meriwether was a building contractor, who extended his operations beyond his ability to take care of the obligations incurred in connection with the operations. He also appears to have otherwise handled his affairs in an exceedingly inefficient manner. He now appears to be hopelessly "broke". A survey of his condition would seem to indicate that general creditors can expect little recovery. It is true that he has some property with potential value, but the realization of this value is such a remote proposition that a well managed bank cannot afford to carry loans based on such a contingency. Estimated loss charged off during this examination.	16,557.29	7,702.61	20,131.37	11,611.92	3,331.64
TOTAL					

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SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Amount	Maker, endorser, and security	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
45.45	Harry Hartman Endorsed Sam B. Metcalfe. This is an insurance note discounted with the bank by Metcalfe. Metcalfe has moved away. The loan is regarded as doubtful.	45.45			45.45	
7,594.26	- Rediscounts W. T. Mixon These are insurance notes that are said to be paid very slowly.			7,594.26		
75,000.00	W. A. Moore Charged off during this examination.		75.00			75.00
5,918.90	Geo. D. Harrison, et al These parties are promoting a Mammoth Cave proposition. It has been claimed for several examinations that funds would be raised by public subscriptions to purchase this property, and that out of this deal, funds would be available to pay this loan, but nothing has been done. Under the circumstances the loan is classed as doubtful.				5,918.90	
400,157.78	- Murray Rubber Company Statement dated 6-30-28 shows: Current Assets $1,019,650.00; Fixed Assets $1,778,714.00; Other Assets $58,648.00; Deferred Charges $71,681.80; Current Liabilities $617,778.80; Gold Bonds $750,000.00; Deferred Liabilities $7,175.00; Net Worth $1,546,138.00. Statements show that during 1927, the company sustained an operating loss of $814,365.00. Also that during the first half of 1928, an operating loss was sustained of $227,019.00. An analysis of the surplus of the company shows that cash was paid in and bills payable surrendered and cancelled in the sum of $181,333.00. The surplus was also credited with the proceeds of the final settlement with Sears - Roebuck & Company in the sum of $65,699.00, making a total addition to the surplus of the company through outside sources of $319,108.00. In spite of this fact there was a net loss of $222,968.00. It is further noted that the receivables of the company contained items aggregating $130,385.00 that are from six months			275,157.78	125,000.00	
Total .						

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Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Murray Rubber Company (contd.) to more than one year old. The statement presents about as gloomy a picture as can be imagined. One more year with operating results even approximating results for the first half of 1928 would render it impossible for the bank creditors of the company to continue to carry the unsecured obligations of the company at book value. Indeed, it is a very serious question now whether the loan and bonds of the company should be carried at par. President Brown advised your examiner that the dominant shareholders of the company have indicated a willingness to put additional capital into the business. He expressed the intention of arranging an early conference with said shareholders and asking them to put at least $300,000.00 new capital into the company. Unless this is done, bank should collect its loan.					
Carried at $2,325.45 National Roofing Company - Rediscounts The company has been in receivership for some years. This loan should have long since been charged off or put in legal process of collection. It was agreed that if not paid by the time of the next examination, it would be charged off.				2,325.45	
850.00 Albert Nisbet Endorsed Emma Kessler and Carl O. Zahn. It is claimed that the endorsement is good.		850.00	850.00		
55,000.00 - Direct Norman Lumber Company 18,925.61 - Rediscounts Norman Lumber Company Statement dated 12-31-27 shows: Current Assets $99,807.00; Current Liabilities $57,259.00; Machinery and Fixtures $5,470.00; Investment in Subsidiaries $66,000.00; Net Worth $102,451.00. The statement shows a loss to net worth of $11,130.00. The direct loan has been reduced $5,000.00, but rediscounts have increased $6.35 since last examination.			55,000.00 18,925.61		
TOTAL		EXTRA SHEET PAGE 4-B4			

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
17,000.00 Norman Kiln Drying Company Endorsed E.B., J.B. and A. E. Norman, Jr. Statement dated 12-31-27 shows: Current Assets $22,181.00; Current Liabilities $51,635.00; Real Estate $8,500.00; Fixtures and Equipment $100,371.00; Net Worth $71,756.00. Statement of the Company is poor, but its net profits of $25,005.00 reflect a strong earning power. If the earnings were all permitted to remain, the company should soon have adequate working capital.			17,000.00		
5,250.00 A. E. Norman, Jr. Coll: 96 shs. Norman Lumber Company. Collateral is of an unliquid type. Loan reduced $500.00 since last examination.			5,250.00		
537,821.15 E. B. Norman & Company Statement dated 1-1-28 shows: Current Assets $321,040.00; Current Liabilities $484,107.00; Stumpage $257,829.00; Land $159,606.00; Plant and Equipment $210,898.00; Other Bills and Accounts $17,881.00; Deferred Charges $9,220.00; Mortgage Indebtedness $112,625.00; Net Worth $360,842.00. The current ratio of the company is inverted and the debt is almost twice the net worth of the company. This company purchased a tract of timber from a Texas company, the tract consisting of about 15,000 acres. In payment for the tract, Norman & Company agreed to deliver to the Texas company twenty million feet of Tupelo lumber at $12.00 per thousand feet. Norman & Company were required to deposit with the Texas company $100,000.00 as a guarantee of the performance of its part of the contract. The balance of the purchase price was evidenced by notes of Norman & Company in the sum of $340,000.00. During this examination, your examiner was advised through a representative of Norman & Company that the balance due on these notes of $340,000.00 is $59,500.00. He also advised that the company has in its yards 862,000 feet of Tupelo lumber that is going through			537,821.15		
TOTAL					

EXTRA SHEET PAGE 4-28

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1428 C

No: of Bank, 8518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow-	Doubtful	Loss
E.B. Herrmann & Co. (contd.) the drying process. At the end of the four months drying period, this will also be available for credit on the note in the sum of $19,500.00, which would leave a balance due of $40,000.00. In terms of feet of Tupelo lumber, it would mean that something less than two million feet are necessary before the balance of the $340,000.00 will be paid in full. After these notes have been paid in full, future deliveries of the Tupelo lumber will result in a ratable surrender of the $100,000.00 deposited by E. B. Herrmann & Company with the Texas company as a part of the original contract. When the company shall have delivered about four and one-half million additional feet of lumber, the entire $100,000.00 will have been surrendered. From information available, it will cost about $54,000.00 to produce the requisite amount of lumber to obtain the surrender of the $100,000.00 deposit. Your examiner was advised that the maker company is supposed to have on hand between eight million and nine million feet of sawed timber, which is said to represent an average cost of about $30.00 per thousand, and that based on 1927 sales, can reasonably be expected to sell for about $47.00 per thousand. Based on these figures, there would appear to be an inventory at this time of about $350,000.00. The loan is secured about as follows: Assigned invoices $131,308.95 Value of deposit with the Texas company 46,000.00 Chattel mortgage on inventory 270,000.00 Lien note for 18,000.00 covering property sold to R.L. Bailey. According to the viewpoint of your examiner, it is a matter of the company continuing to operate successfully for several years with an adequate supply of stumpage to work out this loan. The bank is in effect a partner in the					
TOTAL					

SHEET PAGE 4-26

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
E. B. Norman & Co. (contd.) enterprise, with a much larger investment than the stockholders have.					
2,150.00 E. B. Norman, Jr. Coll: 45 shs. E.B. Norman Company. (See above) Reduced $850.00 since last examination.			2,150.00		
5,500.00 E. B. Norman Coll: 218 shs. E.B. Norman & Company (See above) Reduced $500.00 since last examination.			5,500.00		
1,775.00 J. Colgate Norman Coll: 55 shs. E.B. Norman & Company. Loan began 11-28-26 as $2,800.00.			1,775.00		
100.00 P. M. O'Bryan Coll: $200.00 notes C. F. Kendall, past due. Reduced $175.00 since last examination.			100.00		
280.00 O. W. Orrill & W. H. Dillon Orrill is a barber and Dillon is a painter. Your examiner was unable to ascertain any basis for the credit, hence the loan is classed as doubtful.		280.00		280.00	
1,572.50 H. W. Overly, Jr. Coll: 11 shs. Louisville Cement Company, Pfd. The loan is regarded as slow.			1,572.50		Paid
8,500.00 Parkland Tire & Rubber Company Endorsed H.W., Wm. J. and Ben H. Imorde and A.F. Feute. Statement of the company is poor and it is losing money. During examination $5,000.00 Louisville Gas & Electric 5's were pledged as collateral to the loan. The endorsers are said to be good.		5,000.00	8,500.00		
		EXTRA SHEET PAGE 4-27			
TOTAL					

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER
Form 1438 C

No. of Bank, 5318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
45,134.62 Parkway Lumber & Construction Company Coll: 1122 shs., Standard Mortgage Company, $500.00 Capital View Apartments, 1st Mortgage Bonds, $1,000.00 No. 75 East Elm Bldg., 1st Mtg. Bond, $1,000.00 Barringer Manor Apartments, 2nd Mtg. Bonds, $1,000.00 Huntington Arms Apartments, 2nd Mtg. Bonds, 5 shs., Louisville Gas & Electric, Pfd., 10 shs. Paducah Water Company, Pfd., Sundry 2nd mortgage notes, said to have a present value of $14,401.64, Sundry lien notes aggregating $37,877.64, in the hands of the collection department. Statement of the company is not attractive.			45,134.62		
150.00 E. T. Pearcy Endorsed Mrs. H. B. Waller.	150.00			150.00	
150.00 L. R. Mahan Endorsed E. T. Pearcy. It is claimed that the maker is good, but the length of time that he has permitted the paper to run past due is not reassuring.	150.00			150.00	
200.00 Elliot Pennebaker C. I. Hitchcock is surety. The surety is dead and it is claimed that his estate is good.	200.00		200.00		
4,400.00 Progress Chair Company Charged off during this examination.	4,400.00				4,400.00
Carried at $240.00 E. H. Ray Coll: $4,000.00 Michigan R.R., 1st 6's. The bonds are in default and are quoted at 9. If the collateral could be sold at the quoted figure, it would more than cover the carrying value.	240.00		240.00		
			EXTRA SHEET PAGE 4-33		
TOTAL					

Exhibit 16

Supplemental Sheet 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 881.8

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
18,819.48 Reed & Reed Coll: $1,000.00 note, M. M. Sizemore. Makers are general agents for Kentucky of John Hancock Life Insurance Company. No statement is on file, but it is believed that the loan is of a type that should be supported by collateral. Increased $7,414.48 since last examination.			18,819.48		22-68
24,725.75 Rentlinger & Company 12,594.45 - Rediscounts Rentlinger & Company Secured by collateral with an estimated market value of $29,280.00. The direct loan has been reduced $1,188.88 and the rediscounts have increased $2,053.65 since last examination.			24,725.75 12,594.45		24 634 13 112 45
750.00 Jas. H. & H.C.T. Richmond 1,000.00 Jas. H. Richmond and Wm. Shumate The loan endorsed by Shumate, a real estate agent, is said to be good. The estimated loss was charged off during this examination.	750.00 1,000.00		375.00 1,000.00		375.00 150
6,671.89 Edwin Ritter The Louisville Trust Company holds as trustee property to protect ratably the loans of three banks and a private corporation. Four of the lots have been sold for $1,800.00. It is claimed that there is enough value to work out the loan.			6,671.89		3667
925.00 Leon Rosenbaum There is pledged as collateral, 15 shares of Piggly - Wiggly Corporation, Common, which is estimated to be worth $285.00 and $80.00 on Elks Bond. It is claimed that Rosenbaum will make small payments at each maturity. However, the uncertainty of collections is such that it is believed the unsecured part should not be carried as an asset. Any collections can easily be credited to undivided profits.			385.00		540.00 160
		EXTRA SHEET PAGE 4-89			
TOTAL					

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

No. of Bank, 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
140.00 T. Leon Shapin Charged off during this examination.					140.00
1,117.62 Shapin Manufacturing Company Collateral: $4,750.00 note of Jas. F. Kane, secured by 100 shares of J. F. Kane Company. Payments are being received at the rate of $22.00 monthly.	1,117.62		1,117.62		
5,000.00 C. A. Singer Secured by a mortgage on two pieces of real estate with prior liens of $6,250.00. It is claimed that this property has sufficient value to work out the loan, but it is noted that there has been no reduction since last examination.			5,000.00		
1,009.87 Southern Engineering Company Charged off during this examination.	1,009.87				1,009.87
102,000.00 Standard Mortgage Company Endorsed Max L. Simons. Coll: Sundry notes with a book value of $193,742.92. Loan has increased $5,500.00 since last examination.			102,000.00		
75,500.00 Standard Printing Company Endorsed D. B. G. Rose and Edward Gottschalk. Statement dated 1-31-28 shows: Current Assets $251,600.00; Current Liabilities $253,000.00; Fixed Assets $429,000.00; Investments $185,000.00; Other Bills and Accounts $71,000.00; Mortgage Indebtedness $185,000.00; Net Worth $548,000.00. The statement is not attractive. Company shows a loss to net worth of $53,600.00 from October 1, 1927 to December 31, 1928. Reduced $30,500.00 since last examination.			75,500.00		
EXTRA SHEET PAGE 4-80					
TOTAL					

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
180.00 Clarence C. Steinbach Collateral: 5 shs. E. B. Norman Company. Reduced $80.00 since last examination.			180.00		
800.00 L. B. Stelgenpohl Endorsed A. J. Stelgenpohl and John Small. Reduced $325.00 since last examination.			800.00		
80.65 C. J. Sternberg - endorser for Charles A. Litchfield He is paying $15.00 per month. Reduced $65.00 since last examination.	80.65		80.65		
151.65 F. H. Straub and Laura Straub The loan is in judgment. Maker is said to have an equity in a home.	151.65			151.65	
7,500.00 Strube's Garage Endorsed E. B. Strube. Collateral: 195 shs. Strube - Pettit Motor Company. The motor company owns an equit in some real estate. The net rental is said to be about $195.00 per month. The stock pledged represents a one-half interest in the concern. The fact that no reduction has been obtained in this loan for the past three examinations leads to the fear that there is some doubt concerning its collectibility.				7,500.00	
80.00 Deane C. Tayler and I. R. Patch These parties were formerly connected with the Northern States Construction Company, but lost their positions. A collection agency has the loan for collection, but has thus far been unable to locate the parties.		80.00		80.00	
11,780.32 A. V. Thomson and C. C. Hieatt Collateral: 18,800 shares Fidelity Oil Company, (par $1.00), (80% paid in liquidation),	11,780.32		11,780.32		
CONTD.			EXTRA SHEET PAGE 4-A1		
TOTAL					

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1438 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
A. V. Thomsen and C. C. Hiett C o n t d .					
$1,000.00 Second Church of Christ Bond, $11,530.80 real estate notes. The money is said to have been used to promote a subdivision. Thomsen is dead and the bank is executor of his estate. It is claimed that the estate is good.					
1,000.00 Direct Temple Theater Corporation Endorsed Leon L. Solomon and 4 others.		1,000.00	1,000.00		
1,527.50 Rediscounts Temple Theater Corporation	1,527.50		1,527.50		
1,500.00 Leon L. Isaacs, Receiver, Temple Theater Corporation. It is claimed that the property is worth from $100,000.00 to $125,000.00, with a direct indebtedness of about $25,000.00, and an indirect indebtedness of about $20,000.00. If the estimated values are sound, the indebtedness should be good. In any event, the endorsement of Dr. Solomon is believed to make the direct debt good.			1,500.00		
1,758.75 J. L. Dunn Collateral: 20 shs. Temple Theater Corp., Com.		1,758.75	1,758.75		
8,000.00 W. C. Taylor The maker is considered good, but his affairs have been placed in charge of a committee of conservators.	8,000.00		8,000.00		
36,462.62 W. V. Thruves Secured by a mortgage on 440 acres of land near Lexington, Kentucky, that is highly improved. There is a prior lien of $20,000.00. Assignment of an interest of $20,000.00 in a suit of the maker versus the Swiss Oil Corporation. Contd.	36,462.62		36,462.62		
Total.		EXTRA SHEET PAGE 4-62			

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
W. V. Threves - - - - Contd.						
Management of the bank thinks that substantial value attaches to the assigned interest. It is also claimed that the Lexington property is very valuable and can be sold at a figure that will protect the bank.						
545.00 Mrs. Tracy, Inc. The makers are decorators with limited financial responsibility Loan has been continuous since 8-23-26.	545.00			545.00		
168,378.27 Trumbo, Schupp & Schmidt	168,378.27			118,378.27	50,000.00	
2,517.59 Giles B. Van Cleve Indorsed by Trumbo, Schupp & Schmidt.	2,517.59			2,517.59		
139,671.84 J. Dolfinger Company Indorsed Giles B. Van Cleve.	139,671.84			139,671.84		
50,000.00 J. Dolfinger Company Indorsed Giles B. Van Cleve.	50,000.00			50,000.00		
This is a "work-out" proposition and so far as your examiner can ascertain its collection will be made from the following sources:						
Accounts receivable of Dolfinger Company	$16,000.00					
Accounts receivable of Trumbo, Schupp & Schmidt	6,800.00					
China, autos, etc.	6,000.00					
Bills receivable of Central Furniture Company	75,766.35					
Sale of lease, J. Dolfinger Company	75,000.00					
Cash surrender value, life insurance policy	18,000.00					
13 acres, Cherokee Park, estimated value	125,000.00					
3202 shs. Buske Stove & Range, Com. Contd.	Doubtful					
			EXTRA SHEET PAGE 4-68			
	TOTAL					

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1485 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Giles B. Van Cleve - - Contd.					
315 S/T shs. Bucks Stove & Range Co., Pfd. Doubtful					
Guarantee of Herald-Post Company of Trumbo, Schupp & Schmidt $1,000.00					
Guarantee of Herald-Post Company of J. Dalfinger Co. 14,000.00					
Total estimated value 357,866.33					
The value of the Cherokee Park property is potentially greater than it is as a present sale proposition. Your examiner, together with two officers of the bank, examined this property about a year and a half or two years ago. At that time it was thought that in ediate steps would be taken to realize some of the potential value of the company, but thus far no tangible results have followed. The property is unquestionably high-class, and a survey of it leads to the conclusion that it ought to sell readily, but as a matter of fact it has not sold and this large frozen loan remains in the bank. Your examiner has made some inquiry concerning the value of the Cherokee Park property and one authority appraised it at $1,25,000.00. It is said that if properly promoted it might sell for from $200,000.00 to $250,000.00. This, however, would result in considerable expense and it might not be successfully promoted. It is hoped that a strenuous effort will be made by the management of the bank to liquidate this rigid asset.					
1,700.00 J. C. Utterback Collateral: 40 shs. Palmer Hotel Company, Paducah, Kentucky. Reduced $50.00 since last examination.			1,700.00		
EXTRA SHEET PAGE 4-34					
TOTAL					

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8618

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$200,000.00 Van Camp Packing Company Unsecured. This loan has been criticised in various previous reports of examination, due to the fact that no financial statement has been available whereby the financial condition of the company might be determined. The persistent absence of this data lead to the fear that the company might be operating without sufficient working capital. This fear was established as a fact when it was admitted in the letter of the company to its bondholders on July 22, 1932, that the management of the company had been unable to meet existing conditions, and "that the earning power, present and prospective of the company, has suffered accordingly. This has been due to a lack of working capital, which the current earnings of the business have been insufficient to supply. For the future success of the business, therefore, we believe it is vital to put the company in a strong competitive position by supplying it with additional cash resources." These statements confirmed the fears of your examiners. A reorganization plan has been agreed upon, in fact, it is believed by the management of the bank that it has been practically consummated. If consummated, it will result in placing in the company at least two and one quarter million dollars of new money. The amount of new money may reach as much as five or six million dollars. The amount is dependent on the degree in which old stockholders exercise their rights to subscribe for new stock. A minimum of $2,250,000.00 has already been underwritten. No statement is yet available, but it is claimed that even the minimum amount of new money will give the company adequate working capital. EXTRA SHEET PAGE 4-B8			$200,000.00		Paid
TOTAL					

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, [illegible]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$8,980.00 Silas B. Van Cleve Collateral: 180 shs. Gold Trading Stamp Company, Com., (par $10.00). It is claimed that the value of the collateral adequately protects the loan.		$8,980.00	$8,980.00		✓
Carried at $20,000.00 H. Verhoeff Company The company is in process of liquidation. On September 20, 1923 bank was furnished with the following figures relative to the assets of the maker company:	$20,000.00		10,000.00	10,000.00	✓
Cash $5,714.00 Accounts Receivable 20,818.00 Inventory 10,868.00 Due from Hartwell Estate 825.00 Total $37,960.00					
It is stated that the loan to this bank is to be liquidated out of these assets. $10,000.00 has already been charged to Profit and Loss.					
$35.00 R. E. Weber and P. H. Ingress It is claimed that the loan will be paid.		35.00	35.00		Paid
$5,000.00 W. H. Willis The payment of the loan is said to be dependent on the value of $5,000.00 second mortgage bonds of the Louisville Trust Company, secured by property valued at $15,000.00, subject to a prior lien of $8,000.00.			5,000.00		✓
$60,527.77 R. H. Woods Loan is secured by a mortgage on 2,500 acres of land in Allen County, Kentucky, subject to prior lien of $41,700.00. CONTD.			60,527.77	50,000.00	✓
	EXTRA SHEET PAGE 4-56				
TOTAL					

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1433 C

No. of Bank, 5818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
E. E. Woods - - - - Contd. It is claimed that there are a number of oil producing wells on the land at this time and that a stock company has been formed and the stock is being sold. It is said that the money is being deposited in a bank in Bowling Green. The capital stock is to be $200,000.00, the first $100,000.00 to be applied in payment of this loan. If the enterprise is successful, the loan, of course, will be paid. Pending its success your examiner has classed a portion of the loan as doubtful.					
99.80 L. and J. P. Woolfolk Charged off during examination.	99.80				99.80
201.00 W. C. Wright Indorsed by Herman Weimer.		201.00		201.00	
19,300.00 T. L. Young Collateral: 355 shs. Crumbies Creek Coal Company, 800 shs. Wallins Creek Coal Company. The loan has been continuous in this bank for some time. $700.00 has been paid since last examination.			19,300.00		
7,093.15 John M. Carson Banking Company Collateral: Sundry bills receivable aggregating $11,808.74. The bank has closed. Vice-President Hayes advised your examiner that he had checked the collateral closely and had classed as Good $11,480.34 - Fair $8,560.15. He expressed the opinion that loan will unquestionably be paid.		7,093.15	7,093.15		
1,447.22 Corydon, Indiana, National Bank, Loss charged off during this examination.	1,447.22		347.22		1,100.00
EXTRA SHEET PAGE 4-57					
TOTAL					

Exhibit 16

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Carried at $9,255.71 Peoples Bank, Springfield, Tenn. Your examiner was advised that the bank is expecting to pay a 5% dividend within the next few months. The opinion was expressed that the collection of collateral, plus the dividend, would amount to $4,048.07. After the payment of the dividend further dividends and further collections are problematical. It is thought possible that an additional 5% might be declared, but it would be deferred for a long period. It was stated that there was a possibility that further collection of the collateral might amount to as much as $2,700.00, but there was no firm opinion expressed in this respect. The bank has a suit against the Nashville Trust Company covering the claim which is carried in Bonds and Securities for $12,434.25. If this suit should be successful, the claim plus interest, would, of course, be collected. If the suit should be unsuccessful, the bank would have a second mortgage on some real estate, with the possibility of working out a part or all of the claim through the sale of the equity. This however, is problematical, and under the circumstances your examiner believes that periodical charges to Profit and Loss should be made, in order to anticipate an unfavorable outcome of the matter. Estimated loss charged off during this examination.	9,255.71		4,255.71		5,000.00
Carried at $44,775.14 Planters Bank, Clarksdale, Miss. Your examiner was advised that the assets securing this balance have lessened in value through the natural development of bad assets, plus the expense in trying to collect them. The opinion was expressed that all good banks should charge off as a loss all of the loan except such part as is covered by the Anderson payments. The amount that this bank may expect to collect through Contd.	44,775.14		15,000.00	14,775.14	15,000.00
	EXTRA	SHEET	PAGE 4-38		
TOTAL					

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1488 C

No. of Bank, 3312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Planters Bank, Clarksdale, Miss. (Continued)					
The Anderson payments appears to be about $15,485.00. Under the circumstances, your examiner has estimated a loss at this time of $14,773.14.					
Sundry other overdue loans aggregating		103,802.03			
EXTRA SHEET PAGE 4-39 TOTAL	1,800,857.78	567,234.83	5,108,838.50	909,949.27	80,185.16

Exhibit 16

Form 1428.—Page 5
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.

Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility under Section 5239, U. S. R. S., for all loss sustained on excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	171,085.97
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	109,355.88
3. Aggregate amount on which real estate security has been taken in violation of law,	90,327.77
TOTAL,	480,748.54

* These loans need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
SEE EXTRA SHEET							
TOTAL,							

Are properly executed certificates (Forms 1415, 1416, 1416a) attached to loans? No

Exhibit 16

TREASURY DEPARTMENT
CONTROLLER OF THE CURRENCY — EXAMINING
FORM 1432. — Ed. 10,000 - Apr. 28-31.

No. of Bank, 5312

LIST OF REAL ESTATE LOANS

1 Name of borrower.	2 Amount of loan.	3 Prior lien.	4 Estimated value of property.	5 Date mortgage taken.	6 Maturity of mortgage.	7 State whether secured by improved farm or other property.	8 Is property located within legal boundary.
No. 1							
Olaf Anderson	7,831.80		17M		Serial	Other	D.P.C.
Badger Alum. Co.	6,000.00		6M	2-28-24	1-27-27	Farm	"
Clay Co. Coal Co.	15,460.00		12,460.	2-15-24	Serial	City	"
Columbia Phosphate Mining Co.	15,230.00	60M	75M	2-21-23	"	Other	"
Harlan Coal Co.	42,410.26			9-10-25	8-6-28	"	"
Magic Soap Co.	14,000.00	22M	36M		10-24-25	"	"
Edwin Ritter	6,671.59			6-5-23	7-2-28	City	"
C. A. Singer	5,000.00	6,350.	14,500.	2-1-28	2-1-29	"	"
Eugene J.Straus	22,000.00		150,000.00	4-5-27	4-5-30	"	"
W.V.Thravis	36,461.62	60M	140,000.00	3-2-25	Serial	Farm	"
	171,065.27						
No. 2							
Cong. of the Resurrection	56,375.00						
General Realty Co.	131,950.00						
M.F.Marz Mfg. Co.	1,030.50						
	189,355.50						
No. 3							
E.H.Woods	90,327.77	41,700.	150M	3-8-27	3-8-28	Farm	Yes
TOTAL.			EXTRA SHEET PAGE 5-1				

Exhibit 16

Form 1488. — Page 6
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY — EXAMINING

No. of Bank, 8518

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
SEE EXTRA SHEET		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

SEE EXTRA SHEET

Exhibit 16

Form 1456 Revised
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 Date of Report October 13, 1928.

LARGE LINES

KENTUCKY WAGON COMPANY LINE

RECAPITULATION:

Kentucky Wagon Manufacturing Company. (Claim carried in Bond Account).	$107,817.14
Kentucky Wagon Manufacturing Company. Overdraft	86,897.21
Kentucky Wagon Manufacturing Company. (Carried in loans)	533,192.65
National Motors Corporation (Carried in loans)	211,878.47
Associated Motors Company (Bond carried in Bonds, Securities, Etc.)	356.63
Kentucky Wagon Manufacturing Company.	3,651.42
Endorsed Associated Motors Industries.	
W. E. Mabamy	7,500.00
Endorsed Kentucky Wagon Manufacturing Company.	
R. C. Kinkead	1,964.85
Endorsed Kentucky Wagon Manufacturing Company.	
National Motors Corporation	86,000.11
Endorsed Kentucky Wagon Manufacturing Company.	
National Motors Corporation	22,330.00
Endorsed Jas. R. Duffin, Robert V. Board and Wm. E. Massey.	
Kentucky Wagon Manufacturing Company. Unmatured rediscounts	21,571.85
Total	1,082,542.31

(This line is discussed under Slow and Doubtful Paper and Losses on Loans).

CAMPBELL LINE

The items described under this line are either direct obligations of the Campbell interests, are secured by stocks of those concerns, or have come into the bank by reason of contract, past or present, with Mr. Campbell by this bank or by the constituent banks composing it.

Campbell, Heath & Company	96,151.25
Collateral: $100,000.00 Murray Rubber Company, 1st, 7's, 350 shs. Murray Rubber Company, 1st Pfd.	
Your examiner considers this collateral as of very doubtful value. (See discussion of Murray Rubber Company under Slow Loans).	
Wm. D. Campbell	40,000.00
Collateral: 4000 shs. Van Camp Packing Company, (Par $50).	
On the basis of the present market this stock has adequate value to protect the loan. If the Van Camp Packing Company refinancing plans are consummated, this loan will doubtless be paid.	

EXTRA SHEET PAGE 6-1

To the Comptroller of the Currency,
Washington, D. C. Examiner.

Exhibit 16

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 Date of Report October 18, 1933.

LARGE LINES

CAMPBELL LINE (Cont'd.)

Cadet Knitting Company $45,000.00
Your examiner was advised that Mr. Rogers Caldwell has agreed upon a plan of refinancing this company that will result in the payment of this loan within thirty to forty days.

White & Associates, Inc. 249,471.80
Endorsed Wm. D. Campbell
Collateral: $25,000.00 note Hazen Building Corporation,
$25,000.00 note Liberty-Washington-Cedar Street Corporation,
$50,000.00 note Wm. D. Campbell, secured by 750 shares Liberty-Washington-Cedar Street Corporation,
$154,000.00 note Campbell Heath & Company, secured by 36,902 shs. Cadet Knitting Mills Company,
$11,000.00 certificate of deposit of National Bank of Kentucky.

Your examiner was advised that the refinancing plan of the Cadet Knitting Company will involve the purchase of this stock at a figure that will liquidate the loan. Even if the Cadet Knitting Company refinancing should fail, the endorser, Wm. D. Campbell, should be able to pay the loan, through the re-organization of the Van Camp Packing Company.

J. M. Greer 200,000.00
About $200,000.00 of a loan of $475,000.00 is secured by stock of the Van Camp Packing Company.

Van Camp Packing Company. Unsecured. 200,000.00
do Secured by crude cotton-seed oil 92,035.22
(See discussion of Van Camp Packing Company under Slow Loans).

Van Camp Products Company $200,000.00
The statement of this company dated 5-31-33 shows: Current Assets $3,185,800.00; Current Liabilities $1,080,900.00; Net Worth $2,019,580.00.
This company has handled its indebtedness to the bank in a satisfactory manner, the debt being frequently paid out.

Murray Rubber Company. Unsecured. 250,000.00
do Presumably secured. 150,157.76
$550,000.00 first mortgage 7's, due '44, carried in Bond Account at 336,499.00
(See discussion of Murray Rubber Company under Slow Loans.)
This loan is listed under the Campbell Line on account of the fact that the paper of the predecessor company came into either this bank or some of its constituent banks through the Campbell interests. Your examiner was advised that the Campbell interests have been entirely divorced from the Murray Rubber Company for some time. This being true, no assistance will be rendered the company on account of the improved fortunes of Mr. Campbell, resulting from the re-organization of the Van Camp Packing Company and the Cadet Knitting Company. If the Murray Rubber Company shall be rehabilitated, it must be accomplished by Messrs. Murray and Morrison.

Round, Brook & Company 90,000.00
Collateral: 1,975 shs. Calco Chemical Company, Pfd.
52,000. shs. do Com.
Contd.

To the Comptroller of the Currency, Washington, D. C. Examiner.

EXTRA SHEET PAGE 6-2

Exhibit 16

Form 1436 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9818 *Date of Report* October 13, 1928.

LARGE LINES

CAMPBELL LINE Contd.

Bound, Brook & Company - Contd.

This item is carried in Bonds, Securities, Etc. It arises from the sale to Bound, Brook & Company of certain of the stocks formerly described in the Campbell Line. This asset is regarded as good.

$100,000.00 Liberty-Washington-Cedar Street Corporation, 2nd Mortgage Bonds — 100,000.00
Guaranteed by White & Associates.
This item is carried in the Bonds & Securities Account and is part of a total issue of $250,000.00 2nd mortgage bonds, subject to a prior lien of $110,000.00. These bonds are due serially, as follows:

$6,000.00	1-1-1929
6,500.00	30
6,000.00	31
6,500.00	32
6,000.00	33
69,000.00	34

All maturities have thus far been paid promptly.

Industrial Ownership Corporation. (Carried in Stocks and Bonds.) 53,840.16

Collateral: 4097 shs. Van Camp Packing Company, Com.,
500 shs. do Pfd.

Total of line $2,093,154.91

The reorganization plans of the Van Camp Packing Company and the Cadet Knitting Company will probably result in the elimination of the following items:

Cadet Knitting Company	$45,000.00
Wm. D. Campbell	40,000.00
Van Camp Packing Company	292,035.22
Industrial Ownership Corporation	53,840.16
White & Associates	249,471.50
Total	$680,346.88

The refinancing will not, however, effect the following items regarded as of doubtful value:

Campbell, Heath & Company		$ 96,151.25
Murray Rubber Company.	Loan	400,157.78
do	Bonds	326,499.00
Total		$822,808.03

It is hoped by the time of the next examination that this objectionable line will be very largely reduced.

CONSOLIDATED REALTY COMPANY LINE

Consolidated Realty Company. Loan $585,800.00
do Rediscounts 81,154.08

Contd.

To the Comptroller of the Currency, EXTRA SHEET PAGE 6-B
Washington, D. C.

Examiner.

Exhibit 16

Form 1436. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* October 18, 1928.

LARGE LINES

CONSOLIDATED REALTY COMPANY LINE - - - - Contd.

(Described under Slow Loans).

Guaranty Realty Company Endorsed Henry Bickel, Ben C. Ford, and C. C. Hieatt. (Described under Other Loans Especially Mentioned).	$ 99,000.00
A. V. Thomson and C. C. Hieatt (Described under Slow Loans.)	11,720.32
H. J. Scheirich and C. C. Hieatt Collateral: 187½ shs. Consolidated Realty Company, Com., C/D National Bank of Kentucky, $100,000.00.	114,000.00
Clarence C. Hieatt Collateral: Notes Carden Community Corporation, $22,500.00, 100 shs. Consolidated Realty Company, Com.	27,674.40
(See Slow Loans.)	
Total of line	$739,348.77

This large line is based in too large a degree on unimproved property. The line also appears to be unliquid, as is disclosed by the continuous character of several of the items described.

EXTRA SHEET PAGE 6-4

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* October 13, 1928.

OTHER LOANS SPECIALLY MENTIONED

Aimee Shop Endorsed Amy and Ben S. Washer, Maude and Corrine Bromner. Statement dated 9-30-28 shows: Current Assets $40,000.00; Current Liabilities $26,000.00; Net Worth $20,000.00. The current ratio is poor and the debt of the company exceeds its net worth.	$10,000.00
F. C. Breslin Collateral: 139 shs. Standard Oil of Kentucky, $1,000.00 Illinois Central, 4's, $12,940.39 assignment of contract, dated 8-24-27, with State of Kentucky for re-surfacing roads. (Contract states work to be completed, 10-1-27). $5,577.53 assignment of contract, dated 8-17-27, for oiling certain roads, 8 shs., General Motors, $53,439.07 apportionment warrants. Loan began 2-5-20 and has not been paid out.	126,148.00
Conrad - Schulz Company Endorsed Adelia L. Conrad and A. C. Schulz. Statement dated 9-30-27 shows: Current Assets $34,367.00; Current Liabilities $21,436.00; Net Worth $16,879.00. The statement shows inadequate working capital. This is said to result from withdrawing profits from the business too heavily.	3,400.00
Evans - Inman Lumber Company Endorsed Charles W. Inman. Statement dated 7-1-28 shows: Current Assets $175,700.00; Current Liabilities $170,500.00; Fixed Assets $187,000.00; Net Worth $184,400.00. Statement shows a loss to net worth of $15,514.78. It is claimed that this loss is due to a fire. Loan has been continuous for more than a year.	100,000.00
Franklin Title & Trust Company Collateral: Sundry real estate loans aggregating $55,600.00. The statement shows a heavy debt in relation to the capital of the company. There is no margin in the collateral.	55,600.00
Calvin F. Boles Endorsed C. E. Cheens, security. Money was used to purchase a home. Reduced $11,667.71 since last examination.	8,160.00
Guaranty Realty Company Endorsed Henry Riekel, Ben O. Ford and C. C. Hieatt. The funds arising from this loan appear to have been used in the promotion of some subdivision property. Henry Riekel is regarded as good, but it is believed that loans of this type should be adequately secured by collateral of an ascertainable market value.	99,000.00
M. M. and E. W. Hays Money was loaned to improve a home, 10-7-24. It should be reduced.	8,050.33

EXTRA SHEET PAGE 6-8

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5812 *Date of Report* October 15, 1928.

OTHER LOANS ESPECIALLY MENTIONED

Herald - Post Company.	Endorsed Jas. B. Brown	$295,000.00
do	Overdraft	149,159.48
do	Rediscounts	3,671.70

Collateral: 5,000 shares Standard Oil of Kentucky.
This stock was placed in a safe-deposit box, together with a letter from Mr. Brown, authorizing the stock to be considered as collateral to secure the overdraft of the company. The loan is unquestionably good, and except for the large and continuous overdraft of the company the loan would not be described in this report.
The company is guarantor to this bank as follows:

Trumbo, Schupp and Schmidt	$21,000.00
J. Dolfinger Company	24,000.00

Hibbs - Kiefer Hat Company — 18,500.00
Guaranteed by Harry C. Hibbs and Henry B. Kiefer.
Statement dated 10-1-27 shows: Current Assets $82,890.00; Current Liabilities $58,791.00; Other Assets $4,870.00; Net Worth $27,046.00. Of the Current Assets, $56,774.00 consists of receivables.
The statement shows net profits for the year of $1,701.79, against which dividends were declared in the sum of $6,000.00.

Harry C. Hibbs and Henry B. Kiefer — 10,000.00
(See above.)

Kentucky Book Manufacturing Company — 6,500.00
Endorsed W. B. Hammill.
No statement since last examination. Company does not appear to be making much progress. Reduced $1,000.00 since last examination.

Larrimore Automobile Company — 11,300.00
Endorsed J. S. and H. T. Larrimore
Statement dated 3-31-28 shows: Current Assets $99,418.00; Current Liabilities $75,188.00; Net Worth $21,597.00.
The statement shows a steady increase in inventory and a progressive decrease in current ratio and net worth of the company. Reduced $1,000.00 since last examination.

Lang & Evans — 20,000.00
Endorsed P. A. Evans
Statement dated 12-29-27 shows: Current Assets $71,807.00; Current Liabilities $37,220.00; Net Worth $55,187.00.
Statement shows that profits were earned aggregating $9,588.00. but that the company sustained a loss to net worth of $8,742.00. Evidently, the withdrawals from the company are too heavy.

Louisville Cotton Mills — 157,215.82
Statement dated 6-30-27 shows: Current Assets $634,258.00; Current Liabilities $342,319.00; Fixed Assets $1,326,983.00; Net Worth $919,196.00.
Statement of the company is not audited, but the unaudited figures show a leak of working capital. This deficiency would eventually be remedied if the company would permit its earnings to remain instead of distributing them.
Loan has not been paid up since 8-15-26.

EXTRA SHEET PAGE 6-6

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1438. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 6312 *Date of Report* October 13, 1928.

OTHER LOANS ESPECIALLY MENTIONED.

Mann Insurance Agency Statement dated 12-31-27 shows: Current Assets $36,789.00; Current Liabilities $22,170.00, Net Worth $30,073.00. The statement shows that the company is operating without adequate working capital. The net profits for 1927 were $33,391.00. In spite of this earning, the net worth of the company increased only $923.00.	$10,000.00
Johnson - Overbacker Company Endorsed by Wm. H. Mourning. It is claimed that the endorser is good.	1,234.40
Anna Long Peabody Collateral: 100 shs. Centrifugal Pipe Corporation, 1 diamond laveliere. The value of the collateral does not appear to be adequate to cover the loan. No reduction covering the last two examinations.	7,915.00
Henry Pilchers Sons No new statement since last examination. The earnings for the first half of 1928 were $6,366.00. It is becoming apparent that the earnings of the company will not be sufficient to supply the needed working capital unless the profits of the concern can in some way be increased.	55,000.00
Schmitz Manufacturing Company Endorsed Julius Schmitz. Statement dated 5-1-28 shows: Current Assets $66,057.00; Current Liabilities $43,906.00; Fixed Assets $89,564.00; Net Worth $105,702.00.	10,000.00
Starks Realty Company Endorsed Isaac P. and John P. Starks. The company owns an equity in an office building. The loan appears to be rather continuous. Increased $30,000.00 since last examination.	145,000.00
Sutcliffe Company Endorsed H. F. Willenbrink and Geo. Buechel. Statement dated 12-31-27 shows: Current Assets $453,900.00; Current Liabilities $215,880.00; Net Worth $365,500.00. The company appeared to have a bad operating experience in 1927. It is claimed that there is an improvement in profits in 1928.	60,000.00
Jas. E. Tierney Endorsed Ed Tierney F. W. Curran is endorser on $3,000.00 Collateral: 200 shs. Continental Oil Loan began 8-19-25 as $5,000.00 and has not been paid out.	9,125.00
Wheeler Realty Company Endorsed Blakemore Wheeler. Statement of the company is poor and its progress is limited. Company has been a continuous borrower since 12-13-26.	40,000.00

EXTRA SHEET - PAGE 6-7

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1436 – Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8812 *Date of Report* October 13, 1933.

OTHER LOANS ESPECIALLY MENTIONED

LOAN REPORTED AS PER INSTRUCTIONS UNDER SECTION 22 OF THE FEDERAL RESERVE ACT, AS REVISED, RELATING TO LOANS MADE BY MEMBER BANKS TO "ANY EXAMINER".

Humphrey Robinson	$ 5,500.00

The loan is secured by listed collateral with a market value of several times the amount of the loan. There is no criticism of the intrinsic merit of the loan, but it is merely set out as per instructions.

EXTRA SHEET PAGE 6-B

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1438—No. 1
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

Exhibit 16

No. of Bank, 8818

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes		Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off (See note below)
		U. S. BONDS TO SECURE CIRCULATION			
2,500,000.00	2	U. S. Consols, Registered, due 1930.	2,500,000.00		
		U. S. BONDS AND CERTIFICATES PLEDGED.			
644,000.00	4½	Treas. Notes	644,000.00	644,000.00	To secure War Loan A/C
2,400.00	3½	1st L. L.	2,400.00	2,365.49	To secure Trust Funds
4,400.00	4½	do	4,400.00	4,446.64	do
287,500.00	"	4th L. L.	287,500.00	290,734.37	do
4,000,000.00	3½	Treas. Notes, 30-32	4,000,000.00	3,910,000.00	To secure Bills Payable
50,000.00	4½	4th L. L.	50,000.00	50,562.50	To secure Public Funds
122,100.00	"	Treas. Notes, 47-52	122,100.00	136,894.13	To secure Trust Funds
175,000.00	"	do do	175,000.00	196,343.75	To secure Public Funds
			5,285,400.00	5,235,746.88	
		U. S. BONDS AND CERTIFICATES NOT PLEDGED.			
100.00	4	First L. L.	100.00	101.06	
150,000.00	4½	Fourth L. L.	150,000.00	151,590.00	
2,039,300.00	3½	U. S. Treas., 1930-32	2,039,300.00	1,973,415.75	
250,000.00	4	U. S. Treas., 1947-52	250,000.00	279,062.50	
8,500.00	4½	C. of I., do	8,500.00	9,487.13	
			2,447,900.00	2,433,636.44	
		OTHER BONDS, SECURITIES, ETC.			
		MUNICIPALS			
4,000.00	5	Board of Commissioners, Port of New Orleans, due 1939.	4,000.00	4,000.00	Secures Postal Savings
5,000.00	5	Board of Commissioners, Port of New Orleans, due Jan. 1, 1932	5,000.00	5,023.50	"
15,000.00	5	Board of Commissioners, Port of New Orleans, due June 1, 1939	15,000.00	15,327.00	"
10,000.00	4½	Port of New Orleans, La., due 1941	9,600.00	9,807.00	"
5,000.00	4½	Board of Commissioners, Port of New Orleans, due Mar. 1, 1942.	4,800.00	4,898.50	"
		SEE EXTRA SHEET TOTAL			

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1438, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, state, if possible, the amount of the original indebtedness.

Exhibit 16

Form 1488
TREASURY DEPARTMENT
Office of Comptroller of the Currency
Examining Division

No. of Bank 8318 Date of Report October 13, 1936.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes		Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if an, are borrowed so state. List any valuable securities charged off
		MUNICIPALS - - - - Contd.			
10,000.00	4½	City of Los Angeles, Elec. Plant, due 1946.	9,800.00	10,186.00	Secures Postal Savings
14,000.00	3½	City of Louisville, due 1945	12,110.00	13,160.00	"
20,000.00	4½	City of Louisville, Hospital, due 1951	20,400.00	21,500.00	"
56,000.00	3½	City of Louisville Rfd., 1941	57,890.00	62,040.00	"
10,000.00	4½	City of Louisville School, due 1954.	10,100.00	10,500.00	"
25,000.00	4	City of Louisville, Sewer, due 1947	24,375.00	25,375.00	"
29,000.00	5	City of Louisville, Sewer & Park, due 1941	25,635.00	25,375.00	"
10,000.00	4½	City of Omaha, Neb., Sewer, due 1936.	10,000.00	10,180.00	"
9,000.00	4	Parkersburg, W. Va., Water Wks. Construction Fd., Series "J", due 1939.	8,640.00	9,000.00	"
25,000.00	5	City of Rocky Mount, N. C. Imp. due 1953	25,000.00	26,477.50	"
10,000.00	4	State of Tenn. Rfdg., Series "A", due 1949.	9,800.00	9,588.00	"
30,000.00	4	City of Louisville, due Dec. 1, 1938	30,000.00	30,000.00	"
5,000.00	4½	City of Louisville, School Imp., due April, 1954	5,252.00	5,450.00	
100,000.00	4	City of Louisville, School Bonds, due 1947.	103,750.00	102,000.00	
919,025.25		State of Ky. Warrants	919,025.25	919,025.25	
			1,307,277.25	1,328,912.75	
		PUBLIC UTILITIES			
100,000.00	5	Buffalo Railway Co., due 1951	86,330.00	93,500.00	
100,000.00	5	Crosstown St. Railway of Buffalo, 1932	86,380.00	91,750.00	
25,000.00	6½	Detroit & Canada Tunnel, due May 1, 1948	24,187.50	25,500.00	
116,000.00	6	Louisville Gas & Elec. Co. due 1937	110,200.00	117,116.00	110M Stewart D. 3. -- repurchase agreement.
200,000.00	5	Louisville Gas & Elec. Ser. "A", due 1951	180,500.00	204,000.00	
7,000.00	5	Louisville Home Tel. Co., due 1938	7,000.00	7,000.00	
		EXTRA SHEET PAGE 7-1			
		TOTAL			

To the Comptroller of the Currency,
Washington, D. C.

Examiner

Exhibit 16

Form 1436
TREASURY DEPARTMENT
Office of Comptroller of the Currency
Examining Division

No. of Bank 8818 — Date of Report October 13, 1938.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes		Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
		PUBLIC UTILITIES - - - - - Contd.			
350,000.00	6	Louisville Ry., Collateral Trust, due 6-1-1959.	330,000.00	350,000.00	
95,000.00	5	Louisville Ry. Co., due 1930.	87,308.50	91,061.25	
200,000.00	5	Louisville Ry. Co., Gen'l. Mtge., due 1950	194,277.50	186,150.00	175M sold to Stewart D. G. Co., under Repurchase Agreement.
25,000.00	5	Novia Scotia Tramway & Pr., Co., 30 yr. Gold, due 1946	21,000.00	22,500.00	
			1,148,117.60	1,186,897.25	
		FOREIGN			
5,000.00	4	Porto Rico, due 1935	4,950.00	4,800.00	Secure: Postal Savings
			4,950.00	4,800.00	
		INDUSTRIALS			
400.00	7½	Associated Motors Ind., Inc., 1st Mtg., due 7-1-38.	388.63	-	
			388.63		
		RAILROADS			
170,327.27	4½	Kentucky & Indiana Term., due 1961.	143,863.74	154,297.57	Secure War Loan Deposit
2,500.00	4	Chicago, Indpls. & Louisville Ry., 1st Gen'l. Ser. "A", due May 1, 1966.	2,306.25	2,306.25	
10,225.00	4½	Chi. Mil. & St. Paul Gen. & Ref. "A" 2014	7,575.00	7,157.50	
2,400.00	5	International Ry. Ref., due 11-1-1962	1,560.00	1,716.00	
			154,704.99	166,377.32	
		TOTAL	EXTRA SHEET PAGE 7-8		

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1489
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

No. of Bank 5312 *Date of Report* October 13, 1928.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	JUDGMENTS, CLAIMS, STOCKS, ETC.			
400.00 7%	Associated Motors Industries. Carried at (See Kentucky Wagon Company loan, Page 6-1).	388.63	388.63	
5,000.00 6	Bankers Mortgage Company, R. I., due '31.	5,000.00	5,000.00	
90,000.00	Bound, Brook & Company, due 29 - 32.	90,000.00	90,000.00	
	Collateral: 1,875 shs. Calco Chemical Co., Pfd., 32,000 shs. do Com. Since last examination the stock of the Calco Chemical Company has been sold for $100,000.00 to Bound, Brook & Company. A payment of $10,000.00 was made and periodical payments of $10,000.00 will be made. It is believed that this item will work out in full.			
463.88	Clay County Coal Company	463.88	-0-	Loss
Loss. Charged off during this examination.				
15,000.00	Columbia Phosphate Mining Co., due 12-1-26.	15,000.00	15,000.00	Slow
	(For description of this item see description of the loan of the Columbia Phosphate Mining Company under Slow Loans.)			
63,184.70	Graphite Products Corp.	14,844.54	14,844.54	
	(Described on Page 7-1, report of examination begun 8-8-28.) During this examination a telegram was received advising that the lien notes of $45,000.00 have been paid. The interest of this bank in said lien notes is 1/3, hence bank should receive about $15,000.00 at an early date.			
53,840.16	Industrial Ownership Co.	53,840.16	53,840.16	
	Collateral: 4097 shs. Van Camp Packing Co., Com., 500 shs. do Pfd. The market value of this stock now is largely in excess of the figure at which the claim is carried. The market value is based on the assumption that the plans for refinancing will be consummated. If consummated there will be a substantial excess of value. This profit will belong to the National Bank of Kentucky.			
107,617.14	Claim versus Kentucky Wagon Company	107,617.14	107,617.14	
	(See discussion of Kentucky Wagon Company under Slow Loans.)			
52 shs.	Louisville Ry., Com.	1,716.00	1,768.00	
35,000.00	Claim versus A. E. Latta This represents the purchase of 38 feet on Main Street, opposite the National Bank of Kentucky. The original purchase was made by the bank to erect a banking house. The title was placed in the name of A. E. Latta in order that the public might not know the real ownership and thereby render it difficult to purchase some adjoining property. The property has been held since 7-11-24.	35,000.00	35,000.00	
	EXTRA SHEET PAGE 7-5			
	Total			

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1488
TREASURY DEPARTMENT
Office of Comptroller of the Currency
Examining Division

No. of Bank 5312 Date of Report October 15, 1928.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	JUDGMENTS, CLAIMS, STOCKS, ETC. - - - Contd.			
100,000.00	Liberty-Washington - Cedar Street Corporation, due 29 - 34. (For description see Campbell Line, under Large Lines).	100,000.00	100,000.00	
330,000.00	Murray Rubber company (For description see discussion of Murray Rubber Company under Campbell Line - - Large Lines).	326,499.00	326,499.00	Doubtful
200 shs.	National Candy Company, Com	3,750.00	3,700.00	
12,433.25	Peoples Bank, Springfield, Tennessee. (See description under Slow Loans of Peoples Bank, Springfield, Tennessee).	12,433.25	12,433.25	
22,000.00	Eugene Straus First mortgage on a residence. Mortgage is being foreclosed.	22,000.00	22,000.00	Slow
	Sundry stocks carred at	150,000.00	115,000.00	Doubtful $50,000.00 Loss $35,000.00
	The above item embraces the following stocks: 365 shs. International Planters Corp., Pfd., 2783 shs. do Com. 90 shs. Louisville Ry., Com., 8 shs. Louisville, Henderson & St. Louis Ry. Pfd., 7200 shs. Rich Patch Land Company, 300 shs. Industrial Ownership Corp., Pfd. During this examination $35,000.00 was charged to Profit and Loss. In the opinion of your examiner $50,000.00 additional should have been charged off, but the matter was deferred until next examination, pending certain developments. Indeed, if the Kentucky Wagon Company deal is consummated and the bank receives the large recovery that could result therefrom, your examiner believes that the item should be charged down to the market value of the listed stocks.			
108.40	Unmatured coupons	108.40	108.40	
		938,630.60	903,368.92	

EXTRA SHEET PAGE 7-4.

Total

To the Comptroller of the Currency,
Washington, D. C.

Examiner

Exhibit 16

Form 148
TREASURY DEPARTMENT
Office of Comptroller of the Currency
Examining Division

No. of Bank 8512 *Date of Report* October 15, 1928.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	JUDGMENTS, CLAIMS, STOCKS, ETC. (Cont'd.)			
	Slow	149,433.28		
	Doubtful	376,499.00		
	Loss	35,448.88		
	RECAPITULATION			
	Municipals	1,807,277.25	1,818,012.75	
	Public Utilities	1,146,117.60	1,186,597.25	
	Foreign	4,980.00	4,900.00	
	Railroad	154,704.99	166,377.32	
	Miscellaneous Stocks	938,830.80	903,368.82	
		3,551,830.64	3,580,156.94	

EXTRA SHEET PAGE 9-5

Total

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1425. Page 6
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8312

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate taken for ~~debts previously contracted~~ establishment of branch office	13,266.54	13,266.54
2. Aggregate amount acquired in violation of law,		
TOTAL,	13,266.54	13,266.54

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease on property located at Fourth & Chestnut Sts., in Louisville, acquired for establishment of branch office - later opening branch elsewhere	13,266.54		13,266.54			1,300.	1-1-23
TOTAL,	13,266.54		13,266.54			1,300.	

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation?

2. Is banking house suitable and convenient? Banking house leased - Furn. & Fixtures carried at fair valuation except those at the Free of incumbrance and adequately insured? branch which have not been depreciated

3. Are vault and safe secure? Are contents adequately insured? Is banking room used by any other banking institution?

RESERVE

1. Was reserve with Federal Reserve Bank sufficient on date of examination? No If not, give the deficiency in dollars.

2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid? No - restored 10-16-26 $142,682.00
3 times $7.85 paid

Note.—The directors should be informed of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is intact.

BANK ACCOUNTS

1. State rate of interest received on open accounts. 2½-3%

2. State rate of interest paid on open accounts. 3%

OVERDRAFTS

1. State whether habitually granted.	What amount is unsecured?	Secured?
Yes	$94,162.63	$149,159.95

2. Did you verify amount at date of examination? No

3. Did you compare amount stated in last report of condition with amount shown by the books for same date? Yes

4. Is overdraft account shown on the general ledger? Yes

5. Does bank keep detailed daily record of overdrafts? Yes Did you instruct?

6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

SEE EXTRA SHEET

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.

E. B. Robertson $19.61 (Main office)

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Yes Did you instruct?

Describe any irregular items	Itemize losses estimated
SEE EXTRA SHEET	$21.06 check E. F. Gregg 22.50 Coup. Fed. Land Bank

Exhibit 16

Form 1438—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* October 13, 1928.

IRREGULAR OVERDRAFTS

At main office

$86,897.21 Kentucky Wagon Mfg. Co. 2-21-28

At branch office

$147,175.32	Herald Post Co.	)	Pres. Brown interested and secures
35.63	" Country	)	by deposit of 5,000 shs. Standard
1,948.63	" Circulation	)	Oil Co. of Kentucky.
.37	" Pay Roll	)	

S. T. Hickman	$1.66	Loss
J. A. Vetter	29.57	do
Edna M. Antos - Savings	30.00	do
Lucille Davis "	2.30	
Jacob J. Hartz "	1.06	
Sundry small overdrafts at 4th St. Branch	14.11	
	$69.20	

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1436—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 2812 *Date of Report* October 13, 1928.

IRREGULAR CASH ITEMS

AT MAIN OFFICE:

$7,465.11	100 shs.	Standard Oil Co. of Ind. a/c Jacob Ades 10-10-28
2,496.00	24 "	Kentucky Jockey Club Pfd. " Eustice A. Hale) retired
312.00	3 " " " " "	Jesse Spencer) 7-2-28
104.00	1 " " " "	David Ramsey) Taken out since examination.
660.00		Coupons Eugene Straus

AT BRANCH OFFICE:

5,000.00	J. Dolfinger end. Jno. W. Klein dated 8-8-28 to 10-10-28

EXTRA SHEET PAGE 8-2

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1425.—Page 9
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 8313

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept and amount outstanding stock does not agree, give particulars.
   Properly kept - - outstanding agrees
2. If bank owns any shares of its own stock, so state and advise how and when acquired.
   None owned
3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.
   SEE EXTRA SHEET
4. Is stock registered by outside registrar?
   No
5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?
   No

Note.—Examiner should note and report if surrendered certificates are not properly assigned, canceled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Give (1) Date of declaration of last dividend. 9-14-28 Payable? 10-1-28 Annual dividend rate is 18 %

(2) Amount of last dividend, $ 180,000.00 (3) State when reported. 9-24-28

1. Was last report of earnings and dividends correct? If not, give details.
   Yes
2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses (items 2b and 2c) as required.
   Yes
3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books.
   None found
4. Is itemized expense account kept, and did you inspect that account and interest-paid account to date of previous examination?
   Kept-inspected
5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Do the minutes record such action?
   Yes Examined by Public Accountants annually
6. Did you inspect all earnings accounts from date of last examination?
   Superficially
7. State amount of losses charged off since last examination on loans, $ 151,681.89 Bonds, $ 25,000.00 Other, $ 688.84
8. State amount recovered on charged-off assets since last examination.
   $6,611.69

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. 1½- 5.91 Certificates of deposit. 5%
2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose.
   Yes
3. Does bank retain all canceled certified checks or take receipts for any deliveries?
   Yes
4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited.
   Verified at each transaction 5% int. paid semi-annually. Last paid 7-1-28
5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for.
   30 days notice provided for.
6. Give total of dormant ledgers. $76,229.93 How are withdrawals safeguarded? C. K'd by auditing Dept.
7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing.
   Yes
8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination.
   Yes, except individual ledgers at main office.
9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination.
   Yes

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list.
   None disclosed
2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere. Federal Reserve Bank
3. Average borrowings since last examination. Bills payable 3,436,000. Rediscounts 1,000,000. Bonds sold under 200,000. 5,386,000.00

List outstanding liabilities for money borrowed, including bills payable, rediscounts, open accounts, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Reserve bank:							
Louisville, Ky.	2,200,000.	Var	10-17-28	5%	4,000,000.00	Bills Pay.	Yes
	3,286,301.96	Various		5%	Govt. Sec.	Rediscounts	"
War Finance Corporation:							
TOTAL,	5,486,301.96						
Other:							
Stewart Dgds.	200,000.00	7-2-28	1-2-29	4.85		Repurchase agreement	
TOTAL,	200,000.00						
GRAND TOTAL,	5,686,301.96						

Exhibit 16

Form 1136 - Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8318 *Date of Report* October 18, 1928.

CAPITAL STOCK

P. D. McCulloch
8 shs. unified stock pledged on his loan of $1,300.92
together with 28 shs. Lou. Ry. Com. valued at $924.00.

Louise Reis (Branch)
[redacted] shs. Unified stock pledged on loan of $5,502.82
together with 30 shs. S. O. Ky. valued at $4,500.00.
This was originally Louisville Trust Company stock
prior to the unification with the stock of the National
Bank of Kentucky.

EXTRA SHEET PAGE 9-1

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* October 15, 1928

CHARGE OFFS SINCE PREVIOUS EXAMINATION

Date	Description	Notes	Bonds	Others
3-5	Loss on sale of silver			19.32
3-6	Sundry Overdrafts			14.33
5-2	Claim-Badger Aluminum Co.	405.31		
5-2	Benevolent Assembly of Elks	15,300.00		
	Andrew Hodapp	515.00		
	F.R.Hodapp	1,220.00		
	Badger Aluminum Co.	1,500.00		
	Ky. Plumbing & Heating	2,118.50		
	"	5,881.50		
	Claim-Ky. Jagon Mfg. Co.	100,000.00		
	Elliott Pennybaker	203.05		
	Progress Chair Co.	24,000.00		
	Wm. V. & S.S.Thompson	52.03		
	Forrest S. Vaughan	376.50		
	Reducing "Other Stocks"		25,000.00	
	Overdraft M.J. Taylor			.15
	" S.A. Holman			300.00
5-23	Stop Payment			1.25
6-30	Loss Winchester Check			10.13
7-21	Taxes Grooms Home place			311.66
8-4	Note Chas. J. Merriwether	50.00		
9-20	Losses Sundry checks			32.00
		151,621.89	25,000.00	688.84

RECOVERIES SINCE PREVIOUS EXAMINATION

3-6	Shelly Schuster	17.50
3-15	Earl Grabfielder	25.00
3-17	Albert Miller	100.00
3-30	L.D. Moody Boyd	50.00
4-4	Claim-Moses Grabfielder 1/3	492.45
4-6	Note Shelly Schuster	17.50
4-7	Note Dosch Chemical	904.86
4-11	Allen Smith	10.00
4-13	Note Caldwell & Thompson	10.00
4-20	W.C. Hartwell Note	625.73
5-4	Shelly Schuster	17.50
5-4	L.D.Moody Boyd	50.00
5-4	F.R.Hodnapp	22.60
5-7	Earl Grabfielder	25.00
5-9	Ella Speldinger	640.50
5-16	Caldwell-Thompson	10.00
5-31	Allen Smith	10.00
6-2	Farley Caldwell	51.00
6-4	Moody-Boyd	50.00
5-5	Shelly Schuster	17.50
5-9	Dosch Chemical	10.00
7-3	Grabfielder Bros.	118.19
7-11	Julian Yager & C.H. Kneed	7.21
7-14	Allen Smith	10.00
7-16	Caldwell-Thompson	10.00
7-19	J.H.Miller & A.B.Thompson	9.77
7-31	Moody & Boyd	50.00
8-3	T.M.Caldwell	56.00
8-3	Thompson-Caldwell	10.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

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Exhibit 16

Form 1488 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank: 5312 *Date of Report* October 13, 1928

8-13	Shelly-Schuster	17.50
8-20	S.J.McBride	5.85
8-23	15% note W.K.Grant	1,320.00
	" "	286.00
9-6	S.J.McBride	100.00
9-6	Sale Washington Auto	100.00
9-7	Thompson-Caldwell	10.00
9-15	Skillman Note	10.00
9-18	Shelly Schuster	17.50
9-18	Mr. & Stella Matka	20.65
9-28	Grabfielder Note	25.00
9-29	Allen Smith	10.00
10-5	Ck.Ky.Exterminator Co.	2.00
10-10	B. Wines Note	25.00
10-13	Thompson-Caldwell	10.00
10-13	Weeks Plumb. Heat. Co.	25.00
		5,611.69

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 16

Form 1428. Page 19
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5318

BOOKS AND ACCOUNTS

GENERAL LEDGER.

1. Is satisfactory general ledger kept? By whom kept? Is daily statement taken?
   Yes — Mr. Williams — Yes
2. Are accounts with correspondent banks reconciled at least monthly? By whom?
   Yes — Auditing Department
3. Are reconcilements verified? By whom? Is reconcilement book kept?
   No — Yes
4. Are the general and control accounts carried on the general ledger? If not, give full explanation.
   Yes
5. Are loans and discounts proved at least monthly? Does custodian verify?
   Yes — Proved by auditing dept.
6. Are certificates of deposit proved frequently by listing outstanding items?
   Yes
7. Does the employee verifying them issue the certificates?
   No

INDIVIDUAL AND SAVINGS LEDGERS.

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers.
   Yes
2. Is satisfactory individual ledger kept?
   Yes
3. State whether bank verifies balances with depositors periodically.
   No
4. State form of individual and savings ledgers.
   Machine posted
5. State how often individual or savings ledgers are proved.
   Individuals proved weekly. Savings every two weeks
6. Whether by some one other than clerk keeping same.
   Proved by auditing department
7. Is balancing of pass book or statement noted on the ledger? In what manner?
   All accounts balanced monthly
8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? State name.
   Yes — Catherine Hogan
9. Are officers and employees required to take annual vacations?
   No
10. Is interest properly credited every six months on savings accounts?
    Yes

IN GENERAL.

1. Are paid and canceled drafts filed satisfactorily?
   Yes
2. Are proper entries made in Redemption Fund and Circulation Accounts? If not, were instructions given?
   Yes
3. Are the books so kept that the examiner can readily make a thorough and complete examination?
   Yes
4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection.
   No
5. Is all business for each calendar day included in proper account for that date?
   Appears to be
6. Are erasures made of entries on books by the use of acid or otherwise? If so, did you give proper instructions?
   None noted
7. Does the bank have a daily ledger? How often balanced? Is it a practicable book?
   Yes — Every two weeks — Yes
8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions?
   Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held.
   Weekly - Friday
2. In what manner do they authorize or approve loans or discount?
   Approve all loans made since last meeting
3. State whether they have an active discount committee. Are their meetings and actions properly recorded?
   No - officers act — No
4. State whether they have an active examining committee. Is complete and satisfactory report on file?
   Examined annually by public accountant
5. Give date of last committee examination. Do minutes record report? Are active officers only on committee?
   December, 1927 — Yes — None
6. State whether loans and discounts to their firms and corporations are specially acted upon by the board.
   No
7. Are the by-laws adequate? Are their provisions regularly observed by the officers and directors?
   Yes — Yes
8. Was copy of report of last examination by examiner considered by directors and noted on minutes?
   Yes - at meeting 5-4-28
9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes?
   Yes

Form 1428. Page 11
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY — EXAMI. ...

Exhibit 16

No. of Bank, 8312

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

Affiliated with Louisville Trust Co. through affiliation of stock

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

Yes

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

Individually

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

Yes

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state.

All directors are directors of the Louisville Trust Co.

ITEMS FOR SAFE KEEPING

Is a proper record kept of securities left for safe-keeping? **Yes**

Were securities checked against such records? **Yes**

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
All loans and discounts,	5,108,632.50	909,949.87	80,186.18	
Overdrafts,			69.80	
Premium on U. S. Bonds,				
Bonds, securities, etc.,	149,433.25	376,499.00	35,445.86	
Banking house,				
Furniture and fixtures,				
Other real estate,	13,866.54			
Cash Items,			43.56	
Shortages,				
Judgments,				
Unpaid Bills,				
TOTAL,	5,271,932.29	1,286,448.87	115,741.80	

Were estimated loss[es] charged off during examination? **Yes**

List items requiring verification and note any corrections made or promised during examination.

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	3,000,000.00
Net undivided profits,	292,309.13
All reserve accounts,	478,701.56
TOTAL,	3,771,010.69

SEE EXTRA SHEET

Wm. S. Wood
Examiner.

Per Wm. S. Wood
Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 8.

Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 16

Form 1488 Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5512 Date of Report October 13, 1928.

CRITICISMS

1. Overdue Loans described on Page 4 and on supplemental pages.	The amount is much too large and many are permitted to run much too long. Management has promised to give overdue loans more intensive attention. It was also agreed that "Charged off" items should receive more intensive effort.
2. Slow and doubtful loans described on Page 4 and on supplemental pages.	These should receive vigorous attention.
3. Other Loans Especially Mentioned, described on pages supplemental to Page 6.	Before renewing these loans, due consideration should be given to the classification of the examiner.
4. Large Lines described on pages supplemental to Page 6.	This is a source of potential danger and close attention should be given. If the plans for refinancing Kentucky Wagon Co., Van Camp Packing Co., and Cadet Knitting Co. are consummated, it will result in the elimination of the Kentucky Wagon Co. Line and in a large reduction of the Campbell Line. The Consolidated Realty Co. Line is too large and is not properly collateraled.
5. Losses described on Page 4 and on supplemental pages; on pages supplemental to Page 7; and on pages supplemental to Page 8,	Charged off during this examination.
6. Overdrafts.	The last published report of condition of this bank showed overdrafts aggregating $271,502.68. This is the largest amount of published overdrafts that has ever come to the attention of your examiner. It is the subject of comments by other bankers, and has in a degree embarrassed examiners. Of course the effect cannot be favorable to the bank. The largest overdrafts included in the published report were: Kentucky Wagon Co. 89,154.17 Herald-Post Co. 164,691.77 253,845.94 Both of these are Directors Corporations. Pres. Brown placed on special deposit 5,000 shares Standard Oil Co. of Kentucky as collateral to protect the Herald-Post Co. indebtedness. The The value of this collateral makes the Herald-Post overdraft unquestionably good, but does not eliminate the unfavorable effects resulting from the publication of such large overdrafts.

-continued-

To the Comptroller of the Currency, Washington, D. C. Examiner.

EXTRA SHEET PAGE 11-J

Exhibit 16

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8312

Date of Report October 15, 1929.

6. Overdrafts (Continued)

President Brown advised your examiner that he expects to put the overdraft of the Kentucky Wagon Co. in proper form at once, and that he expects to pay the Herald-Post overdraft by November 15.

7. Illegal Real Estate Loan of E.H.Woods.

See description under Slow Loans.

8. Own stock held as collateral.

2 shares held on loan of P.D.McCulloch. Taken D.P.C.

10 shares held on loan of Louis Reis. This was formerly stock of Louisville Trust Co. before that stock was unified with stock of National Bank of Kentucky.

9. Minutes of Directors' Meetings not signed by President Brown for past two years.

President Brown advised your examiner that he will sign these minutes immediately.

10. Loans sold to country correspondents.

Some of these loans are secured by collateral of an unliquid type. In fact it would be almost impossible for the purchasing banker or an examiner to ascertain any market value.

11. Kentucky Wagon Company Loan

Technically this would appear to be an excessive loan but practically, the bank owns the plant. This being true, any increase in the loan merely represents an increase in the carrying value of the plant.

It was agreed that $100,000 will be charged off on this asset 1-10-29, unless the deal now pending has been consumated by that time.

12. Credit Department.

The general character of credit advances made by bank has materially improved during the past few years. The credit department has been brought to a higher standard, but further improvement could be made.

It has been suggested for the past several examinations that any information relating to a borrower which is obtained by officers through conferences, or otherwise, should be reduced to a memorandum and placed in the credit file. This practice has not been adopted. It is strongly urged that itbe adopted, otherwise the information obtained would be lost to the bank in case of the death of the officer who obtained it.

All letters and reports relating to borrowers should be placed in the individual credit files, and not in the general correspondence files.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 11-8

Exhibit 16

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
FORM 1488 D

The National Bank of Kentucky, Louisville, Ky.
(Title and location of bank)

Examined by John S. Wood
26 hrs. spent in examination by Asst. Schraeder
4 " " " " " " Franey

Date October 15, 1928

No. of Fed. Res. Dist. 8

No. of Bank 5518

20

BALANCE SHEET OF ACTIVITIES IN TRUST DEPARTMENT

ASSETS			LIABILITIES		
1. Investments (other than No. 2)		$ 2,081,216.81	1. Private Trust Accounts		$ 2,490,949.98
2. Deposits in Savings Banks @ %			2. " " " Income		9,875.79
3. Deposits in other Banks @ %			3. Court Trusts (Executor, Administrator, etc.)		640,876.44
4. Deposits in Commercial or Savings Dept. of own Bank @ 3%	104,547.89 15,000.00		4. " " Income		58,881.14
5. Cash on hand (Held in Trust Dept.)			5. Profits due Bank		
6. Advances to Trusts			6. Other Liabilities (List)		
7. Other Assets (List)			Unposted Credit		208.00
			Trust Vouchers Outstanding		
			# 2483 25.00		
			6 25.00		
			5 25.00		
			2858 .50		
			3 1.25		
				76.75	76.75
TOTAL		$ 2,200,864.10	TOTAL		$ 2,200,864.10

CORPORATE TRUSTS

1. Total amount of collateral trust bonds outstanding where bank acts as trustee		$ 5,238,000.
(a) Ledger value of securities deposited in Trust Department to secure same	$ 5,469,900.	
2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee		2,016,000.
3. Ledger value of securities held for account of sinking funds		962.78
4. Total amount of sinking funds uninvested (Include in 2, 3, 4, or 5)		27,773.72
5. Face amount of unissued bonds held: (a) Certified	50,800.	
(b) Uncertified	75,000.	
6. Face amount of canceled bonds held		1,500,500.

(a) Are receipts filed for all canceled bonds delivered?
Yes

(b) Are certificates filed for all cremated bonds?
None cremated

IN GENERAL

No. of individual trusts 64 No. of corporate trusts 12

1. What trust powers have been granted to bank?
Full powers under Sec. 11 K Fed. Res. Act

2. What trust powers is bank now exercising?
Agent, Trustee, Depository, Executor, Co-Executor, Administrator, Agent for Trustee Committee, Guardian

3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors? Yes

4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
Yes, very good records maintained.

5. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another?
Yes

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1485 E

Exhibit 16

No. of Bank 6318

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

(a) Do bonds of officers and other employees of trust department cover in form specifically cover their duties as such?
Blanket bond covers trust officers & employees as officers & employees of the bank.

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Yes

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
Not required

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department? Yes. List securities pledged.

NAME	PAR VALUE	MARKET VALUE
Miscellaneous U. S. Securities	416,400.00	416,400.00
Total,		

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?
No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes, authorized & approved by trust committee appointed by directors.

12. In opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Authorized & approved by trust committee properly recorded in minute book

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.
None

20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.
None

21. What audit or examination of trust department books and securities is made by or for the directors?
Continuous audit by bank's auditing department. Certified public accountants also make annual audit.

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes

23. List criticisms, if any.
None. A well managed Trust Department.

Exhibit 16

TREASURY DEPARTMENT
COMPTROLLER OF CURRENCY—EXAMINING DIVISION.
Form 1461—10,000—Oct. 30, 1922.

No. of Bank, 6812

ACCEPTANCES.

1. Does the bank make acceptances for account of customers?
   Yes
2. In accepting drafts for customers under the provisions of the Federal Reserve Act, does the bank require an adequate written agreement or guarantee from its customer to provide funds to meet the acceptance at maturity?
   Yes
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of such acceptances?
   Yes
4. Does the bank purchase its own acceptances? If so, state amount now held.
   No
5. Are purchases of its own acceptances included in loans and discounts?
   None
6. Remarks.

LETTERS OF CREDIT AND TRAVELERS' CHECKS.

1. Does the bank issue letters of credit and travelers' checks? Yes
2. In issuing letters of credit and travelers' checks (other than for cash) does the bank require an adequate written agreement or guarantee from its customer?
   Yes
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of letters of credit and travelers' checks outstanding or honored?
   Yes

Exhibit 17

Form 1456
TREASURY DEPARTMENT
Office COMPTROLLER OF THE CURRENCY—EXAMINING

State whether special or regular examination: REGULAR

A copy of this report of examination is furnished to the Board of Directors of the examined bank for their information and consideration. The information contained therein is based upon the records and books of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources believed to be reliable, and presumed by the Examiner to be correct.

Much of the information in regard to the assets of the bank is of such a character as to make it necessary for the Examiner to rely upon the good faith and assurances of his informants, and while the Examiner regards the statements so accepted by him as correct, he is, necessarily, not in a position to guarantee the accuracy of each part of the information as may not have been obtained at first hand.

Name of Examiner, John S. Wood No. of Bank, 5312 Fed. Res. Dist. No., -8-

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kentucky, Louisville (City) Jefferson (County) Kentucky (State)

Examination commenced at 1:15 o'clock P M., on May 25, 1929

Examination closed at 5:00 o'clock P M., on June 15, 1929

James B. Brown, President. Chas. F. Jones, Cashier.

Resources	Amount	Liabilities	Amount
1. Loans and Discounts,	35,670,537.75	1. Capital Stock Paid in,	4,000,000.00
2. Overdrafts,	154,268.70	2. Surplus Fund,	2,000,000.00
3. Interest earned not collected,	242,964.97	3. All other Undivided Profits, less expenses, etc.	368,588.83
4. Customers' liability account of "Acceptances,"		4. Reserved for Depreciation and Losses,	180,353.19
5. U. S. Bonds to secure circulation,	2,500,000.00	5. Reserved for Interest, Taxes, etc.,	257,398.48 72,729.06
6. U. S. Bonds and certificates pledged,	6,533,700.00	6. Interest collected, not earned,	209,384.69
7. U. S. Bonds and certificates not pledged,	547,100.00	7. Due to Federal Reserve Bank,	
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,	7,317,956.36
9. War Savings Stamps,		9. Certified Checks,	137,947.22
10. Bonds, Securities, etc. (pledged and unpledged),	5,669,595.45	10. Cashier's Checks Outstanding,	59,093.45
11. Federal Reserve Bank Stock,	180,000.00	11. Dividends Unpaid, 815.00	
12. Banking House, 35,000.00 Furniture and fixtures 147,330.67	182,330.67	12. Demand Deposits:	
13. Other Real Estate Owned,	12,508.25	Ind. Dep. subject to check (including those subject to notice of less than 30 days) 6,951.55	
14. Due from Federal Reserve Bank,	2,887,908.34	Cfts. of Dep. due in 30 days or less, 20,447,225.86	20,454,972.09
15. Due from Federal Reserve Bank Transit Account,	2,473,666.50	13. Time Deposits:	
16. Due from Trust Companies, Banks, and Bankers,	2,771,588.44	A. Savings Deposits (less than 60 days' notice or subject to notice of 30 or more days)	
17. Exchanges for Clearing House,	1,062,782.22 371,156.55	1. Evidenced by pass book 2,951,689.26	
18. Checks on other Banks in same place,		2. Evidenced by Certificates of Deposits, 4,180,706.91	
19. Cash,	290,921.18	B. Other Deposits subject to 30 or more days' notice,	
20. Cash Items,	78,349.54	C. Postal Savings, 56,843.17	7,189,239.03
21. Cash Short,		14. United States Deposits, (Including U. S. Disbursing Officers)	
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	15. Circulation rec'd, Less on hand and returned 2,500,000.00	2,500,000.00
23. Other Funds with Treasurer U. S.,		16. Bonds Borrowed,	200,000.00
24. Other Assets (describe),		17. Bills Payable with Federal Reserve Bank and War Finance Corporation,	6,483,700.00
Unearned interest on bills payable	39,611.41	18. Other Bills Payable,	2,467,754.78
Tax paid on certificates of deposit	2,872.42	19. Notes and Bills Rediscounted with Federal Reserve Bank,	4,980,400.41
		20. Other Notes and Bills rediscounted,	
		21. Bills of exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown in this schedule,	917,109.80
		22. Accepted Bills of exchange payable abroad,	
		23. Cash Letters of Credit and Travelers' Checks Outstanding,	
		24. Acceptances Executed to Furnish Dollar Exchange,	
		25. Acceptances Executed for Customers,	
		26. Time Drafts Issued,	
		27. Cash Over,	155.66
		28. Other Liabilities (describe),	
TOTAL,	59,736,811.94	TOTAL,	59,736,811.94

CONTINGENT LIABILITIES

Unused letters of credit outstanding, $ 2,500.00

Future contracts to buy and sell exchange; $ -

Form 1436.—Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 17

No. of Bank, 5318

DIRECTORS (Use Form 1430, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 5.

Par value of shares owned	Name	Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
	SEE EXTRA SHEET				
		Total,	1,647,279.50	1,577,441.30	
		Less duplications,	-	-	
		Net total,	1,647,279.50	1,577,441.30	
Loans to officers (not directors) and employees (omit duplications),			31,501.63	13,475.00	
		Total,	1,678,781.13	1,590,916.30	

How many board meetings since last examination? 31

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	431,670.07	1,247,111.06
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	2,132,073.16	897,891.00

OFFICERS AND EMPLOYEES

	Name	Liability as (a) (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President,					
Vice President,					
	SEE EXTRA SHEET				
Cashier,					
Assistant Cashier,					
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety. Surety

Are bonds in force? Yes

In whose custody? Auditor

Are officers and employees adequately bonded?

Were they inspected? Yes

Does record show directors have approved bonds?

No recent approval noted

Exhibit 17

Form 1430.--Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* May 25, 1929.

DIRECTORS.

Par value of shs.	Name		Address	Payer	Endorser	Occupation
1,000.00	J. S. Akers	28	Louisville, Ky.			Vice-Pres.
1,000.00	H. J. Angermeier	25	do.		46,396.41	do.
1,000.00	Oscar E. Bloch	22	do.			Physician
1,000.00	Chas. H. Bohmer	30	do.		240,000.00	Vice-Pres. Lou Title Co.
6,000.00	James B. Brown	25	do.	230,534.24	426,760.00	President
1,000.00	R. Lee Callahan	29	do.	18,500.00	50,000.00	Pres. Callahan & Sons
1,000.00	A. J. Carroll	28	do.			Attorney
1,000.00	Geo. M. Clark	29	do.	220,500.00	85,000.00	Pres. Ohio Falls Iron Co.
1,000.00	S. W. Coons	22	do.			Ch. of Board Stand. Oil of Ky.
1,000.00	Allen P. Dodd	26	do.			Attorney
1,000.00	Stuart K. Duncan	26	do.	55,687.50	10,050.00	Pres. Peaslee-Gaulbert Co.
1,000.00	Jos. H. Durham	17	do.			V. P. American Creosoting Co.
1,000.00	James Garnett	28	do.			Attorney
1,000.00	Eugene Gray	29	do.			V.P. Louisvill Title Co.
1,000.00	J. J. Hayes	26	do.			Vice-President
1,000.00	J. Kennedy Helm	28	do.			Attorney
1,000.00	Bayler O. Hickman	22	do.	39,717.50		Vice-Pres. Ewald Iron Co.
1,000.00	C. C. Hiatt	26	do.	45,650.43	646,218.89	Pres. Consolidated Realty Co.
1,000.00	Saunders P. Jones	18	do.	56,500.00		Pres. Jones-Dabney Var Co.
1,000.00	Milburn P. Kelley	27	do.			Pres. Louisville Bedding Co.
1,000.00	Walter I. Kohn	27	do.	72,156.50		Pres. Herman Straus & Sons.
1,000.00	Brainard Lemon	15	do.		67,716.00	Pres. Lemon & Sons.

To the Comptroller of the Currency,
Washington, D. C.

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Examiner.

Exhibit 17

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8518 *Date of Report* May 25, 1929.

DIRECTORS - - Cont'd.

Par value of shs.	Name		Address	Payee	Endorser	Occupation
1,000.00	S. C. Lyons	81	Louisville, Ky.	588,033.33		Member - W. L. Lyons & Co.
1,000.00	Chas. C. Mengel	25	do.			Pres. Mengel & Co.
1,000.00	Thos. J. Minary	31	do.			Ch. of Bd. Lou. Ry. Co.
1,000.00	E. J. O'Brien Jr.	25	do.			Member of Firm E. J. O'Brien & Co.
1,000.00	H. D. Crumby	29	do.		500.00	Vice-President
1,000.00	John B. Pirtle	10	do.			V. P. Louisville Trust Co.
1,000.00	Arthur M. Rutledge	24	do.			Attorney
1,000.00	Wm. Short	24	do.			do.
1,000.00	Wm. S. Speed	20	do.	320,000.00		Pres. Louisville Cement Co.
1,000.00	John Stites	29	do.		4,800.00	Ch. of Bd. Lou. Trust Co.
1,000.00	Henry Vogt	22	do.			Pres. Henry Vogt Machine Co.

Two vacancies caused by resignation of Huston Quinn - R. S. Reynolds

To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 17

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 0813 *Date of Report* May 25, 1929.

OFFICERS

		Liability as MAKER	Liability as endorser	Bond	Other Occupation
President	James B. Brown	250,554.36	686,760.00		Publisher
Vice Pres.	H. J. Angermeier		46,396.41		Hops
do.	H. D. Ormsby		500.00		do.
do.	J. J. Hayes				do.
do.	Frank I. Dugan				do.
do.	E. B. Robertson		12,000.00		do.
do.	Henry Thiemann				do.
do.	John S. Akers				do.
do.	L. L. Fontaine	5,000.00			do.
Cashier	Chas. F. Jones	16,000.00			do.
Asst. Cashier	A. P. Ramser				do.
do.	Oscar A. Bleak	900.00			do.
do.	David W. Gray				do.
do.	Thos. Green				do.
do.	Edw. E. Lee				do.
do.	H. R. Grant	4,800.00			do.
do.	F. L. Moseley				do.
Auditor	W. T. Zgraehmiede				do.
Other Employees	190	4,601.43	475.00		

$200,000.00 Blanket Bond Covers all Officers and Employees.

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1488—Page 3
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 17

No. of Bank, 8512

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?

Banks, bankers, brokers, merchants, manufacturers, real estate operators, lumber concerns, mining interests, tobacco interests, finance concerns, etc. SEE EXTRA SHEET

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?

See Large Lines described on Page 6 and on supplemental pages.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.

Collateral register maintained.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.

SEE EXTRA SHEET

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reasons.

SEE EXTRA SHEET

6. State whether all paper claimed by the bank as its property, including collateral, appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.

Yes

7. Give highest, lowest and average rate of interest obtained.

4½ - 7.8% and 6%

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.) Bank has placed with country correspondent banks a large number of loans selected from its own files. While there is no expressed liability on part of this bank it has to take these loans up when the country banks send them in. As a practical proposition they are bills payable. SEE EXTRA SHEET for list of loans that do not measure up [illegible].

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through indorsement of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for Bank's benefit exists, describe fully.

No legal liability. See above.

10. Do they take loans to accommodate other banks, and to what extent?

Some loans are taken for the accommodation of country correspondents.

11. Does sending bank appear to be in any way liable? (See No. 10.)
List liabilities of National Banks.

SEE EXTRA SHEET

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)

Credit department has made vast improvement since it was re-organized. Further improvement is recommended.

Exhibit 17

Form 1466 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* May 25, 1929

The total loans and discounts amounted to $34,755,427.95 of which $5,001,368.71 were Branch Loans, $187,407.40 Trade Acceptances, $51,896.81 Time Drafts in transit and $344,085.49 rediscounts of the Builders Finance Corp. leaving a balance of $29,268,672.54. An analysis of the Collateral loans included in this balance shows the following:

Loans on commodities	$674,677.00	
Local listed stocks	306,705.00	
Local unlisted stocks	1,480,800.00	
American Turf (58,310 shares)	1,351,599.00	($23.20 per sh.)
S. O. of Ky. (32,834 shares)	705,394.00	(21.50 ")
Reynolds Enterprises (Reynolds Investment, Reynolds Metals, Eskimo Pie and Selected Ind)	798,591.00	
Bills Receivable and Real Estate	2,429,148.00	
Certificates of Deposit	1,037,640.00	
Local Bank Stocks	395,938.00	
Country Bank Stocks	57,570.00	
Other Listed Stocks	2,506,724.00	
Bonds	516,250.00	
Liberty Bonds	137,145.00	
Miscellaneous Unlisted Stocks	44,800.00	
Loans to Country Banks	1,307,171.00	
Loans to Brokers (of which the collateral partly consists of $153,600.00 Cert. of Dep. 16,288 shs. Amer. Turf., 7,717.shs. S. O. K/. $280,389.00 Reynolds Enterprises stocks)	2,556,000.00	

These classifications total $16,301,955.00 or approximately 56% of the total loans ($29,268,672.54)

To the Comptroller of the Currency,
Washington, D. C

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Examiner.

Exhibit 17

Form 1430.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* May 25, 1929.

LIABILITIES OF CORPORATIONS IN WHICH DIRECTORS ARE INTERESTED.

	DIRECT	INDIRECT
Bray - Robinson Clo. Co. End. Frank Bray and collateraled by securities having an estimated market value of $137,691.00 Director Dodd interested.	$155,000.00	
Callahan & Sons Director Callahan interested and endorses.	50,000.00	
Consolidated Realty Co. Coll: 487,452.47 bills receivable 500 shs. General Realty Corp. 370 " Louisville Realty Corp. 250 " Consolidated Realty Corp.	318,550.00	75,270.74
Endorser - Estate A. V. Thompson (Described under Slow Loans) Director Hieatt interested.		20,875.29
Electric Refrigeration Co. (4th Street Office) Director Angermeier interested and guarantees.	32,500.00	13,896.41
Gardens Communities Corp. Director Hieatt interested and endorses.	13,877.08	
General Realty Corp. Secured by mortgage on real estate. Director Hieatt interested and endorses. (Described under slow loans)	130,650.00	
Guaranty Realty Co. Director Hieatt interested and and with others, endorses.	97,000.00	
Hart Mfg. Co. Director Akers interested.	90,000.00	61,215.59
Herald Post Co. (4th Street office) Director Brown interested and endorses. Guarantor - Trumbo, Schupp & Schmitt " J. Dalfinger & Co.	596,000.00	4,686.85 21,000.00 14,800.00
Jones-Dabney Co. Director Jones interested and endorses.	150,000.00	2,290.15
C. A. Koerner & Co. Coll: 25M Dean and Shark Corp. 6's Vice-Pres. Dugan interested. (Describe under Slow Loans.)	11,000.00	
Lemon & Son (4th Street Office) Director Lemon interested and endorses.	30,000.00	507.89
Louisville Cement Co. (4th Street Office) Director Speed interested.	75,000.00	
Ohio Falls Iron Co. Rediscounts - Kentucky Wagon Mfg. Co. Director Clark interested and endorses direct line.	75,000.00	4,009.89

To the Comptroller of the Currency,
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EXTRA SHEET PAGE 3-B

Examiner.

Exhibit 17

Form 1430.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5818 *Date of Report* May 28, 1928.

LIABILITIES OF CORPORATIONS IN WHICH DIRECTORS ARE INTERESTED - - Cont'd.

	Direct	Indirect
Ohio River Sand Co. Director Bohmer interested and guarantees.	250,000.00	
Pensle Coulbert Co. Director Duncan interested.	40,00 .00	
Avery Building Assn. Coll: Sundry real estate notes. Vice-Pres. Thiemann interested.	300,000.00	
Herman Straus & Sons Rediscounted by Caldwell & Co. Director Kohn interested.	105,000.00 54,807.08	
American Turf Association Fairmount Jockey Club Washington Park Jockey Club Affiliations Director J. B. Brown interested.	300,000.00 292,500.00 75,00 .00	

To the Comptroller of the Currency,
Washington, D. C.

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Examiner.

Exhibit 17

Form 1439. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* May 25, 1929.

LIABILITIES OF DIRECTORS, OFFICERS, and EMPLOYEES.

	Direct	Indirect
H. J. Angermeier		
Guarantees - Electric Refrigeration Co.		46,396.41
Chas. H. Bahmer		
Endorser on Ohio-River Sand Co.		240,000.00
James B. Brown		
Joint maker with J. W. M. Stewart et al	230,534.24	
Endorser - G. S. Schlesinger - (4th St. Office)		510.00
" Chas. N. Lewis		4,580.00
" Herald Post Co.		395,000.00
Guarantor O. A. Block		900.00
" C. F. Jones		16,000.00
" H. R. Grant		4,800.00
" L. L. Fontaine		5,000.00
	230,534.24	426,760.00
R. L. Callahan	18,500.00	
Coll: 667 shs. Standard Oil Co. of Kentucky		
End. Callahan Sons		50,000.00
Geo. M. Clark	220,500.00	
#136M end. Jos. T. and C. R. Clark		
Coll: 2,800 shs. American Turf Assn.		
40 " 2nd Natl. Bank, New Albany, Ind.		
45 " Majestic Theatre Co.		75,000.00
Endorser - Ohio Falls Inv. Co.		10,000.00
" Lucy C. Voyce (4th Street Office)		
	220,500.00	85,000.00
Stuart R. Duncan	35,687.50	
Coll: 748 shs. United Corp.		
312 " Peaslee Gaulbert Co.		
836 " Standard Oil Co. of Indian.		50.00
End. Gale Francis		10,000.00
" Wm. G. Duncan		
	35,687.50	10,050.00
Baylor O. Hickman	39,717.50	
Coll: 220 shs. American Turf Assn. com.		
$35,000.00 real estate notes Alex. Heyburn.		
C. C. Hieatt	23,530.00	
Joint with E. J. Schierich	12,000.00	
Overdraft	17.83	
Coll: 297½ shs. Consolidated Realty Co. com.		
$22,500.00 notes Gardens Communities Co.		
Discount of Lemon & Son	507.50	
" " Consolidated Realty Co. - jt. with E. J. Scheirich.	9,595.00	
		12,877.08
End rser - Gardens Communities Co.		150.75
" Edw. J. Clem		11,720.32
" A. V. Thomson Estate		

Cont'd.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 3-4 *Examiner.*

Exhibit 17

Form 1136. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5318 *Date of Report* May 26, 1930.

LIABILITIES OF DIRECTORS, OFFICERS, AND EMPLOYEES.

	Direct	Indirect
C. C. Hieatt - - - Cont'd.		
Endorser - Guaranty Realty Co.		97,000.00
" General Realty Co.		130,650.00
Guarantor Consolidated Realty Co. - direct and indirect		395,920.74
	45,650.43	641,218.89
Saunders P. Jones (4th St. Office) Coll: 5,200 shs. Jones - Dabney Co. com. Endorser - Jones Dabney Co.	56,500.00	
Walter I. Kohn Coll: sundry listed stocks.	72,156.50	
Brainard Lemon		
Endorser - Mar L. Tyler		13,966.00
" Blanche Craig		4,000.00
" Lucy L. Milton (4th St. Office)		3,500.00
" Lemon & Son do.		30,000.00
" W. Edwin Glassop do.		16,250.00
		67,716.00
S. C. Lyons	93,033.33	
Joint with W. L. Lyons et al		
Member of firm W. L. Lyons & Co. (secured by various listed securities)	495,000.00	
	588,033.33	
H. D. Ormsby Endorser St. Mark's Church.		500.00
W. S. Speed	320,000.00	
Coll: 1,200 shs. Atchison, Topeka & Santa Fe.		
400 " Illinois Central R. R.		
400 " L. & N. R. R.		
John Stites		
Endorser Jarrett Stites		2,200.00
" J.H. Stites		650.00
" W. M. Hannah		1,950.00
		4,800.00
J. E. Jansen Coll: 12 shs. Standard Oil of N. Y.	304.55	
Raymond L. Metz	2,412.09	
Coll: 60 shs. American Turf Assn.		
50 " Standard Oil Co. of Ky.		
Catherine D. Mooney	2,035.00	
Coll: 120 shs. American Turf.		
10 " Standard Oil of N. J.		

To the Comptroller of the Currency,
Washington, D

(A SHEET PAGE 3-6) *Examiner.*

Exhibit 17

Form 1488.--Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9513 *Date of Report* May 25, 1929.

LIABILITIES OF OFFICERS, DIRECTORS AND EMPLOYEES - - - Cont'd.

	Direct	Indirect
C. L. Revenaugh Endorser on Marie Revenaugh.		800.00
E. B. Robertson Endorser Crescent Hill Baptist Church		13,000.00
A. J. Stoltenpohl Endorser C. B. Stoltenpohl		275.00

The following officers' loans are guaranteed by Prus. Brown who is secured by pledge of their stock in this bank:

L. L. Fontaine	$5,000.00	Reduced $1,300.00 since last examination
H. R. Grant	4,800.00	" 200.00 " " "
Chas. F. Jones	16,00 .00	" 1,000.00 " " "
O. A. Block	800.00	" 200.00 " " "

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 3-6

Examiner.

Exhibit 17

Form 1430.--Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5312 *Date of Report* May 25, 1929.

SOLD LOANS

Loans, endorsed without recourse, and sold to country correspondents amount to $899,391.06. The collateral is held by this bank and consists, in the main, of listed, fairly well diversified and readily salable securities. The following loans appear unsatisfactory for the reasons set out.

H. J. Angermeier Insufficient margin. Collateral valued at $3,725.00.	First National Bank, Buffalo, Ky.	$3,350.05
M. Lawrence Aronson - Farmers Dep. Bank, Brandenburg, Ky. No diversification of collateral.		12,040.00
S. B. Arterburn - Insufficient collateral. Valued at only $5,296.00.	Bank of Williamsburg, Ky.	5,433.28
W. L. Briscoe, Jr. Margin is made up of an unlisted security.	First Natl. Bank, Milltown, Ind.	2,800.00
Joseph Bruns - Collateral consists of an unlisted security.	First National Bank, Buffalo, Ky.	2,000.00
John Buchanan - A large part of the collateral consists of an unlisted, not readily salable security.	First Natl. Bank, Milltown, Ind.	2,040.69
	Gratz (Ky.) Deposit Bank.	6,273.00
Same as above.		
Geo. Burchal - Same as above.	Breckinridge Bank, Cloverport, Ky.	12,600.00
Florence B. Buschmeyer - Insufficient margin.	Washington Co. Bank, Springfield, Ky.	900.00
Marian H. Cardwell - Insufficient collateral - estimated worth $10,300.00.	Peoples Exch. Bank, Beattyville, Ky.	10,500.00
L. S. Caron - Insufficient margin. Collateral priced at $5,762.00.	Farmers Bank & Trust Co., Williamsburg, Ky.	5,600.00
A. J. Carroll - Collateral not diversified.	Natl. Bank of London, Ky.	6,500.00
Jas. T. Clark - Insufficient collateral - based upon asked price, it is worth $1,700.00.	Crab Orchard (Ky.) Banking Co.	2,000.00
Andrew J. Corcoran - Collateral not well diversified.	First Natl. Bank, Milltown, Ind.	3,000.00
Nat C. Cureton - Same as above.	First National Bank, Buffalo, Ky.	3,400.00
Edw. R. Dumesnie - Insufficient margin.	First National Bank, Horse Cave, Ky. Collateral valued at $3,650.00.	3,451.57
Jas. P. Edwards - Insufficient margin.	First State Bank, Livingston. Collateral valued at $4,500.00.	4,342.50
Geo. C. Fetter, Jr. - Insufficient collateral - valued at amount of loan.	Old Bank, Perryville, Ky.	2,925.00

To the Comptroller of the Currency,
Washington, D. C

EXTRA SHEET PAGE 3-7

Examiner.

Exhibit 17

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* May 22, 1929.

SOLD LOANS - - - - Cont'd.

H. Friedburg - First National Bank, Milltown, Ind. Margin not quite 20%.	$2,000.00
H. Friedburg - Crab Orchard (Ky.) Banking Co. Collateral consists of an unliquid and not readily salable security.	6,000.00
Owen Gothright - Deposit Bank, Pleasureville, Ky. Margin is made up of an unlisted and not readily salable security.	15,000.00 *
Bank of Wingo Same as above.	4,000.00 *
Frank A. Garst - Breckinridge Bank, Cloverport, Ky. Insufficient margin - Collateral priced at $5,595.00.	5,275.00
Graft - Pelle Co. - Farmers National Bank, Scottsville, Ky. Collateral not well diversified.	6,500.00
C. W. Hart - Bank of Whitesville, Ky. Insufficient margin. Collateral valued at $5,066.00.	5,500.00
Larry D. Jones - Farmers Bank & Trust Co., Williamsburg. Collateral consists of unliquid, not readily salable securities.	15,000.00
A. A. Kaiser - Bank of Whitesville Same as above.	800.00
J. W. Klapheke - Farmers National Bank, Clay, Ky. Collateral valued at $5,820.00 which is insufficient. Should be diversified.	6,000.00
Fred A. Kratch - Bank of Whitesville Collateral consists of an unliquid and not readily salable security.	2,800.00 *
M. L. Merriman - Greensburg (Ky) Deposit Bank. Collateral should be more diversified.	10,800.00
Chas. J. O'Connor - Wallins National Bank, Wallins Creek, Ky. Collateral possesses a rather narrow market.	1,500.00
Leon Oettinger - Bank of Whitesville Collateral should be more diversified.	5,000.00
Mildred C. Savage - First National Bank, Milltown, Ind. Margin is made up of a type of security possessing a restricted market.	2,700.00 *
W. O. Simpson - Old Bank, Perryville, Ky. Collateral should be more diversified.	2,400.00
Oran W. Smith - Farmers Bank, Centertown, Ky. Collateral consists largely of an unlisted and unliquid security.	3,600.00 *
R. P. Thompson - Henderson (Ky.) Co. Sav. Bank Collateral possesses a rather narrow market.	3,800.00 *
Phillip S. Talley - Bank of Wingo, Ky. Collateral consists of securities, the market value of which is difficult to determine.	2,500.00 *

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 5-8

Examiner.

Exhibit 17

Form 1436—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* May 25, 1929.

SOLD LOANS - - - - Cont'd.

W. W. Warfield - Same as previous loan.	Breckinridge Bank, Cloverport, Ky.	$8,000.00
Ben S. Washer - Collateral should be more diversified.	Farmers Natl. Bank, Clay, Ky.	4,000.00
Geo. H. Willson - Margin is made up of an unliquid type of security.	Green River Dep. Bank, Rochester, Ky.	2,346.00
Jacob A. Wurtele - Collateral should be more diversified.	First National Bank, Milltown, Ind.	2,000.00
Ratil L. Yager - Insufficient margin. Collateral priced at $3,465.00.	First National Bank, East Bernstadt, Ky.	3,150.00

These criticised loans amount to $205,827.09 or approximately 23% of the total. Those indicated by an asterisk were criticised in the report of the last examination.

To the Comptroller of the Currency, EXTRA SHEET PAGE 3-B
Washington, D. C.
Examiner.

Exhibit 17

Form 1620.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8518 *Date of Report* May 25, 1929.

DIRECT LOANS.

These loans, as distinguished from those sold from the note case, are said to have been made direct by the lending bank and the collateral placed here for convenience of the borrower. The aggregate $1,801,877.25, is made up of the following borrowers:

Wakefield & Co.	$760,000.00
J. M. Greer	187,000.00
L. I. Harris	80,800.00
A. E. Latta	168,800.00
J. J. Hilliard & Son	51,000.00
W. L. Lyons & Co.	171,000.00
James C. Willson & Co.	13,000.00
Bank's officers and employees	151,405.62
Various	239,471.63
	$1,801,877.25

The following loans appear unsatisfactory for the reasons set out:

Elizabeth H. Clarke - Breckinridge Bank, Cloverport, Ky. $7,000.00
Insufficient margin.

J. M. Greer - Cratz Deposit Bank 5,000.00
Insufficient margin.

J. M. Greer - Peoples Bank, Gravel Switch 6,500.00
Margin less than 20%.

Farmers Natl. Bank, Glasgow. 10,000.00
Insufficient collateral. Estimated value only $9,250.00.

Lawrenceburg (Ky.) Natl. Bank, 15,000.00
A large part of the collateral consists of an unlisted security having a restricted market.

L. I. Harris - National Bank of Middleboro, Ky. 15,000.00
A portion of the collateral consists of an unlisted security.

J. J. B. Hilliard & Son - First State Bank, Pineville, Ky. 10,000.00
Insufficient margin. Collateral estimated worth $11,230.00.

Mary Hagan Farmers Natl. Bank, Scottsville, Ky. 4,671.63
Insufficient margin - estimated value of collateral $5,400.00.

A. E. Latta First Natl. Bank, Milltown, Ind. 3,800.00
Insufficient margin. Collateral valued at $4,074.00.

French Lick (Ind.) State Bank. 10,000.00
Insufficient margin - collateral valued at $11,720.00.

Lawrenceburg (Ky.) Natl. Bank. 15,000.00
Insufficient margin. Slightly less than 20%.

W. L. Lyons & Co. First National Bank, Horse Cave, Ky. 4,000.00
Insufficient collateral - valued at only $3,650.00.
(corrected May 31, 1929)

Farmers Dep. Bank, Brandenburg, Ky. 10,000.00
Insufficient margin - collateral valued at $11,100.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 17

Form 1430.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 3312 *Date of Report* May 25, 1929.

W. L. Lyons & Co. - - - Cont'd.

	Peoples Bank, Campbellsville, Ky.	$15,000.00
Insufficient margin - Collateral valued at $17,400.00.		
	Farmers Bank, Milton, Ky.	10,000.00
Insufficient margin. Collateral priced at $11,100.00.		
	Lincoln Co. Natl. Bank, Stamford, Ky.	10,000.00
Insufficient margin. Collateral valued at $10,500.00.		
	Farmers & Traders Bank, Shelbyville, Ky.	10,000.00
Insufficient margin. Collateral valued at $11,100.00.		
A. P. Hamner	First Natl. Bank, Glasgow, Ky.	6,000.00
Insufficient margin. Collateral valued at $6,825.00.		
E. B. Robertson	Breckinridge Bank, Cloverport, Ky.	10,500.00
Insufficient collateral. Estimated worth only $8,460.00		
	First Natl. Bank, Milltown, Ind.	3,000.00
A large part of the collateral consists of an unlisted not readily salable security.		
M. B. Shireman	First Natl. Bank, Horse Cave, Ky.	4,000.00
Insufficient margin. Collateral priced at $4,680.00.		
	Deposit Bank, Pleasureville, Ky.	25,000.00
Insufficient collateral. Market value estimated slightly less than $25,000.00.		
Wakefield, & Co.	Wallins Natl. Bank, Wallins Creek, Ky.	3,000.00
Insufficient margin - collateral valued at $3,450.00.		
	Gratz (Ky.) Deposit Bank	5,000.00
Insufficient margin. Slightly less than 20%.		
	French Lick (Ind.) State Bank	10,000.00
Insufficient margin. Collateral priced at $11,725.00.		
	Farmers Dep. Bank, Brandenburg, Ky.	10,000.00
Insufficient margin. Slightly less than 20%.		
	Greensburg (Ky.) Deposit Bank	15,000.00
Insufficient margin. Collateral valued at $17,570.00.		
	Mt. Sterling (Ky.) Natl. Bank	20,000.00
Insufficient margin. 15% margin.		

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Washington, D. C.

Examiner.

Exhibit 17

Form 1490—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* May 25, 1929.

LOANS TO OFFICERS AND EMPLOYEES CARRIED IN "DIRECT LOANS".

H. R. Grant -	First Natl. Bank, Buffalo, Ky.	$2,500.00	
100 shs.	Reynolds Inv. Co. com.		
	First National Bank, Greenville, Ky.	4,000.00	
167 shs.	Standard Oil Co. of Kentucky	4,500.00	
185 "	" " " "		11,000.00
Thos. Green --	Peoples Exch. Bank, Beattyville, Ky.	6,000.00	
100 shs.	Marland Oil Co.	6,000.00	
25 "	Mengel Co. pfd.	3,000.00	
50 "	Reynolds Metals Co. pfd..		
100 "	General Motors		
96 "	Amer. Turf.		
	Farmers Natl. Bank, Glasgow, Ky.	6,300.00	
150 "	National Bank of Kentucky		
50 "	S. O. of N. Y.		
120 "	S. O. of Ky.		
	Breckinridge Bank, Cloverport, Ky.	6,000.00	
100 "	S. O. of N. Y.		
50 "	U. S. Steel		
	Peoples Bank, Gravel Switch, Ky.	2,250.00	
80 "	S. O. of Ky.		
	Farmers & Peoples Bank, Campbellsville, Ky.	4,405.62	
140 "	S. O. of Ky.		
25 "	S. O. of Ind.		35,955.62
J. J. Hayes	Peoples Exch. Bank, Beattyville, Ky.	6,000.00	
100 shs.	Kansas City Sou.	3,600.00	
100 "	Natl. Bank of Kentucky		
50 "	" " " "		
50 "	Cont. Shares, Inc.		
	First Natl. Bank, Charlestown, Ind.	3,350.00	
100 shs.	Reliance Mfg. Co.		
50 "	Natl. Bank of Kentucky		
	Peoples Bank, Gravel Switch, Ky.	1,250.00	
12 "	Lou. G. & E. pfd.		
30 "	Yakima Pie Corp.		
	First National Bank, Greenville, Ky.	13,000.00	
250 shs.	National Bank of Kentucky		
100 "	Postum, Inc.		26,200.00
J. L. Moseley	Peoples Exchange Bank, Beattyville, Ky.	4,500.00	
100 shs.	Seaboard Air Line		
76 "	Penn Ohio Edison		
	First National Bank, Greenville, Ky.	12,000.00	
100 shs.	Ass'd. Gas & Elec. A		
100 "	Corn Products		
100 "	Mo. Pacific		

Cont'd.

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To the Comptroller of the Currency,
Washington, D.

Examiner.

Exhibit 17

Form 1488.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* May 25, 1929.

F. L. Moseley - - - - Cont'd.

	Bank of Whitesville	$9,000.00	
100 shs.	Ass'd. Gas & Elec. A.		
100 "	National Public Service		
100 "	United Light & Power A		
100 "	Chicago & Alton		
			$25,500.00
A. P. Ramsey	First National Bank, Glasgow, Ky.	6,000.00	
150 shs.	National Bank of Kentucky.		
25 "	Amer. Turf		
	Greensburg (Ky.) Deposit Bank	6,450.00	
100 shs.	Amer. Turf		
130 "	National Bank of Kentucky.		
			12,450.00
L. B. Robertson -	First State Bank, Livingston	6,000.00	
100	Unite Selected Industries		
50	Reynolds Metals pfd.		
	Breckinridge Bank, Cloverport	10,500.00	
300 shs.	National Bank of Kentucky.		
30 "	Reynolds Inv. pfd.		
120 "	" " com.		
	First National Ban , Milltown, Ind.	3,000.00	
50 shs.	Crummies Creek Coal Co.		
$300.	Louisville Title Co.		
500.	Cuber Cinema Co. 7-35		
	Peoples Exch. Bank, Beattyville, Ky.	6,900.00	24,500.00
200 shs.	National Bank of Kentucky.		
E. W. Walker	First National Bank, Greenville, Ky.	7,800.00	
50 shs.	American Tel. & Tel.		
	Broadway National Bank, Nashville, Tenn.	8,000.00	15,800.00
61 shs.	Amer. Tel. & Te.		
			181,408.82

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 17

Form 1428.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8812 *Date of Report* May 25, 1929,

LIABILITIES OF NATIONAL BANKS.

Citizens Natl. Bank, Bowling Green, Ky. Bills Payable Cell: $129,024.35 Bills Receivable.		$110,000.00
National Bank of Cynthiana, Ky. Bills Payable " Rediscounts Cell: $83,000.00 various bonds.		20,033.96 18,000.00
State National Bank, Frankfort, Ky. Bills Payable Cell: $31,000.00 various bonds.		25,000.00
Trigg National Bank, Glasgow, Ky. Bills Payable Cell: $40,000.00 various bonds.		30,000.00
First National Bank, Horse Cave, Ky. Bills Payable Cell: $25,000.00 various bonds		20,000.00
Lynch (Ky.) National Bank do. Cell: $54,000.00 various bonds.		50,000.00
First National Bank & Tr. Co., Covington, Ky. Overdraft		2,392.94
Citizens National Bank, Lebanon, Ky. do.		7,894.56
Third National Bank, Columbus, Ga. do.		2,136.91
Norfolk (Va.) National Bank of Commerce, & Trust Co. do.		440.40
First National Bank, Baltimore, Maryland. do.		125,836.13

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

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Form 1425 - Page 4
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 17

No. of Bank, 5312

LOANS AND DISCOUNTS—Continued

The loans and discounts and other securities must be carefully verified and every discrepancy noted $19.97 long

Total loans and discounts, $ 35,670,537.78

OVERDUE PAPER

A. Total bad debts, as defined by Section 5204, U. S. R. S., $ 1,469,771.83

Of which there are carried in loans and discounts, $ 1,469,771.83

*Carried elsewhere, $

B. Other overdue paper, $ 753,042.28

Total overdue paper (including all bad debts), $ 2,222,814.11

Examiner should advise bank interest on demand or time loans should be collected at least every six months, and that mere payment of interest is not considered a renewal of the loan, unless formal extension agreement is signed by all parties in the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6. Give maturity dates of "bad debts."

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
29.35 C. M. and F. R. Adams and Sid Deathitt. Loan has been due since 1-4-26. Reduced $44.25 since last examination. It is claimed that the loan will be collected in full.	29.35		29.35		
8,500.00 Aimee Shop Statement dated 12-31-28 shows Current assets $34,000.00, current liabilities $21,000.00, net worth $19,000.00. The current ratio of the company is poor and its debt exceeds its net worth. Reduced $1,500.00 since last examination.			8,500.00		
750.00 Allgier-Koch & Co. Endorsed J. C. Koch, Perry Farnsley and F. N. Allgier. Collateral: $5,300.00 note, Ray Appleby, given 1-24-27; Sundry loans aggregating $432.85. Reduced $250.00 since last examination.			750.00		
2,300.00 J. C. Koch Endorsed Allgier-Koch & Co. Loan reduced $455.17 since last examination.			2,300.00		
700.00 F. N. Allgier Collateral: 5 shs. Bank of St. Helens; $1,700.00 second lien note of J. M. Dawson. Reduced $550.00 since last examination.			700.00		
5,350.00 Armstrong-Reynolds Co. Endorsed J. B. Armstrong and E. L. Henderson. Loan increased $700.00 since last examination.			5,350.00		
			SEE EXTRA SHEET		
TOTAL,					

Use Form 1425-c for continuation of list.

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1486 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
4,700.00 Eugene R. Attkisson $2,500.00 endorsed Guy D. Attkisson. Collateral: $650.00 Liberty Loan Bonds; 25 shs. Henry Vogt Machine Co., Com. Increased $800.00 since last examination.			4,700.00		
4,000.00 Guy D. Attkisson and Eugene R. Attkisson. Makers have been continuous borrowers since 1-17-25.			4,000.00		
40,000.00, carried at $6,000.00 Badger Aluminum Co. The hope for the collection of this loan lies in the sale of 212 acres in Johnson County, Oklahoma. The value of the property is very uncertain.	6,000.00		4,000.00	2,000.00	
29.89 Rediscount. Bagby-Hoss Co.	29.89				29.89
300.00 G. L. Himbas and J. J. Seeom Seeom is a sign writer and it is claimed that he will pay the note.		300.00	300.00		
1,058.97 Charles H. Boden Maker is dead and left no estate.	1,058.97				1,058.97
8,160.00 Calvin F. Boles Endorsed C. E. Ghesms. Proceeds of loan were used to purchase a home. No reduction since last examination.			8,160.00		
100.00 Annie L. Bostic The parties own a residence subject to a lien in a building and loan association. It is understood that the property is to be sold at foreclosure in a short time.	100.00			100.00	
80,772.17 F. G. Breslin Collateral: 80 shs. General Motors, Com.; City warrants aggregating $44,971.73. Maker is a local contractor. He has been a continuous borrower since 8-5-20.			80,772.17		
550.00 Ben L. Bruner H. T. Larimore is endorser on $50.00 and is regarded good. Cont.			50.00	50.00	

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TOTAL

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

Exhibit 17

No. of Bank, 5313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Ben L. Bruner Cont. The maker has a position with the State Tax Commissioner in Kentucky. Loan reduced $145.00 since last examination. 45,000.00					
Cadet Knitting Company Statement dated 1-1-29 shows current assets $903,945.00, current liabilities $948,770.00, net worth $2,305,572. Of the current liabilities $340,600.00 consists of debenture bonds which are considered current on account of the fact that the trust agreement provides that the company shall maintain net quick assets equal to 125% of the bonded indebtedness. This contract has been breached, hence the bonds can be considered as due. Caldwell and Company are figuring on reorganizing the company by paying in new capital in the sum of $1,190,000.00, for which Caldwell and Company will receive debentures aggregating $1,000,000.00, preferred stock aggregating $300,000.00 and 72,000 shares of common stock. Giving effect to the consummation of this deal, the statement would show current assets $1,140,000.00, current liabilities - none, other assets $1,235,000.00, debentures $1,000,000.00 net worth $1,375,000.00. During this examination, one of the officers of the bank called the Nashville office of Caldwell and Company to ascertain the status of the reorganization. He was advised that the deal had been completed and that the new stock is now ready to be issued. On the completion of this deal, the loan will be paid.		45,000.00	45,000.00		
95,605.82 Campbell-Heath & Company Collateral: $100,000.00 note of Murray Rubber Co., due 4-1-32 if the $500,000.00 first mortgage bonds of the Murray Rubber Company have been retired at that time; if not the maturity will be within thirty days after the last first mortgage bond has been paid. This collateral note is in turn secured by $100,000.00 Murray Rubber Company Debentures.			95,605.82		
TOTAL					

Cont.

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Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Amount					
Messrs. Campbell and Pepper have each agreed to assume one-half of this note, each to be secured by $50,000.00 Murray Rubber Co. note as above described. There is said to be an agreement between the bank and Messrs. Pepper and Campbell that the bank will carry the notes for three years. The goodness of the loan depends on the financial strength of the makers, plus the operating results of the Murray Rubber Co. as reorganized. (See discussion of the loan of the Murray Rubber Company). The loan is, of course, undesirable.					
224,471.50 White and Associates Collateral: $25,000.00 note, Hazen Building Corporation; $25,000.00 note, Liberty Washington Cedar Street Corporation; 750 shs. Liberty Washington Cedar Street Corporation; $154,000.00 notes of Campbell-Heath & Co., secured by 56,902 shs. Cadet Knitting Company, Com.; $11,000.00 certificate of deposit on this bank. Your examiner was advised that this loan is to be paid when the reorganization of the Cadet Knitting Company has been consummated. Mr. Pepper is to pay part and Mr. Campbell is to pay part. The loan is a part of the Campbell line and is thoroughly undesirable.		$224,471.50	224,471.50		
114,042.49 Carter Guaranty Company Collateral: $12,500.00 mortgage of the company, secured by all of its assets not already pledged; $69,500.00 bonds of Rudolph and Bauer, Inc. This was formerly the Eugene Strauss Cabinet Works. These are said to be good. $40,101.51 notes given in payment for lots, largely past due; The bank also holds a 10/12 interest in property acquired through foreclosure of bonds of the International Bolt Company. The Carter Guaranty Company is being liquidated. The Louisville Trust Company holds as trustee for the protection of bank creditors, a lien on property located on the west side of Fifth Street, between Liberty Street and Walnut Street, Cont.	100,166.67		90,000.00	24,042.49	
TOTAL					

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Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1455 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Carter Guaranty Co. Cont.					
subject to a prior lien of $50,000.00. It also holds a lien on property located immediately west of above property, subject to a lien of $8,000.00. This a "work-out" proposition. The reduction since last examination has been only $1,644.27. Your examiner feels that there is considerable doubt with respect to the collection of the loan in full.					
9,197.16 Ellerbe W. Carter E. Leland Taylor is endorser on $8,598.58. Collateral: $4,345.95 note, C. Douglas Carter, secured by a deed of trust on 213 acres in Stafford County, Virginia. The collateral note is dated 9-15-35, payable on demand, with no interest paid. The endorsement of E. Leland Taylor makes that part of the loan good. The balance is regarded as doubtful.			6,598.58	2,598.58	
75.00 William C. Cawthon		75.00			75.00
150,000.00 Central Furniture Co. Statement dated 12-31-38 shows current assets $684,128.00, current liabilities $452,522.00, building $143,780.00, fixtures and equipment $84,979.00, other bills and accounts $346,617.00, unrealized gross profits $208,322.00, reserves $69,376.00, net worth $474,610.00. Included in Other Bills and accounts is an investment in Phoenix Cafeteria aggregating $284,167.00. There is also included an account due from Marriman in the sum of $62,211.00. The Central Furniture Company was formerly a very prosperous concern. Its embarrassment arises from its outside investments. It is highly desirable that its investment in the cafeteria be sold.			150,000.00		
Rediscounts - carried at $2,323.45 Central Paint & Roofing Co.	2,323.45		1,823.45		500.00
The most recent information shows that the final value of the assets of the company is approximately $240,000.00, less receiver's certificates and expense $100,000.00,					
Cont.	Total.				

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Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1485 C

No. of Bank, 5212

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Endorser, And security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Central Paint & Roofing Co. Cont.					
saving a total of $140,000.00 which will be applicable to the total liabilities other than receiver's certificates and expense. This total is approximately $325,000.00, so that the creditors should receive about 40% in liquidation.					
4,510.00 John H. Chandler All of the loan except $125.00 is secured by endorsements, but some of the endorsers are not very strong.			3,010.00	1,500.00	
63,199.25 Chess & Wymond Statement dated 11-30-26 shows Current assets $201,235.00, current liabilities $175,000.00, fixed assets $599,634.00, other assets $194,336.00, deferred liabilities $135,717.00, net worth $730,985.00, contingent liabilities $109,305.00, sales $981,664.00, loss to operations $30,382.00. The Citizens Union National Bank holds for the account of this bank certain receivables. It is said that the secured part will be paid shortly, leaving an unsecured note of $50,000.00. The company has made a deal with a mill company whereby about 40,000,000 feet of timber has been sold at $7.00 per thousand. The purchasing company must cut 7,000,000 feet per annum. It is also agreed that as this timber is cut and paid for, Chess & Wymond must pay to a trustee each month $7.00 per thousand feet for all the timber cut. This is to be held for the benefit of bank and bond creditors, whose obligations against the company aggregate about $180,000.00. The opinion was expressed that the loan will be paid in full.			63,199.25		
6,194.50 - Loan 296.50 - Cash item Clay County Coal Co.	6,194.50				6,194.50 296.50
1,650.00 Colony Illuminating Co. Endorsed Fulton Mandeville.			1,650.00		
TOTAL					

SHEET PAGE 4-8

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
15,227.50 Columbia Phosphate Mining Co. This loan has been in the bank for a long time. The company has a contract with the Armour Fertilizer Company, whereby the Armour Company shall mine and pay for 25,000 prepared and dry tons during its first year's operations, dating twelve months from the time shipments begin. On the first 30,000 tons shipped there shall be no payment as this will cover the $15,000.00 royalty advanced on the contract by Armour Company. The price is seventy-five cents per long ton. It is claimed that the minimum requirements of the Armour Company will be 50,000 tons per annum. At the time of the last examination, it was thought that operations would probably commence in the early months of 1929. During this examination your examiner was advised that operations have not yet commenced on contract and it was impossible to name a definite date on which they will start.			15,227.50		
2,381.22 J. Parker Conn, et al Collateral: $5,000.00 note of Alice Ghrens Conn, secured by a lien on a 1/2 interest in three pieces of residential property, all subject to a life estate of the mother of maker also subject to a first lien of $6,500.00, held by the executor of an estate in which Alice Ghrens Conn is interested. The interest on the first mortgage note is said to be past due about two years.	2,381.22		2,381.22		
100.00 H. A. Cook	100.00				100.00
1,208.46 - Rediscount Color Cinema Productions Co.	1,208.46				1,208.46
347.22 Corydon Milling Co. Endorsed Corydon National Bank. It is said that a dividend will be declared by the Corydon National Bank that will pay the amount at which this note is carried.	347.22		347.22		
318,550.00 - Loan 86,551.03 - Rediscounts Consolidated Realty Co. TOTAL	86,551.03	79,000.00	318,550.00 86,551.03		
Cont.			SHEET PAGE 4-5		

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Consolidated Realty Co. Cont.					
Collateral: 250 shs. Consolidated Realty Co.; 370 shs. Louisville Realty Co.; 500 shs. General Realty Corp.; Sundry bills receivable aggregating $487,452.47. In a general way, the bills receivable are classed as follows: Secured by first liens on unimproved property $405,816.34; Secured by first liens on improved property $8,937.33; Secured by second liens on improved property $27,086.91; Bonds, First Baptist Church, Barbourville, Ky. $1,000.00; Note of H. K. Hazelipp, secured by 120 shs. Consolidated Realty Co., Com. $15,000.00; Unsecured loans $6,354.60; Note of Garden Communities Company $12,500.00; Loans secured by liens on real estate - unable to ascertain whether improved or unimproved - $10,756.29.					
Total $487,452.47					
It is noted that 85% of the bills receivable is secured by vacant property. This is very undesirable. The liquidation on this collateral is rather slow. During the seven month intervening since last examination, the amounts collected on these collateral notes aggregates only $33,350.04, the balance of the reduction on the loan, other than through said collections, having been obtained through other sources. It is also noted that a number of these collateral notes are overdue, as is shown by the following figures:					
Overdue one month $60,414.10 Overdue two months 18,541.82 Overdue three months 8,682.23 Overdue four months 9,836.00 Overdue five months 4,734.06 Overdue six months to nine months 18,183.78 Overdue nine months to several years 84,223.08					
Total $204,617.07					
These figures clearly indicate the slow type of receivables pledged as collateral to the direct loan of the company.					
Cont.					
TOTAL					

EXTRA SHEET PAGE 4-7

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—STATEMENT
FORM 1428 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Consolidated Realty Co. Cont.					
The statement of the company dated 12-31-28 shows a total direct debt of $4,754,696.00. The operating statement shows a loss of $158,278.00; however, dividends were paid aggregating $57,748.00. Among the rediscounts of the company with this bank is a note of the Louisville Realty Company for $45,875.00. In an audited statement of the Louisville Realty Company, this liability is not shown. The auditor showed the liability in the audited statement of the Consolidated Realty Company, his investigation disclosing the fact that it was in reality a direct obligation of the Consolidated Realty Company that the Louisville Realty Company received no benefit of the proceeds of the loan. It is difficult to understand why the Louisville Realty Company executed the note. It certainly misled the management of thisbank at the time the note was taken. The direct loan of the Consolidated Realty Company to this bank has been reduced $67,250.00 since last examination and the indirect liability has been reduced $15,885.71.					
9,885.00 H. J. Scheirich and C. C. Hieatt Collateral: 250 shs. Consolidated Realty Company. (See above).		9,595.00	9,595.00		
12,877.08 Garden Communities Corporation Indorsed C. C. Hieatt. There was no statement available of the corporation. The endorser is president of the Consolidated Realty Company.		12,877.08	12,877.08		
23,530.00 C. C. Hieatt Collateral: 100 shs. Consolidated Realty Co.; Notes, Garden Communities Corporation $22,500.00. Maker is president of the Consolidated Realty Company.		18,030.00	23,530.00		
130,650.00 General Realty Corporation- Indorsed C. C. Hieatt and H. J. Scheirich. Collaterals $130,000.00 lien note of General Realty Corp. This is secured by a lien on property at 418-420 Jefferson Street, subject to a prior lien of $20,937.00.		130,650.00	130,650.00		

EXTRA SHEET PAGE 4-B

Cont.

Exhibit 17

TREASURY DEPARTMENT
Comptroller of the Currency—Examining
Form 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
General Realty Corporation (Continued)					
30,937.00. This loan has been past due since January 16, 1929. The management of the bank have been endeavoring to collect it.					
12,000.00 H. J. Scheirich Collateral: 187 shs. Consolidated Realty Company, Com. It will be seen from the loans listed above that the Consolidated Realty Company is using the funds of this bank very freely. At a time like this, when the bank is having to borrow so freely from the Federal Reserve Bank and its correspondents, loans of this type are a burden to the bank. This criticism is in addition to the criticism that the loan of the company is of long duration and is inadequately secured by collateral of an undesirable type.			12,000.00		
662.68 Aubrey Cossar Sheriff of Jefferson County. Bank holds large deposit of Sheriff's funds.		662.68	662.68		
1,350.00 Maud W. and Aubrey Cossar Loan of long standing.			1,350.00		
668.45 L. L. Daugherty Collateral: 5,000.00 life insurance policy, with no cash surrender value. The maker is paying 50.00 per month. Loan has been reduced 408.15 since last examination.			668.45		
36,000.00 Dawson Daylight Coal Co. Collateral: 50,000.00 bonds of company. In common with most coal companies, the above company has encountered some difficulties in connection with its operations. The company, however, appears to be in the hands of men who will protect it. No reduction since last examination.			36,000.00		
2,130.00 Lillie W. and R. W. Dehoney Secured by a third lien on seven pieces of property in Louisville, appraised by the Louisville Title Company at $1,000.00, with prior liens of 19,200.00. Efforts have been made to sell the properties, but thus far have been unsuccessful.			2,130.00		
TOTAL					

EXTRA SHEET PAGE 4-9

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1455 C

No. of Bank, 5212

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
24,500.0 J. E. Dempsey, B. P. Wooten, Wm. Pursifull and four others. Collateral: Sundry bills receivable aggregating 22,758.06.		24,500.00	24,500.00		
3,180.00 J. E. Dempsey, B. P. Wooten, Wm. Pursifull and C. W. Napier The above loans were executed in connection with the consolidation of two state banks at Hazard, Kentucky. The consolidated bank later failed. It is claimed that B. P. Wooten and Wm. Pursifull are good. The management of the bank has been endeavoring to get the notes in satisfactory form, but thus far has been unable to do so.		3,180.00	3,180.00		
11,346.00 L. J. Dittmar Collateral: 100 shs. Majestic Theatre Company; 10,000.00 Color Cinema Productions Co. 7% bonds. Your examiner was advised that the stock could now be sold for 85. and that there is a possibility that it may be worth 150. per share.	11,346.00		11,346.00		
9,000.00 Duffy Ice Company Endorsed Thomas J. Duffy. Statement of the company is poor. It is claimed that the endorser is good. Loan began as 12,000.00 11-25-25 and has not been paid out. Reduced 3,000.00 since last examination.			9,000.00		
475.00 Robert D. Dundon W. G. McCormick is endorser on 300.00 and J. P. Whalen is endorser on 100.00.		75.00	475.00		
500.00 John Dupere, Jr. Maker is dead and claim has been allowed against his estate. The Fidelity & Columbia Trust Company is executor and has advised that the estate is solvent.	500.00		500.00		
23,989.79 - Rediscounts George M. Eady The funds are said to have been used in connection with a subdivision between Jeffersonville and New Albany. The property is expected to benefit by the completion of a bridge over the Ohio River. The rediscounts are renewals			23,989.79		
TOTAL					

EXTRA SHEET PAGE 4-10

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,950.00 C. C., E. C. and J. N. Eblen Collateral: Assignment of an equity in certain collateral which is pledged to secure the indebtedness of the makers to the Standard Mortgage Company. No reduction since last examination	1,950.00		1,950.00		
1,500.00 J. H. Etherton Collateral: 50 shs. Howe-Fawcett Company, Pfd. Collateral is of an unliquid type. Loan has been reduced 400.00 since last examination.			1,500.00		
10,000.00 Eureka Products Company Bank holds as collateral an insurance policy with a cash surrender value of about 2,800.00. Your examiner feers that bank may suffer further loss on this loan.	10,000.00		3,000.00	7,000.00	
1,200.00 Hugh B. Fleece Ernest Woodward is endorser on 800.00. Reduced 300.00 since last examination.			1,200.00		
6,200.00 Henry Frank Company Statement dated 1-10-29 shows current assets 49,422.00, current liabilities 46,365.00, other assets 22,000.00, net worth 25,058.00. The maker is a building contractor at Middleton, Kentucky. Loan began 1-15-25 as 5,041.00. Management of bank is collecting.			6,200.00		
13,452.94 George H. Fisher & Co. Collateral: 5,000.00 Kentucky Title Company bonds. George H. Fisher is dead. During examination inquiry was made with respect to the value of his estate. Your examiner was advised that its value is negligible. The maximum that may be realized is 10%	13,452.94		5,000.00		8,452.94
2,540.00 J. H. Gallagher Collateral: 100 shs. Louisville Railway Co., Com.; 275.00 real estate note. Loan is slow, but it is claimed that there will be no loss.	2,540.00		2,540.00		
TOTAL			EXTRA SHEET PAGE 4-11		

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

No. of Bank, 5313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
25,410.96 C. E. Gheens C. E. Gheens, surety. The maker is dead and his estate is regarded as solvent. It consists of real estate, and is therefore working out slowly. The surety is regarded as good. Loan has been due since 4-29-27. No reduction since last examination.	25,410.96		25,410.96		
78,000.00 Gibbs-Inman Company Statement dated 12-31-28 shows current assets 76,385.00, current liabilities 76,876.00, fixed assets 751,741.00, investment in cafeteria 20,465.00, mortgage indebtedness 171,500.00, net worth 441,577.00. The company is operating without adequate working capital. It also seems to be making small profits, its operations for 1928 showing a profit of 809.00. No reduction since last examination.			78,000.00		
7,500.00 Gibraltar Coal Mining Co. Endorsed R. L. Brown. The loan has been reduced 2,500.00 since last examination. At that time it was agreed that there would be a reduction of 2,000.00 each ninety days, but that rate of reduction has not been maintained.			7,500.00		
6,500.00 Mercer Coal Co. Endorsed Gibraltar Coal Mining Company, and R. L. Brown. Reduced 1,500.00 since last examination. At the time of the last examination, this company had also agreed to reduce 2,000.00 each ninety days.			6,500.00		
750.00 Robert L. Brown Collateral: 560 shs. Brown Coal Company. Reduced 1,250.00 since last examination. While the reduction in the above loans has not been as much as had been expected, your examiner thinks that the management of the bank has secured satisfactory results under all the circumstances.			750.00		
120,000.00 Gold Proff Milling Company Endorsed S. Zorn Company. Collateral 140,000.00 bonds of the Company. The maker company has been a continuous borrower since the fall of 1922.			120,000.00		
TOTAL					

EXTRA SHEET PAGE 4-12

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—Examining
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
2,470.00 I. Goldberg Endorsed M. Switow. The endorser is said to make it good. The maker is paying 40.00 per month. Loan began 3-9-25 as 3,00000			2,470.00		
4,700.00 J. Kemp Goodloe Collateral: 50shs. Piekrell Motor Co., Pfd. Loan began prior to 11-3-26 and has not been paid out.			4,700.00		
Carried at 6,500.00 F. S. Graham and N. A. Perry Collateral: 100 shs. Atlantic Bank & Trust Co., Daytonia Beach, Fla.	6,500.00		6,500.00		
552.82 Leo K. Fath Both loans are secured by the above collateral. The collateral was foreclosed and purchased by Fath. The collateral was contracted for sale by Vice-President Dugan at 12,500.00 but the issuing bank refused to transfer. Suit is now pending against the Atlantic Bank & Trust Company on account of its failure to transfer the stock. No change since last examination.			552.82		
2,333.00 H. L. Grooms, et al Bank holds a first mortgage on a residence and ten acres and owns a post-office and a drug store, which rents at 60.00 per year. Reduced 200.00 since last examination.	2,333.00		1,333.00	1,000.00	
125.00 Arthur F. Guelda and Hess P. Ogden Guelda was formerly deputy sheriff. Ogden is an attorney. It is believed that the loan will eventually be collected.		125.00	125.00		
39,405.08 Harlan Coal Company Endorsed K. U. Mequire and Karl Jungbluth, Jr. Collateral: 200 shs. Dawson Daylight Coal Co., Pfd.; Mortgage on 55/100 interest in 492 acres of undeveloped coal land in Letcher County, Kentucky. It is difficult to determine the value of the undeveloped coal land. It is believed that the Dawson Daylight Coal Company preferred stock will have some value, and it is hoped that this will enable the bank to escape loss on the Harlan Coal Company loan.			39,405.08		
TOTAL					

SHEET PAGE 4-15

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1455 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
5,600.00 Day Coal & Mining Co. The company has ceased operations. It is indebted to this bank and 9,000.00 to another local bank. The Kentucky River Coal Company, the "land-lord" of the Day Coal and Mining Company, has claimed priority on certain rental obligations. In a recent decision, the lower court upheld the claim of the Kentucky River Coal Corporation. The National Bank of Kentucky hopes to win the case in a higher court. However, the sole assets of the Day Coal and Mining Company consist of machinery of uncertain value. In view of all the facts, the loan is regarded as a present loss and was charged off during this examination.	5,600.00				5,600.00
16,500.00 J. H. Hester Collateral: real estate loans aggregating 14,647.57; 9,000.00 note of maker, secured by city property said to be worth 10,000.00. Maker has been a continuous borrower since 11-7-24.			16,500.00		
100.00 F. H. Hodapp	100.00			100.00	
675.00 F. H. Hodapp and wife. The joint note is secured by an assignment of the interest of the Hodapp's in the Builders' Finance Corporation, which is said to have a value of 700.00. The note of Hodapp for 100.00, held at the Fourth Street Branch, is almost two years past due.			675.00		
46.30 George Horn The maker has a bakery. He is slow pay. Reduced 30.40 since last examination.	46.30			46.30	
16,500.00 Joseph Hubbuck, Sr., & Sons Statement dated 2-1-29 shows current assets 136,000.00; current liabilities 88,000.00, other assets 50,000.00; mortgage indebtedness 80,000.00; net worth 77,800.00. Of the current assets, 88,000.00 consists of inventory. Statement shows a loss to net worth of 3,398.00. About a year and a half ago, it was agreed by maker that this loan would be paid out within four months, but this has not been done. Reduced 8,500.00 since last examination.			16,500.00		
TOTAL					

EXTRA SHEET PAGE 4-14

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1493 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
7380 W. D. Huffman & T. R. Ewing It is claimed that Ewing is good.	73.80		73.80		
29,500.00 L. C. Humphrey Collateral: 85 shs. Belknap, Pfd; 640 shs. Herald-Post Co., Com. The Belknap stock is being redeemed at 110. It is believed that the stock of the Herald-Post Company has more than sufficient value to pay the loan, but there seems to be some complication between the parties at interest. It is the opinion of your examiner that immediate steps should be taken to foreclose the collateral and obtain possession of it. It is felt certain that a deal can then be arranged for the sale of the stock.	29,500.00		6,050.00	23,450.00	
5,305.73 Marie M. Hunt Endorsed Sam Meyer. Maker conducts ladies' ready-to-wear shop in Cincinnati, and is regarded as slow. The endorser is said to be good.			5,305.73		
30.00 T. N. Hyde and Frank Nolan 30.00 was paid during this examination. The opinion was expressed that the balance will be paid soon.	30.00		30.00		
54,400.00 Hyman Pickle Company			29,400.00	25,000.00	
1,206.20 H. D. Ormsby, Agent, Hyman Pickle Company. Statement dated 12-31-28 shows current assets 118,143.00; current liabilities 180,165.00; fixed assets 82,136.00; net worth 44,476.00. During the last six months of 1928, the company sustained an operating loss of only 1,218.00. This was a very substantial reduction of the heavy losses previously sustained. The company is under an agreement to pay 6,000.00 per annum rental for the building it occupies, covering an unexpired term of seven years. In case of liquidation, this lease would probably be a considerable embarrassment to the creditors. March 7, 1927, the National Bank of Kentucky guaranteed the Louisville National Bank against loss to the extent of 4,000.00, on account of a loan of the company held by the Louisville National Bank. The latter bank is now an allied institution of the National Bank of Kentucky.			1,206.20		
TOTAL					

EXTRA SHEET PAGE 4-15

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1485 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Hymen Pickle Company (Continued)					
Vice-President Ormsby expressed the opinion that by next examination the operations of the company will disclose whether or not the company can continue as a going concern, or will have to be liquidated.					
60,000.00 Indian Hills Development Co. This is a sub-division promotion. Loan has been continuous since 1-20-27. Reduced 10,000.00 since last examination.			60,000.00		
411.55 Laura W. Jacobs Collateral: Second mortgage note for 892.25, due 9-17-27.			411.55		
43,933.30 Walter F. Jacobs & Co. Endorsed J. Matt Chilton. Collateral: 25,000.00 note of maker; Sundry real estate notes aggregating 13,147.46, past due in most cases for a year or more; Sundry real estate notes, current, aggregating 11,233.50. Loan began 12-16-24 as 25,000.00 and has not been paid out.			43,933.30		
500.00 Thomas Jefferson Memorial Foundation. Endorsed Fred J. Campbell. The endorser had a loan to the bank which he finally paid out, but does not seem disposed to pay this loan.	500.00				500.00
2,350.00 Kaster-Whitman Co., Inc. Whitman kept a large personal balance in the bank for a considerable time. Just before this loan matured, he withdrew his balance and the firm is in bankruptcy. Suit is now pending against Whitman, and it is hoped that attorney for bank will be able to locate some concealed property. By the next examination of the bank, it will probably be definitely known whether or not the loan is a loss.		2,350.00		2,350.00	
1,600.00 Edward C. Kelly Company Collateral: 90 shs. Edward C. Kelly Company. Loan began prior to 5-23-23 as 975.00, and has not been paid out.			1,600.00		
Total					

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Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY - EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
6,800;00 Kentucky Book Manufacturing Co. Endorsed W. B. Hammill. Statement dated 12-31-28 shows Current assets 12,494.00; current Liabilities 5,914.00; other assets 40,116.00; net worth 36,974.00. Statement shows a loss to net worth of 1,356.00. No reduction since last examination.			6,800.00		
848.13 Kentucky Plumbing & Heating Co.	848.13				848.13
60,000.00 Kentucky Public Elevator Co. No new statement since last examination. The loan began prior to 1923. There has been no reduction since last examination.			60,000.00		
85,000.00 Kentucky Refrigerating Co. New statement shows a loss to net worth for fiscal year of 22,841.00, although preferred dividends were not paid. Loan has been in the bank a long time and is very undesirable. The company also owes bank 108,554.61 secured by sundry bills receivable as collateral.				85,000.00	
1,340,474.38 Kentucky Wagon Manufacturing Co. (Items described in detail under Large Lines on page 6-1) (Discussed on Page 4-15, report of examination began 10-13-28) The fiscal year of the company ends July 31, hence no operating statement will be available before that time. Operations for fiscal year ended 7-31-28 showed that the company was still operating at a loss. During this examination, President Board and Secretary Jaegers, of the Kentucky Wagon Manufacturing Company, came to the bank and discussed the affairs of the company at some length with your examiner. The company is still confronted with the proposition of increasing its out-put and sales to a point where the company can operate at a profit. A consolidated balance sheet as of April 30, 1929 shows as Follows:	780,158.94		940,474.38	400,000.00	
TOTAL					

Exhibit 17

Form 1430 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8518 *Date of Report* May 25, 1929.

KENTUCKY WOOD MANUFACTURING COMPANY, INC.

CONSOLIDATED BALANCE SHEET
AS OF APRIL 30, 1929.

ASSETS.

CURRENT ASSETS		
Notes Receivable	15,841.63	
Customers Accounts Receivable	129,185.34	
Sundry Accounts Receivable	9,579.80	
Raw Materials & Supplies	725,477.23	
Finished Goods & Work in Process	1,036,231.04	
Liberty Bonds	100.00	
		1,917,413.04
FIXED ASSETS - NET		
Land	758,090.00	
Buildings	1,319,642.00	
Machinery	736,374.56	
Loose Tools & Equipment	200,452.96	
Teaming & Trucking	20,465.00	
Office Furniture & Fixtures	55,017.91	
Patterns, Flasks & Templates	102,714.93	
		3,190,757.34
DEFERRED CHARGES		
Prepaid Insurance	2,555.11	
Deferred Selling Expenses	2,300.00	
Development Cost	96,000.00	
Capital Expense	23,284.95	
		124,136.06
GOODWILL, TRADE NAME & PATENTS		1,252,310.25
TOTAL ASSETS		6,484,618.69

LIABILITIES.

CURRENT LIABILITIES	2,247,326.02
Capital Stock Preferred (Authorized 5,000,000.00)	404,000.00
Capital Stock - No Par Value (300,000 shares no par value)	3,833,292.67
TOTAL LIABILITIES	6,484,618.69

EXTRA SHEET PAGE 4-18

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 17

TREASURY DEPARTMENT
(Comptroller of the Currency—Examining
Form 1488 C)

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Mfg. Co. (Continued) The officers of the company estimated that its sales for the fiscal year ended 7-31-29 will be approximately 1,100,000.00. This, taken in connection with the inventory shown in the statement, aggregating 1,762,704.00, is sufficient evidence that the company is not functioning normally. Your examiner appreciates the difficulites confronting the company. When the manufacture of farm wagons ceased to be profitable, the problem was presented of converting the immense plant into the manufacture of other commodities to profitably employ the facilities of the plant. Necessarily, this involved a great deal of expensive experimentation. It was also impossible to avoid mistakes in some of the experiments. The management of the company expressed the opinion that some of the experiments would prove to be profitable. Hope was especially expressed in relation to the manufacture of trailers and commercial bodies. One of benefits resulting from this operation has been the fact that the plant continued as a going concern, with the added value that attaches to a going concern over an idle plant. In the opinion of your examiner, the collection of this loan in full or in any large part is contingent on a favorable sale of the plant to some concern, the production of whose output can be adapted to the plant. At the time of the last examination, as is shown in that report, strong hopes were entertained of selling the plant to French interests. That deal fell through and the management of the company is now trying to interest other concerns. Since last examination this line has increased $57,932.07. One of the disturbing facts in connection with this asset is the progressive increase in amount that has been shown. The first examination made of this bank by your examiner was in November 1925. The aggregate amount of the loan at that time was 1,039,000.00. Since that time, there has been charged to Profit and Loss 650,000.00.					
Total.					

XTRA SHEET PAGE 4-19

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Mfg. Co. (Continued) The line now is $01,474.38 greater than it was at that time. This difference, plus the amount charged off, equals $51,474.38. Thus it will be seen that the line has increased to almost double its amount at the time of the first examination. Just how much of this represents loss in operations could probably be determined only through an audit by a certified public accountant. Your examiner feels that the realizable value of this asset is so uncertain that the management of the bank should continue to make some substantial charges to Profit and Loss on account of it. The matter was discussed at some length at an officers' meeting. Your examiner was advised that a plan is in contemplation whereby a sort of a finance and holding company will be organized with a large capital stock, say twenty million dollars. The holding company will hold, among other things, the stock of the National Bank of Kentucky and its affiliated bank through a surrender and exchange of stock of the bank for stock of the company on some satisfactory basis. It is also contemplated that the holding company will acquire, and through a term of years work out certain assets of the bank, among others, probably the Kentucky Wagon Manufacturing Company. In view of the contemplated organization of the holding company, your examiner was requested to waive any charge to Profit and Loss at this time on account of the Kentucky Wagon Manufacturing Company loan. Your examiner suggested that the matter might be deferred until the next examination, provided the management of the bank would agree that if the Kentucky Wagon Manufacturing Company loan is not removed from the bank by the time of the next examination, a charge of $00,000.00 to Profit and Loss would be made on the loan. It later developed that the proposed plan of consolidation is likely to be consummated at an early date, hence the matter of charge off was dropped.					
TOTAL					

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1425 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
189,225.00 Face - carried at 154,225.00 Knadler & Lucas Statement dated 12-31-28 shows current assets 113,432.00; current liabilities 262,044.00; fixed assets 40,809.00; Sanford, Alabama, account 9,317.00; net worth 92,747.00. Endorsed W. R. MacNeal and Charles R. Duffin.			104,225.00	50,000.00	
650.00 W. R. MacNeal Collateral: 492 shs. City Realty Company; 70,000.00 note of W. R. MacNeal, secured by 46 pieces of real estate in Louisville, Kentucky, with an estimated value of about 80,000.00. The company shows a net loss for 1928 of 22,794.00. The statement is even worse than the statement set out in report of examination begun 10-13-28. Unless a sale can be made of the company to stronger interests, it seems probable that bank may suffer a further loss.		650.00	650.00		
11,000.00 C. A. Koerner & Co. Collateral: 23,000.00 note Dean & Shark Corporation. This is an industrial plant at Lawrenceburg, Kentucky, which manufactures thread. It is said that the company is not operating profitably. Loan reduced 50,016.07 since last examination.			11,000.00		
65,359.56 Robert C. Lassiter & Co. Endorsed Kentucky Rock Asphalt Company, Inc. Collateral: 71,500.00 Lake Worth, Florida, bonds. The loan is now in legal process of collection. It is being handled for the accommodation of the endorser.			65,359.56		
20,000.00 Abe C. Levi Company, Joint with Belle Levi Statement of the company is poor and shows an operating loss of 19,000.00. Reduced 7,500.00 since last examination.			20,000.00		
976.66 Lewis & Drye Auto Co. Despite the efforts of the management to collect the loan, slight progress is being made. Reduced only 148.34 since last examination.				976.66	
TOTAL.			EXTRA SHEET ISSUE 4-24		

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Dennis H. Long Collateral: 10,630 shs. Fourth Avenue Amusement Company; 203 shs Swiss Cleaners & Dyers Co. No reduction since last examination.	29,222.00			29,222.00		
Interstate Coal Company. Endorsed D. H. Long No reduction since last examination.	27,000.00			27,000.00		
Swiss Dyers & Cleaners Co. Endorsed D. H. Long. Collateral: 8,700.00 note, H. C. Mechling, collateraled by 130 shs. Swiss Dyers & Cleaners Co; 5,000.00 Union County Mining Co. 6's. Reduced 532.17 since last examination.	31,100.00			31,100.00		
The Fourth Avenue Amusement Company stock, pledged as collateral to the loan of D. H. Long, is regarded as possessing sufficient value to cover all three loans. These loans have all been continuous, but the business of Dennis H. Long and his companies is regarded as desirable.						
Louisville Ice & Storage Co. Collateral: 1,552 shs. American Ice & Storage Co.; sundry instalment notes aggregating 210,125.70; given by various and sundry ice and storage companies. The makers of these various notes have agreed to pay five cents for each three hundred pounds of ice delivered to them, these payments to be placed in a fund for the retirement of debt of the Louisville Ice & Storage Company. The rate of retirement appears to be about 25,000.00 per annum, at which rate it will require about six more years to pay the loan. Reduced 14,598.75 since last examination.	143,715.00			143,715.00		
Louisville Mortgage & Finance Co. Collateral: Sundry bills receivable the amount of which was difficult to ascertain on account of instalment payments not credited. The company is in liquidation. The opinion was expressed that the loan will be paid out in full.	15,000.00			15,000.00		
TOTAL						

EXTRA SHEET PAGE 4-22

Exhibit 17

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1498 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
26,950.00 Louisville Provision Company The company is in bad shape. Plans to reorganize it are under consideration. It is hoped that a stockholders' note for 25,000.00 can be cancelled, stock issued for another debt of 10,000.00, and 25,000.00 of new stock sold. If this is done, the affairs of the company will be substantially improved. If it is not done, there is a strong possibility that some loss may be incurred.			16,950.00	10,000.00	
18,226.33 Louisville Textile Company Statement dated 12-31-28 shows current assets 44,853.00; current liabilities 44,506.00; fixed assets 153,812.00; mortgage indebtedness 32,300.00; net worth 75,992.00. The statement also shows an operating loss for 1928 of 10,943.00. Loan began 12-23-26 and has not been paid out.			18,226.33		
1,091.00 William Lynch Collateral: 1,000.00 Louisville Railway, 1st 5's; 35 shs. Louisville Railway, Com. The value of the collateral protects the loan, but it has been past due since 10-23-26. There seems to be some question as to the ownership of the collateral. This matter should be determined.	1,091.00		1,091.00		
350.00 Etta Bell McAtee Loan has been reduced 300.00 since last examination.			350.00		
450.00 J. A. McDermott Collateral:20 shs. First State Bank, Barbourville, Ky. Regarded as good, but slow.		450.00	450.00		
100.00 W. L. McGuffin Maker is a traveling salesman.		100.00	100.00		
4,950.00 Mackin Council Y. M. I. The loan has been continuous in the bank for a long time. Regarded as good, but slow.			4,950.00		
150.00 L. R. Mahan Endorsed E. T. Pearcy	150.00				150.00
TOTAL.					

EXTRA SHEET PAGE 4-23

Exhibit 17

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
150.00 E. T. Pearcy Endorsed Mrs. H. B. Waller. Claimed that endorser is good.	150.00			150.00	
400.00 Fulton Mandeville Collateral: 7 shs. Carter Guaranty Company, Com.; 25 shs. Fould & Co., 1st Pfd.; 38 shs. Fould & Co., Class "A", Com. Loan reduced 675.00 since last examination.			400.00		
9,500.00 Mann Insurance Agency. Statement dated 12-1-28 shows current assets 36,600.00; current liabilities 19,800.00; net worth 22,800.00. Operating profits were 36,000.00 but in spite of this earning the new worth has increased only slightly more than 2,000.00. Evidently the withdrawals from the company are too heavy.			9,500.00		
4,900.00 Marret & Miller Endorsed J. S. Miller Statement dated 1-1-29 shows current assets 14,600.00; current liabilities 9,400.00; fixed assets 44,500.00; net worth 40,700.00. Loan reduced 700.00 since last examination.			4,900.00		
30.61 R. H. Maxwell and wife Believed to be collectible, but is seems to be difficult to obtain payment.	30.61		30.61		
176.46 Sam B. Metcalfe					176.46
45.45 Henry P. Bartram Endorsed Sam B. Metcalfe.	45.45				45.45
7,023.39 - Rediscounts. W. T. Wilcox These are insurance notes that are being paid very slowly, having been reduced only 500.87 since last examination.			7,023.39		
4,591.54 Charles J. Meriwether	4,591.54				4,591.54
21,014.81 - Rediscounts Charles J. Meriwether	19,061.19		9,048.79		11,965.42
Totals	616		EXTRA SHEET PAGE 4-24		

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

5312

No. of Bank, ...

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Charles J. Meriwether (Continued) Described on Page 4-2, report of examination begun 10-13-28. This situation has become progressively worse.					
5,916.00 George D. Morrison, et al These parties are promoting a Mammoth Cave proposition. It has been claimed for several examinations that funds would be raised by public subscription to purchase this property and that on completion of this deal funds would be available to pay this loan, but nothing has been done.				5,916.00	
125,000.00 Murray Rubber Company Statement dated 4-30-29 shows current assets 1,124,018.00; fixed assets 1,933,932.00; deferred charges 71,026.00; current liabilities 399,884.00; first mortgage bonds 500,000.00; debenture bonds 1,150,000.00; interest receivable 9,625.00; net worth 862,582.00. The above statement gives effect to refinancing by Caldwell and Company of Nashville, Tenn. Caldwell and Company is said to have put 450,000.00 into the business, for which the company received 500,000.00 first Mortgage bonds and one-third of the common stock. So far as the figures in the statement are concerned, the only advantage is to give the company new working capital. In general, the statement shows an indebtedness of 2,049,884.00 against a net worth of 862,582.00. In other words, the debt of the company is two and one-half times its net worth. The statement shows a loss to net worth, as compared with the statement dated 9-30-28, of 346,585.00. It is evident that the company could not continue to operate long without a radical change in the result of its operations. The operating loss for April, was 29,883.00. A few more months with such results would surely lead to insolvency. The encouraging feature of the situation is the fact that the sales of the company are increasing. A favorable arrangement is said to have been made whereby the tires of the company are being sold by a large number of retail agencies.			125,000.00		
TOTAL					

EXTRA SHEET PAGE 4-20

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—PLANNING
FORM 1488 C

No. of Bank, 6312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Murray Rubber Company (Continued) Apparently this result is being accomplished without any considerable expense to the company. The number of tires sold during April is reported as 765 per day. It is said that double this number would show about an "even break" in operations and that treble the number would show a net profit of about 20,000.00 per month. The belief is expressed by the management of the bank that the contacts of Caldwell and Company will serve to increase the daily sales of the company to 3,000 tires. If, and when, this can be done the company should be on the road to prosperity. Unless this can be done bank is almost certain to suffer heavy loss. In the refinancing this bank surrendered first mortgage bonds and acquired debenture bonds.					
2,856.45 National Bank of Kentucky and George D. Caldwell, Executors of D. A. Keller Estate. Collateral: 54 shs. Audubon Park Realty Company; 30 shs. Ster Wood Products Company. It is claimed that the estate is solvent.		2,856.45	2,856.45		
47.86 C. L. Nelson	47.86		47.86		
4,075.00 - Rediscounts. Albert Nesbit Nesbit is a blind attorney, who got into trouble. It is believed that all of the loans are good except two-thirds of the C. B. Snyder obligation for 1,175.00 and the O. H. Rouck note for 100.00.		4,075.00	3,192.00		883.00
1,650.00 Baptist Tabernacle Endorsed Albert Nesbit and others. This is another loan in connection with Nesbit's operations. It was claimed that the church is arranging to take up.		1,650.00	1,650.00		
50,000.00 - Loan 18,919.58 - Rediscounts. Norman Lumber Company. Statement dated 12-31-28 shows current assets 90,500.00; current liabilities 54,900.00; stock in E. B. Norman & Company 25,000.00.			50,000.00 18,919.58		
TOTAL			EXTRA SHEET PAGE	4-26	

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Norman Lumber Company (Continued, stock in Norman Kiln Drying Co. 15,000.00; stock in Norman Realty Company 26,000.00; net worth 104,700.00. Net profits on operations of 1928 were 9,280.00; gain to net worth 2,300.00. There has been a reduction of 5,000.00 since last examination, and a reduction of 4.25 in the rediscounts.					
17,000.00 Norman Kiln Drying Co. Statement dated 12-31-28 shows current assets 26,645.00; real estate 8,500.00; machinery and equipment 128,085.00; current liabilities 58,334.00; net worth 92,400.00. Statement shows a net earning of 39,874.00, from which were withdrawn dividends aggregating 5,460.00. Statement shows an increase to net worth of about 20,000.00. Statement of the company is poor, but a continuation of its large profits should soon furnish the company additional working capital.			17,000.00		
5,000.00 A. E. Norman, Jr. Collateral: 98 shs. Norman Lumber Company. Collateral is of an unliquid type. Loan reduced 250.00 since last examination.			5,000.00		
552,871.25 E. B. Norman & Company Collateral: Note of company for 340,000.00, secured by a chattel mortgage on lumber in Evangeline Parish, La., against which there is fire insurance aggregating 230,000.00. Note of H. L. Bailey for 10,500.00 said to be secured by stumpage; Assigned accounts aggregating 125,886.67. Statement dated 1-1-29 shows current assets 395,000.00, current liabilities 651,600.00; timber lands 378,000.00; plant and equipment 278,000.00; liability payable in Tupelo lumber 44,500.00; net worth 389,600.00. This loan was discussed at length and in detail in Pages 4-25 and 4-26, report of examination begun 10-13-28. The maker company has not yet completed its contract with the Texas company. It is estimated that by July 1, enough Tupelo lumber will have been delivered to the Texas company to finish the			552,871.25		
			EXTRA SHEET PAGE 4-27		
TOTAL.					

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
E. B. Norman & Company. (Continued) payment of the 340,000.00 balance due said Texas company. After that has been done, further deliveries of Tupelo to the Texas company will result in a corresponding surrender of the 100,000.00 originally paid the Texas company. It is estimated it will cost about 84,000.00 to produce the amount of Tupelo necessary for the surrender of the 100,000.00 originally paid. Vice-President Akers advised your examiner that an endeavor will be made to raise 150,000.00 new capital for the company. It is also hoped that a substantial amount, say 100,000.00 to 150,000.00 will be realized from the sale of inventory after the completion of the Tupelo contract. If this can be done, the statement of the company will be placed in a more workable condition. As the matter now stands, the bank has predominant ownership of a mill and timber property in the State of Louisiana. It will be a great relief, if, and when, this large indebtedness of the company to the bank can be liquidated. It is a particularly heavy burden for the bank to bear during a time when it is having to use liberally the rediscount privileges of the Federal Reserve Bank.					
1,960.00 E. B. Norman, Jr. Collateral: 45 shs. E. B. Norman & Company. Loan reduced 200.00 since last examination.			1,960.00		
8,000.00 E. B. Norman Collateral: 218 shs. E. B. Norman & Co. Reduced 500.00 since last examination. Maker also has a 100,000.00 note, collateraled by a 100,000.00 certificate of deposit of this bank. Your examiner is advised that this is a compensating balance for the loan of E. B. Norman & Company.			8,000.00		
1,375.00 J. Colgan Norman Collateraled by 55 shs. E. B. Norman & Co. Reduced 400.00 since last examination. Loan began 11-28-26 as 2,800.00.			1,375.00		
2,337.41 Merit O'Neal and Clem Huggins Collateral: Note of National Association for the Advance-			2,337.41		
TOTAL.					

EXTRA SHEET PAGE 4-28

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Merit O'Neal and Clem Huggins (Continued) ment of Colored People for 3,990.80, due 11-1-27. The collateral note was given as a payment of a fee to the makers for defending some Negroes. It has been quite slow in being paid, but it is claimed that the makers are good for the amount of the loan.					
250.00 G. W. Orrill and W. H. Dillon Orrill is a barber and Dillon is a painter. Loan is very slow being collected. Reduced 50.00 since last examination.				250.00	
41,218.86 Parkway Lumber & Construction Co. Collateral: 1,188 shs. Standard Mortgage Company, 2,000.00 Cytron Mortgage Co., 2nd Mtg. Bonds; 1,500.00 Equitable Bond and Mortgage Co. Bond; 5 shs. Louisville Gas & Electric, Pfd.; 10 shs. Paducah Waterworks, Pfd.; Sundry notes in the collection department, aggregating 48,105.18. Reduced 5,915.76 since last examination.			41,218.86		
360.00 Peerless Printing & Specialty Company. 360.00 Endorsed George A. Gibulka, et al. The company is in liquidation. A suit is pending against the parties to the note. The opinion was expressed that it will be collected.			360.00		
55,000.00 Henry Pilcher's Sons Collateral: Sundry notes aggre- gating 15,405.00. Statement dated 12-31-28 shows' cash 2,095.00; bills receivable 287,381.00; accounts receivable 75,430.00; inventory 48,659.00; accrued interest on bills receivable 13,185.00; fixed assets 170,608.00; due from stockholders 12,910.00; deferred charges 11,651.00; goodwill 205,000.00; current liabilities 126,000.00; mortgage indebtedness 30,000.00; collateral trust bonds 105,000.00; net worth (less goodwill) 317,000.00. Company is making limited progress, its net operating profit for 1928 being only 8,408.00. The company is said to manufacture a very meritorious product, but seems to be unable to operate at a substantial profit.			55,000.00		
TOTAL					

EXTRA SHEET PAGE 4-29

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY - EXAMINING
Form 1488 C

No. of Bank, 5313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
6,575.00 C. W. Poore Collateral: 51 shs. Louisville Cotton Mills Co.; 78 shs. Louisville Textile Company. Loan began prior to 1-8-26 and has not been paid out.			6,575.00		
195.00 Premier Manufacturing Co. Endorsed C..I. Wible.		195.00			195.00
30,826.53 Reed and Reed Collateral: 1,000.00 note, M. M. Sizemore. Makers are general agents for Kentucky of the John Hancock Life Insurance Company. The loan is not supported by collateral nor by statement of the makers. Increased 1,207.05 since last examination.			30,826.53		
240.00 E. H. Pay Collateral: 4,000.00 Michigan R. R., 1st 6's. The face of the loan is 3,045.00, the balance having been charged to Profit and Loss. The bonds are in default, but are quoted at a figure sufficient to more than cover the amount of the carrying value of the loan.	240.00		240.00		
Carried at 150.00 James H. and H. C. T. Richmond Charged off during this examination.	150.00				150.00
3,711.38 Edwin Ritter Collateral: 11,000.00 note of maker, secured by Louisville property. This property is held as collateral to protect ratably the loans of three banks and a private corporation. It is claimed that there is enough value to work out the loan.			3,711.38		
455.25 Ben Schnepp, Jr. Collateral: 35 shs. Klarer Lumber & Planing Mill Co. Loan began prior to 12-31-26 as 750.00 and has not been paid out.			455.25		
620.42 Shapin Manufacturing Co. Collateral: Note of James F. Kane, with a balance due of 3,850.00, collateraled by 100 shs. J. F. Kane Co. Reduced 497.20 since last examination.	620.42		620.42		
TOTAL					

EXTRA SHEET PAGE 4-30

Exhibit 17

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS.

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
650.00 Simpson Realty Company Endorsed F. E. Simpson. Collateral: 1,260.00 real estate note of P. C. Haver, secured by a first mortgage. Loan been 10-9-26 as 1,290.22 and has not been paid out.			650.00		
5,000.00 C. ... Singer Collateral: His own mortgage note to the Louisville Trust Company, covering two pieces of property, with prior liens of 6,350.00. It is claimed that there is enough value to this property to protect the loan to this bank. However, there has been no reduction in the loan covering the past two examinations.			5,000.00		
7,000.00 Leon L. Solomon Collateral: 120 shs. Bach Realty Company; 71 shs. American Turf Assn. The Bach Realty Company consists of the ownership of an equity in two pieces of Louisville real estate. There is some intrinsic value to the stock, but it is of an unliquid type. Dr. Solomon has indicated his intention of selling other property and paying this loan.		7,000.00	7,000.00		
1,000.00 Temple Theatre Corporation Leon L. Solomon and four others, endorsers. The endorsers are believed to make the loan good.	1,000.00		1,000.00		
1,020.00 D. A. Bates Endorsed Temple Theatre Corp. Collateral: 10 shs. Temple Theatre Co., Com.	1,020.00			1,020.00	
507.50 Levin L. Willinger Endorsed Temple Theatre Corp. and J. E. Dunne. The Temple Theatre Corporation appears to own no property, except a lease on a theatre in the Labor Temple. The rent on this lease is said to have been paid about a year and a half in advance, but the Temple Theatre Corporation is unable at this time to get in a tenant for the property. The lease term was said to cover a period of twenty years, the rent progressively increasing through the term of the lease.	507.50			507.50	
TOTAL					

EXTRA SHEET PAGE 4-31

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1428 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount (Cont'd)	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
The average rental is said to be about 5,000.00 per annum for the period. As your examiner sees it, after the expiration of a year and a half the corporation will have a liability instead of an asset, unless it is successful in obtaining a profitable tenant. Suit is now pending against Bates and Willinger.					
1,500.00 Leon L. Solomon, Receiver, Temple Theatre Corporation. The bank holds cashier's checks aggregating about 790.00, which is applicable to this loan. There are collections which it is anticipated will be made which will realize about 820.00. In addition to this, bank has sundry receivables aggregating 3,445.87. It is anticipated that there will be no loss on this loan.			1,500.00		
1,758.75 J. E. Dunne Collateral: Note of Temple Theatre Company for 1,767.50, due 3-23-28, secured by 30 shs. Temple Theatre Corporation. The maker is believed by some to have concealed some of his property. In any event, there does not appear to be any tangible property available. However, he is reported to have promised to pay the loan during this month. In the meantime, the loan is regarded as doubtful.	1,758.75			1,758.75	
93,804.80 Standard Mortgage Company Endorsed Max L. Simons. Collateral: Sundry notes aggregating 177,847.30. Reduced 8,195.50 since last examination. Profits of the company for 1928 are shown as 3,946.00. Dividends were withdrawn in the sum of 19,400.00.			93,804.80		
65,800.00 Standard Printing Company. Endorsed D. B. G. Rose and Edward Gottschalk. Statement dated 3-1-29 shows current assets 428,673.00; current liabilities 224,029.00; building 350,667.00; investments 164,886.00; other bills receivable 84,000.00; sinking fund 7,500.00; mortgage 130,000.00; net worth 794,680.00. Reduced 10,000.00 since last examination.			65,800.00		
TOTAL					

EXTRA SHEET PAGE 4-32

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELASMENS
Form 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
30.65 C. J. Steinberg and Charles A. Litchfield. Endorsed Shawnee Pharmacy.	30.65				30.65
275.00 E. B. Steltenpohl Endorsed A. J. Steltenpohl and John Small. Reduced 225.00 since last examination.			275.00		
129.65 F. H. Straub and Laura Straub The loan is in judgment. It is claimed that Laura Straub is good. Reduced 22.00 since last examination.	129.65		129.65		
50.00 Dean C. Taylor and I. H. Patch	50.00				50.00
4,000.00 W. C. Taylor The affairs of the maker are in charge of a committee of conservators. Reduced 4,000.00 since last examination.	4,000.00		4,000.00		
11,720.32 A. V. Thompson and C. C. Hiestt Some collateral is pledged, of rather uncertain value. However, the estate of A. V. Thompson, deceased, is said to be good.	11,720.32		11,720.32		
36,462.62 W. V. Threves Secured by a mortgage on 220 acres of land near Lexington, Kentucky, that is highly improved, subject to a prior lien of 60,000.00. Assignment of an interest for 50,000.00 in a suit of the maker against the Swiss Oil Corporation. Your examiner was advised that the maker recently refused an offer of 150,000.00 for the Lexington property. This would seem to fully protect the loan.	36,462.62		36,462.62		
109.08 The Misses Tracy, Inc. The makers are decorators, with limited financial responsibility. Loan began 8-23-26. Reduced 285.92 since last examination.		109.08	109.08		
500.00 O. T. Trent Collateral: 10 shs. Citizens Bank, Cynthiana, Kentucky. Loan has been continuous for more than two years.		500.00	500.00		
TOTAL					

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1035 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
148,237.06 Trumbo-Schupp and Schmidt Endorsed Giles B. Van Cleve.			108,237.06	40,000.00	
2,517.59 Giles B. Van Cleve Endorsed Trumbo-Schupp and Schmidt.			2,517.59		
1,950.00 Giles B. Van Cleve		1,950.00	1,950.00		
136,541.95 - Loan 12,314.70 - Overdraft 4,000.00 - Cash items J. Dolfinger & Company. Endorsed Giles B. Van Cleve.	136,541.95		136,541.95 12,314.70 4,000.00		
50,000.00 J. Dolfinger & Co. Endorsed Trumbo-Schupp & Schmidt.			50,000.00		
This line is a "work-out" proposition. The following seems to be the collateral out of which the loans must be collected: Notes Central Furniture Co. 45,768.23; Guaranty of Herald-Post Company 61,007.91; Lease of J. Dolfinger & Co. 56,500.00; 13 acres in Cherokee Park, with an estimated market value of 150,000.00; Stock of Buck Range & Stove Co., value doubtful.					
Total 313,274.14					
The bank also holds insurance policies covering the life of Giles B. Van Cleve in the sum of 245,500.00. It is difficult to arrive at the value of the Cherokee Park property. Two officers of the bank took your examiner over this property about two years ago. It unquestionably possesses large potential value. The trouble lies in the fact that no action has been taken in the past to realize this value. The property is now in the hands of a specialist in this line of work. The unfortunate phase of the situation lies in the fact that during the past few years real estate values have declined and it may be more difficult at this time to successfully sell the property than it would have been then. Your examiner feels					
TOTAL					

EXTRA SHEET PAGE 4-34

Exhibit 17

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Cont'd) that the bank will be fortunate to recover in full on this line.					
1,600.00 J. C. Utterback Collateral: 40 shs. Palmer Hotel Co. Reduced 100.00 since last examination.			1,600.00		
29,000.00 H. Verhoff and Company Endorsed R. M. Hartwell and John L. Green. There has been nothing done with this loan since last examination. Your examiner feels that steps should be taken to liquidate the company and collect everything possible of this loan.	29,000.00		19,000.00	10,000.00	
175.00 C. S. Talesby		175.00			175.00
100.00 C. S., H. S., and A. E. Talesby A. E. Talesby is said to be good.		100.00	100.00		
761.62 Oscar Wilder Endorsed Edward Wilder. Collateral: assignment of a life insurance policy for 6,000.00; 2,900.00 note, Edith V. Wilder, dated 5-8-1903. Wilder is said to live near Mobile, Ala. Loan will probably be very slow in working out.		761.62	761.62		
5,900.00 W. N. Willis Collateral: 6,100.00 second mortgage bonds of the Louisville Trust Co., secured by property valued at 15,000.00, subject to a prior lien of 8,500.00. No reduction since last examination.			5,900.00		
90,327.77 E. H. Woods Loan is secured by a mortgage on 2,500 acres of land in Allen County, Kentucky, subject to a prior lien of 41,700.00. During this examination, your examiner was advised that this land will be sold at auction in the near future, and it seems that it is to be divided into tracts of 100 acres each for the auction sale. Your examiner feels that the bank will be fortunate to escape some loss on this loan.	90,327.77		60,327.77	30,000.00	
181.07 W. C. Wright	181.07			181.07	
TOTAL					

EXTRA SHEET PAGE 4-35

Exhibit 17

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
W. C. Wright (Continued) Endorsed Herman Weiner. Reduced 19.93 since last examination.					
1,016.50 James W. Wyman Collateral: 50 shs Park Utah Consolidated Mines; 5 shs. J. L. Mott Co., Pfd.; 10 shs. Standard Oil of Ky.			1,016.50		
Face, 5,540.65-carried at 540.65 600.50 - Overdraft Peoples Bank, Springfield, Tenn. This loan was discussed at length and in detail on Page 4-38, report of examination begun 10-13-28. The litigation is in about the same status that it was at the time of the last examination. Those close to the loan have expressed the opinion that it will be collected in full at carrying value. There is also carried in the account of Bonds, Securities, Etc., claims aggregating 12,433.25	540.63 600.50		540.63 600.50		
24,897.87 Planters Bank of Clarksdale, Mississippi Your examiner has been advised that about all that can be expected in payment on this loan is the payments to be received from Messrs. Anderson and King. It is probable that bank will suffer further loss on these items.	24,897.87		12,897.87	12,000.00	
7,093.65 John M. Carson Banking Co., Morgantown, Kentucky Collateral: Sundry bills receivable aggregating $1,808.74. There has been no change in this item since last examination, which leads to the conclusion that the collateral must be of doubtful value. Your examiner feels that vigorous steps should be taken to collect the loan.	7,093.65			7,093.65	
Sundry other overdue loans, aggregating ----------		183,378.87			
EXTRA SHEET PAGE 4-38 TOTAL	1,469,771.85	783,042.86	5,119,417.92	742,521.00	43,276.91

Form 1428—Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

Exhibit 17

No. of Bank, 8818

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate
Wakefield & Co.	449,800.00	Coll: Sundry stocks with estimated market value of $583,600.00
J. M. Greer (credited to his account and transferred to Wakefield & Co.)	600,000.00	" " " " " $626,800.00
Miss L. I. Harris (credited to Wakefield & Co.)	130,000.00	" " " " " 143,740.00
Mrs. A. E. Latta (Said to be Wakefield & Co.)	20,000.00	" " " " " 50,000.00
	1,199,800.00	It is noted that the first three described loans are inadequately secured.

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.
Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility, under Section 5239, U. S. R. S., for all loss sustained on excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	119,814.53
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	187,643.80
3. Aggregate amount on which real estate security has been taken in violation of law,	90,327.77
TOTAL,	397,786.50

* These loans need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
Olaf Anderson	7,881.03	-0-	17BM.		Serial	Other	Dpc
Badger Aluminum Co.	6,000.00		6,000.	3-28-24	1-27-27	Farm	"
Clay Co. Coal Co.	6,194.50		12,460.	2-15-24	Serial	City	"
Columbia Phos. M. Co.	15,227.50	60,000.	75,000.	2-21-23		Other	"
Harlan Coal Co.	89,398.54			9-10-25	8-6-28	"	"
Edwin Ritter	5,701.54			9-5-25	7-2-28	City	"
C. A. Singer	5,000.00	6,350.	14,500.	2-1-28	2-1-29	"	"
W. V. Thraves	36,461.62	60,000.	140M	3-3-25	Serial	Farm	"
	119,814.53						
No. 2							
Conf. of the Res.	56,375.00						
Gen. Realty Co.	130,650.00						
M. F. Marx Mfg. Co.	818.80						
	187,643.80						
#3.							
E. H. Woods	90,327.77	41,700.	150M	3-8-27	3-8-28	Farm	Yes

Are properly executed certificates (Forms 1415, 1416, 1416a) attached to loans?

Exhibit 17

Form 1428. Page 6
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5312

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
S[illegible] EXTRA SHEET		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

S[illegible] EXTRA SHEET		

Exhibit 17

Form 1580 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* May 25, 1929.

LARGE LINES

KENTUCKY WAGON COMPANY LINE:

RECAPITULATION:

Kentucky Wagon Manufacturing Company. (Claim carried in Bond Account).	$107,817.14
Kentucky Wagon Manufacturing Company - Overdraft	126,882.05
Kentucky Wagon Manufacturing Company (Carried in loans)	730,622.41
National Motors Corporation (Carried in Loans)	211,678.47
Associated Motors Company (Bond carried in Bonds, Securities, Etc.)	388.63
Kentucky Wagon Manufacturing Company Endorsed Associated Motors Industries.	3,631.42
W. E. Massey Endorsed Kentucky Wagon Manufacturing Company	7,500.00
R. C. Kinkead Endorsed Kentucky Wagon Manufacturing Company.	1,964.85
National Motors Corporation Endorsed Kentucky Wagon Manufacturing Company	86,000.11
National Motors Corporation Endorsed Jas. R. Duffin, Robert V. Board and Wm. E. Massey.	82,330.00
Kentucky Wagon Manufacturing Company. Unmatured rediscounts	19,389.32
Jas. R. Duffin - Said to represent part fee for legal services	15,000.00
Total	1,340,474.39

(This line is discussed under Slow and Doubtful Paper and Losses on Loans.)

CAMPBELL LINE:

The items described under this line are either direct obligations of the Campbell interests, are secured by stocks of those concerns or the assets came into the bank by reason of contact, past or present, with Mr. Campbell by this bank or by the constituent banks composing it.

Campbell-Heath & Company Collateral described under Slow Loans.	$405,605.82
White and Associates, Inc. Endorsed William D. Campbell. Collateral described under slow loans.	284,471.50
Cadet Knitting Company Described under slow loans.	45,000.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 6-1 *Examiner.*

Exhibit 17

Form 1420. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* May 25, 1929.

LARGE LINES - - - Cont'd.

CAMPBELL LINE - - Cont'd.

Van Camp Packing Company Secured by bills of lading covering twenty-seven cars of cotton seed oil. This loan is liquid.	$134,849.09
Van Camp Products Company Statement dated 12/31/28 shows current assets $2,736,488.00, current liabilities $660,541.00, net worth $5,051,251.00. Statement of the company is good and the company handles its loans to the bank satisfactorily.	300,000.00
L. I. Harris Collateral: 6,000 shs. Van Camp Packing Company.	120,000.00
J. M. Greer Collateral: 11,000 shs. Van Camp Packing Co., 7% pfd.,	300,000.00
Industrial Ownership Corporation Collateral: 500 shs. Van Camp Packing Co., Prd. 6,896½ shs. do. Com. 3,893½ " do. Rights. At quoted market prices of the stock, the bank has a profit of approximately $60,000.00.	53,840.18
Total	$1,073,166.57

MURRAY RUBBER COMPANY LINE:

Loans of the Murray Rubber Company, or loans collateralled by securities of the Murray Rubber Company:

Murray Rubber Company	Loan - unsecured	$125,000.00
Murray Rubber Company	Loan - secured	56,114.14
Murray Rubber Company	Loan - secured by $580,000.00 Murray Rubber Company Debenture Bonds	580,000.00
Campbell-Heath & Company Collateral: $100,000.00 Murray Rubber Company note, collateraled by $100,000.00 Murray Rubber Company Debentures.		95,606.82
Rogers Caldwell, et al Collateral: $285,000.00 Murray Rubber Company Debentures.		285,000.00
Total		$1,101,719.96

(See discussion of Murray Rubber Co. under Slow Loans)

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 6-8

Examiner.

Exhibit 17

Form 1120.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5513 *Date of Report* May 25, 1929.

OTHER LOANS ESPECIALLY MENTIONED.

David Baird & Son	60,000.00
The statement of the company would indicate a commercial basis for credit. It is noted, however, that the company is losing ground. The management of the bank will take steps to collect at an early date.	
Henry C. Beddinger	3,400.00
Marie V. Beddinger is endorser on 2,500.00.	
Collateral: 5 shs. Bank of St. Helens, Shively, Ky.	
Bingham-Hewett Grain Company	22,500.00
Endorsed Leonard A. Hewett.	
Statement dated 1-8-29 shows current assets 118,085.00, current liabilities 70,461.00. net worth 48,297.00 after deducting impairment.	
General trend of the business seems to be toward loss.	
W. C. Coleman	8,000.00
Collateral: 90 shs. Semonin-Goodman Co.	
Maker seems to have been a continuous borrower from the bank for some years.	
Conrad-Schultz Company	2,000.00
Reduced 1,500.00 since last examination.	
Dore Fields and W. J. Fields	6,000.00
Loan began 11-26-27, with no change since.	
E. H. Flanagan	3,500.00
Collateral: 51 shs. Citizens Bank, Drakesboro, Kentucky.	
Loan began 3-24-27 as 3,500.00, and has not been paid out.	

EXTRA SHEET PAGE 6- 3

To the Comptroller of the Currency,
Washington, D. C

Examiner.

Exhibit 17

Form 1480. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5215 *Date of Report* May 25, 1928.

OTHER LOANS SPECIALLY MENTIONED - - Cont'd.

John C. Haskins Collateral: 61 shs. Louisville Bridge & Iron Co. Began 11-26-26 as $2,000.00, and has not been paid out.		$2,500.00
Hibbs-Kiefer Hat Co. Endorsed Henry B. Kiefer and Harry C. Hibbs. Statement for 1928 shows an additional loss of $789.00 and the withdrawal of a dividend of $4,000.00. Increased $500.00 since last examination.		$17,000.00
Harry C. Hibbs and Henry B. Kiefer Reduced $200.00 since last examination.		$9,800.00
W. W. Hite Company The company does not appear to be making much headway; in fact there is a decline to net worth covering the last four years. Loan has been continuous since 9-26-27.		$8,000.00
George R. Adams Collateral: 20 shs. W. W. Hite Co. (See above) Loan began prior to 10-19-26 and has not been paid out.		$925.00
Hollywood Shops, Inc. Statement dated 9-30-28 shows current assets $25,116.00, current liabilities $19,375.00, net worth $20,032.00. The statement shows a loss to net worth in two years aggregating $9,967.00.		$3,000.00
Leonard P. Hyatt Collateral: 61 shs. Inman Company. Loan began 4-4-27 as $5,714.80.		$2,654.90
Harry C. Inman Collateral: 228 shs. Inman Company, Com. Loan began prior to 12/28/26 and has not been paid out.		$18,363.00
Jefferson Cafeteria Statement of the company is poor and its debt exceeds its net worth.		$15,000.00
Kentucky Consumers Oil Company Endorsed E. H. Hilgo and H. O. Hasenstab. Statement dated 12/31/28 shows current assets $105,000.00, current liabilities $61,600.00, other assets $68,200.00, mortgage indebtedness $1,675.00, net worth $100,475.00. Loan has not been paid out since 12/14/27. Company should have more working capital.		$17,750.00
Larimore Auto Company Endorsed H. T. Larimore. During this examination, the endorser advised your examiner that the business will be liquidated. The endorser is regarded as good.	Loan Rediscounts	$10,700.00 $33,892.23
Max Levi Loan is regarded as good, but has been in the bank about two and a half years.		$2,675.00

EXTRA SHEET PAGE 6-4

To the Comptroller of the Currency.
Washington, D. C.

Examiner.

Exhibit 17

Form 1430.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5318 *Date of Report* May 25, 1929.

OTHER LOANS ESPECIALLY MENTIONED - - - Cont'd.

Long and Evans Endorsed P. A. Evans. Statement dated 12/30/28 shows current assets $67,701.00, current liabilities $30,059.00, net worth $37,701.00. Of the current assets $40,000.00 consists of receivables. Apparently the company is still withdrawing too much money from th business.	$17,000.00
Louisville Cotton Mills Co. Statement dated 3-30-29 shows current assets $601,000.00, cur ent liabilities $377,000.00, other assets $1,380,000.00, net worth $847,000.00. The loan has increased $86,414.7 since last examination. The figures of the com an show earnings for the first quarter of the current year aggregating $36,910.00. Loan has not been paid out since 8-13-26.	$343,629.99
Pickrell Motor Company Endorsed C. Guy an Pickrell. St tement dated 3-31-29 shows current assets $78,500.00, current liabilities $44,000.00, net worth $84,000.00. The debt of t e com any is rather full.	$37,000.00
Wm. R. Ripkinger Collateral: 75 shs. Jordan Motor Car Co. Loan is regarded as of a capital character.	$600.0
J. W. Samuels Realty Com any Endorsed J. W. Samuels and Pearl Winter. Loan has been continuous in the bank for about four years.	$600.00
Schmutz Manufacturing Co. No statement since last examination. Loan reduced $5,000.00 since that time.	$5,000.00
Byron J. Sheridan Statement dated 2-27-29 shows cur ent assets $19,101.00, cur ent liabilities $12,568.00, fixed assets $55,680.00, mortgage in-debtedness $13,672.00, net worth $43,561.00. Net worth consists of the equit in real esta e.	$6,300.00
Stimpson Computing Scale Co. Statement dated 12/31/28 shows current assets $920,306.00, cur ent liabilities $30),644.00, real estate $190,940.00, other bills and accounts $41,595.00, deferred charges $12,872.00, good-will $72,0 .00, mortgage indebtedness $85,200.00, net worth $741,832.00. The company sustained an operating loss o $40,035.0 and withdrew dividends aggregating $25,845.00. Some of the receivables are re-garded as slow. The statement of the company would appear to be li ht, but the loan of company to bank seems rather large.	$229,000.00
J. A. Tierney Collateral: 200 shs. Continental Oi Co. Endorsed M. Tierney. F. G. Curran is endorser on $5,000.00. Loan began 8-19-25 as $5,000.00 and has not been paid out.	$8,100.00
E. K. Harden Collateral: 100 shs. Consolidated Realty Com any, ltd. Loan began 6-24-26 as $5,200.00. Collateral is of an unliquid type.	$5,500.00

CONTINUED ON PAGE 6-B

To the Comptroller of the Currency.
Washington, D. C.

Examiner.

Exhibit 17

Form 1436.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5312 *Date of Report* May 15, 1929.

OTHER LOANS ESPECIALLY MENTIONED - - Cont'd.

Warren Realty Company — $10,151.67
Endorsed Julian M. Bradbury and Mrs. Julia H. Bradbury.
Collateral: 90 shs. Carter Dry Goods Co.
The margin is inadequate. The endorsers are said to be good. Loan has been continuous since 5-22-28.

Wheeler Realty Company — $40,000.00
Endorsed W. C. and Blakemore Wheeler.
Statement of the company is poor. Maker has been a continuous borrower since 12/13/26.

EXTRA SHEET PAGE 6-6

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 17

Form 1438.—Page 7
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8312

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes		Name of issuing corporation, character of mortgage, rate, and maturity		Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed or estate. List any valuable securities charged off (See note below)
#5.						
2,500,000.00	2	U. S. Consols	30	2,500,000.00	2,500,000.00	To secure circulation
#6.						
2,400.00	3½	1st L. L. Bonds		2,400.00	2,307.00	To secure bills payable
4,500.00	4½	1st L. L. Bonds		4,500.00	4,438.50	do.
50,000.00	4½	4th L. L. Bonds		50,000.00	49,350.00	To secure Public Money
457,500.00	4½	4th L. L. Bonds		457,500.00	451,800.00	To secure bills payable
6,039,300.00	3½	Treas. Notes		6,039,300.00	5,805,297.13	do.
				6,553,700.00	6,293,296.63	
#7.						
547,100.00	4½	Treas. Bonds	47-52	547,100.00	594,557.80	
#10.		MUNICIPALS				
24,000.00	5	Port of New Orleans	39-52	24,000.00	24,264.00	To secure Postal Savings
15,000.00	4½	" " "	41-42	14,400.00	14,649.00	do.
10,000.00	4½	Los Angeles, Cal.	46	9,800.00	9,885.00	do.
14,000.00	3½	Louisville, Ky.	43	12,110.00	12,901.00	do.
20,000.00	4½	" "	51	20,400.00	20,710.00	do.
66,000.00	3½	" "	41	57,290.00	61,386.60	do.
10,000.00	4½	" "	54	10,100.00	10,383.00	do.
25,000.00	4	" "	49	24,375.00	24,220.00	do.
29,000.00	3	" "	41	25,656.00	25,618.60	do.
10,000.00	4½	Omaha, Nebr.	36	10,000.00	10,105.00	do.
9,000.00	4	Parkersburg, W. Va.	29	8,640.00	9,000.00	do.
25,000.00	5	Rocky Mount, N. C.	32	25,000.00	25,987.50	do.
10,000.00	4	State of Tennessee	49	9,500.00	9,536.00	do.
5,300.00	4½	Louisville, Ky.	54	5,252.00	5,398.75	
100,000.00	4	" "	67	103,750.00	95,310.00	
686,420.65		State Warrants		686,420.65	686,420.65	
				1,044,672.65	1,045,775.15	
		PUBLIC UTILITIES				
100,000.00	5	Crosstown Street Rys.	32	86,320.00	93,250.00	
115,000.00	6	Louisville G. & E.	37	109,250.00	116,150.00	
200,000.00	5	Louisville G. & E.	51	180,500.00	189,500.00	
7,000.00	5	Louisville Home Tele.	33	7,000.00	6,860.00	
350,000.00	6	Louisville Rys.	29	350,000.00	350,000.00	To secure Trust Funds
95,000.00	5	Louisville Rys.	30	87,302.50	87,875.00	
259,000.00	5	Louisville Rys. Genl.	50	196,944.68	129,500.00	
100,000.00	5	Buffalo Rys.	31	85,330.00	94,500.00	
				1,102,647.18	1,057,635.00	
		FOREIGN				
5,000.00	4	Porto Rico	33	TOTAL 4,950.00	4,891.50	

SEE EXTRA SHEET

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1438, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, sta ent of the original indebtedness.

Exhibit 17

Form 148a.
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

No. of Bank 5312 — Date of Report May 25, 1929.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	RAILROADS			
2,400.00 S	International Rys. 62	1,560.00	1,788.00	
2,500.00 S	Chi., Ind. & Lou. 66	2,306.25	2,468.75	
10,000.00 S	C., M., St. P. & Pac. 2000	7,350.00	6,975.00	
		11,216.25	11,231.75	
	MISCELLANEOUS			
25,000.00 6½	Detroit-Canada Tunnel 48	24,187.50	22,500.00	
170,327.50 4½	K. & I. Term. RR. 61	143,265.74	148,184.50	
19,000.00 6	Louisville Title Co. 29	18,952.50	19,000.00	
5,000.00 6	Bankers Mtg. Co. 31	5,000.00	5,000.00	
400.00 7½	Assoc. Motors Industries 32	388.63	388.63	
	(See description of loan, Kentucky Manufacturing Co. under slow loans.			
4,500.00 6	J. E. Bickall 1st Mtg. R. E. Notes	4,500.00	4,500.00	
53,840.16 S	Notes Industrial Ownership Corp., secured by: 500 shs. Van Camp Packing Co., Par $25.00 6,395½ shs. Van Camp Packing Co. Com. 2,299½ Rights to purchase like amount of Van Camp Packing Co., Com. at $80.00	53,840.16	140,701.00	
94,000.00 S	Liberty Washington Cedar Street Corp. Reduced $6,000. since last examination	94,000.00	94,000.00	
22,000.00 6	Eugene Straus 1st Mtg. R. E. Bonds 30 Paid during examination.	22,000.00	22,000.00	
265,000.00 6	Note signed Rogers Caldwell and others secured by $295,000.00 Murray Rubber Co., bonds due '44	265,000.00	265,000.00	
15,000.00 6	Columbia Phosphate Mining Co., note due 1926 secured by 3rd Mtg. on mining property	15,000.00	15,000.00	
	(See description of loan of company under slow loans)			
35,000.00	Note A. E. Latta (represents property purchased with intention of building banking house. Plan apparently abandoned.)	35,000.00	35,000.00	
107,817.14	Note Ky. Wagon Mfg. Co. (See discussion under slow and doubtful loans)	107,817.14	107,817.14	
580,000.00 6	Note Murray Rubber Co., secured by like amount of debenture bonds due 1944	580,000.00	580,000.00	Slow.
12,433.25	Claim vs. Peoples Bank, Springfield, Tenn. closed (See discussion under slow loans)	12,433.25	12,433.25	
		NEXT SHEET PAGE 7-1		
	Total.			

To the Comptroller of the Currency,
Washington, D.C.

Examiner.

Exhibit 17

Form 1480
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

No. of Bank 5512 *Date of Report* May 25, 1929.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	MISCELLANEOUS Cont'd.			
3,809, 33/100 shrs.	Graphite Products Corp. of Delaware - no par Com. (Claim will be paid from balance of share of a note for $45,000.00)	4,205.02		
800 shrs.	National Candy Co., Com.	3,750.00	5,000.00	
52 "	Louisville Ry. Co. Com.	1,716.00	780.00	D P C Stella Van Dyke
383 "	International Planters Corp. pfd. par $100.			
2788 "	International Planters Corp. Com. no par			
90 "	Louisville Railway Co. Com.			
5 "	Louisville, Henderson & St. Louis RR			
7,200 "	Rich Patch Land Co. Par $1.00			
500 "	Industrial Ownership Corp. pfd. par $100.00 (It is probably that these stocks will be taken out of bank by the proposed new holding company.)	115,000.00	65,000.00	Probable loss $50,000.00
83.40	Unmatured coupons paid	83.40	83.40	
		1,506,107.34	1,542,357.92	

RECAPITULATION

Municipals	1,044,671.65	1,045,773.10
Public Utilities	1,102,647.18	1,067,835.00
Foreign	4,250.00	4,891.50
Railroad	11,216.25	11,231.75
Miscellaneous	1,506,107.34	1,542,357.92
	3,669,503.42	3,669,889.27

TOTAL

EXTRA SHEET PAGE 7-2

To the Comptroller of the Currency, Washington, D. C

Examiner

Exhibit 17

Form 1425. Page 8
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 3518

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate [illegible] acquired for establishment of branch office	12,508.23	12,508.23
2. Aggregate amount acquired in violation of law,		
TOTAL,	12,508.23	12,508.23

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease on property located at 4th & Guthrie Sts., Louisville acquired for establishment of branch office - later opening branch elsewhere	12,508.23		12,508.23			1,300.	1-1-23
TOTAL,	12,508.23		12,508.23				

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation? Banking house leased. Improvements at branch office carried at cost, $147,380.67. No reduction has been made in the carrying value
2. Is banking house suitable and convenient? Free of incumbrance and adequately insured?
Main office rather crowded.
3. Are vault and safe secure? Are contents adequately insured? Is banking room used by any other banking institution?
Modern vault at branch office- Yes No
Main office vault lightly con- RESERVE
structed but protected by wire system.

1. Was reserve with Federal Reserve Bank sufficient on date of examination? If not, give the deficiency in dollars.
Yes
2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid?
6 times $252.60 paid.

NOTE—The effect or threat of the enforcement of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is restored.

BANK ACCOUNTS

1. State rate of interest received on open accounts. 2. State rate of interest paid on open accounts.
2% - 3% 3%

OVERDRAFTS

1. State whether habitually granted. What amount is unsecured? $154,268.70 Secured?
No - except in a few cases, particularly Kentucky Wagon Mfg. Co.
2. Did you verify amount at date of examination?
Not at main office.
3. Did you compare amount stated in last report of condition with amount shown by the books for same date?
Yes
4. Is overdraft account shown on the general ledger?
Yes
5. Does bank keep detailed daily record of overdrafts? Did you instruct?
Yes
6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

SEE EXTRA SHEET

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.

C. C. and G. Y. Hieatt - $17.93

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Did you instruct?
Yes

Describe any irregular items	Itemize losses estimated
SEE EXTRA SHEET	

Exhibit 17

Form 1436—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* May 25, 1929.

OVERDRAFTS.

	Irregular	Loss
MAIN OFFICE		
J. Dalfinger & Co.	$12,127.31	
Robert Davis		$ 6.00
J. E. Hannan		.48
Kentucky Wagon Mfg. Co.	138,322.06	
Knadler & Lucas	865.15	
C. S. Wlesby		.44
Knadler & Lucas pay roll	11.89	
BRANCH		
Helen Deppner		$ .34
Mary Patton		.80
Reynolds Wessel		1.00
J. Dalfinger & Co.	$139.80	

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 8-1

Examiner.

Exhibit 17

Form 1436 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 Date of Report May 25, 1929.

CASH ITEMS

			Irregular	Loss
Main Office				
Rague	Deposit made by Wm. E. Banks 9-24-28 lost			50.00
Gwyn				
Check	C. L. Revenaugh 5-16-29	(employee)	100.00	
"	P. J. Murphy 5-20-29	do.	10.00	
Debit	W. L. Hampton 5-20-29	(porter)	5.00	
"	Beatrice Robinson	(employee)	20.00	
"	A. W. Knoeckelmann	do.	5.00	
"	Sarah Jane Buckman	do.	5.00	
"	K. & I. Term. Co.	For change	800.00	
"	Directors Fees		400.00	
No. 4	Check Premier Mfg. Co. 1-2-29			1.52
No. 1	Check cashed and held for H. G. Brooks Jr. (Bal. .08)		175.00	
	Dft. drawn by Chas. D. Barney & Co. on Alexander Sander with 100 shs. Reynolds Inv. Co. at'd.		4,011.59	
No. 2.	Telegram James T. Duffin to Jas. B. Brown requesting payment of $500. to Mr. Duffin's wife November 1928		500.00	
Klunder	Check on 5th-3rd Union Tr. Co., Cincinnati			$50.00
Pilsen	do.			51.35
Exchange	Advance 4-6-29 to Kratz estate		5.50	
	Cashier's check in connection with Eugene Strauss 4-6-29		1,000.00	
	do.	Clay Co. Coal Co. 4-9-29	296.50	
Miss Bergman	Misc. of coupons of Eugene Strauss due 4-5-27		660.00	
Stoltenpohl	Forged checks			114.60
Branch				
	Forged check on C. D. White			9.00
	Misc. representing discount on note of H. Waverly, Jr.			72.50
	Checks J. Dolfinger & Co. (See slow loans)			
			4,000.00	348.97 Total

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 8-2

Examiner.

Exhibit 17

Form 9125 Page 9
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY — EXAMINING

No. of Bank, 5312

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept, and amount outstanding stock does not agree, give particulars.
   Properly kept - outstanding agrees.
2. If bank owns any shares of its own stock, so state and advise how and when acquired.
   None owned
3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.
   None held
4. Is stock registered by outside registrar?
   No
5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?
   None found

Note—In addition to the usual note and report if surrendered certificates are not properly assigned, canceled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Give (1) Date of declaration of last dividend. **3/8/29** Payable? **4/1/29** Annual dividend rate is **16 %**

(2) Amount of last dividend, $ **160,000.00** (3) State when reported.

1. Was last report of earnings and dividends correct? **Yes** If not, give details. **Copy of special report could not be located.**
2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses, (items 2b and 2c), as required. **Yes**
3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books. **None found**
4. Is itemized expense account kept, and did you inspect this account and interest-paid account to date of previous examination? **Kept - inspected**
5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Do the minutes record such action? **Examined public accountants annually** **Yes**
6. Did you inspect all earnings accounts from date of last examination? **Superficially**
7. State amount of losses charged off since last examination on loans, $ 80,001.62 Bonds, $ 35,476.37 Other, $ 5,326.28
8. State amount recovered on charged-off assets since last examination. **$11,727.35**

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. **1% - 3.91** Certificates of deposit. **3%**
2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose. **Yes**
3. Does bank retain all canceled certified checks or take receipts for any delivered? **Yes**
4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited. **Verified at each transaction - 3% int. paid semi-annually Last credited 1/1/29**
5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for. **30 days notice provided for.**
6. Give total of dormant ledgers. Branch 11,335.50 Main 87,011.95 How are withdrawals safeguarded? **O K'd by auditing department**
7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing. **Yes**
8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination. **Yes - except individual ledgers at Main Office.**
9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination. **Yes**

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list. **None disclosed**
2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere. **Yes - from both sources-**
3. Average borrowings since last examination. Repurchase agreements $482,250.00 Bills Payable $1,700,000.00 Rediscounts $2,243,733.00 Total - $4,425,983.00

List outstanding liabilities for money borrowed whether on bills payable, rediscounts, open accounts, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Reserve bank:							
War Finance Corporation:							
TOTAL,					SEE BALANCE SHEET		
Other:							
TOTAL,							
GRAND TOTAL,							

Exhibit 17

Form 1488. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5812 *Date of Report* May 25, 1929.

CHARGE OFFS & RECOVERIES.

1928.			LOSSES :Loans	Bonds	Others :	Recoveries.
Oct. 25	S.J.McBride	Note	$	$	$	$ 25.00
27	Sundry Stocks			35,000.00		
27	August Baumer		98.47			
27	" "		125.00			
27	B. P. O. E.		4,900.00			
27	do		5,340.00			
27	Buchanan Motors Corp.		6,220.00			
27	Wm. C. Cowthans		175.00			
27	Clay County Coal Co.		3,000.00			
27	" " " "	Claim		443.88		
27	F. R. Hodapp & Color Cinema Co.		504.98			
27	" "		506.00			
27	" "		546.65			
27	" "		406.00			
27	H. A. Cook		100.00			
27	Effie Swain, Ind. E. Davis		60.90			
27	Sara A. Jones " "		290.95			
27	D. W. Smith " "		127.89			
27	Lillian Bankenship, Ind. E. Davis		67.70			
27	E. McD. Treball " "		64.95			
27	Minnie Andrews " "		132.50			
27	" " " "		228.45			
27	Thos. M. King " "		101.00			
27	Mmfris M. Ovi " "		23.50			
27	Effie Swain " "		132.70			
27	H. B. Fulton		50.00			
27	M. L. Flowers, 4th Street		264.00			
27	Lampton, Crane & Ramey		3,500.00			
27	" " "		2,500.00			
27	Progress Chair Co.		4,400.00			
27	Jas. H. Richmond		375.00			
27	Leon A. Rosenbaum		540.00			
27	T. Leon Shapin		140.00			
27	Southern Engineering Co.		1,009.27			
27	Laura Woolfolk		99.50			
27	Corydon Milling Co.		1,100.00			
27	Planters Bank, Clarksdale, Miss.		15,000.00			
27	Chas. J. Meriwether		863.50			
27	do		156.15			
27	do		1,200.00			
27	do		1,827.50			
27	do		2,300.00			
27	do		1,100.00			
27	do		350.00			
27	do		1,600.00			
27	do		1,472.00			
27	do		700.00			
27	do		1,100.00			
27	do		1,200.00			
27	do		1,950.00			
27	do		450.00			
27	M.E. James, Ind. Chas. J. Meriwether		2,006.00			
27	C. H. Myer, Ind. Chas.J.Meriwether		609.00			
27	E.E.Meriwether " "		552.84			
27	" " "		151.50			
27	" " "		60.50			
27	" " "		803.00			

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To the Comptroller of the Currency,
Washington, D. C

Examiner.

Exhibit 17

Form 1420.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 6318 *Date of Report* MAY 25, 1929.

CHARGE OFFS & RECOVERIES — CNTD.

			LOSSES		
		Loans	Bonds	Others	Recoveries.
1928		$	$	$	$
Oct. 27	Peoples Bank, Springfield, Tenn.	5,000.00			
27	Jno.A.Vetter, Chairman O. D. 5 th. Str.			29.57	
27	S. T. Herman O. D. 5th Str.			1.66	
27	Mina M.Antos, Sec. O.D. 4th Str.			20.00	
27	Lucille Davis do			2.80	
27	Jacob Hertz do			1.06	
27	Wm. H. Moore do			75.00	
27	Adolph Christian			20.50	
27	Ky. Plumbing & Heating Co.	2,971.50			
27	do	550.00			
27	E. B. Grigg, check			21.08	
27	Sundry Overdrafts, 4th Street			14.11	
27	J. W. Dunlap, check			25.37	
27	B. Dance, ck. End. Bagby - Howe.			45.99	
27	Badger Drug Co. " "			46.64	
27	Uncollectable Coupons			22.50	
27	Lillian C. Skillman				2.50
27	D. S. Seemer				25.00
30	Moody & Boyd				50.00
30	Lillian Skillman				2.00
30	C. H. Myer				485.00
31	Shilley Schuster				17.50
Nov. 6	Lillian Skillman				2.00
7	Bond-Grunsburg, Ky.		12.50		
8	Oscar H. Furcht				52.55
14	Lillian Skillman				2.00
16	Anna B. Thompson				10.00
20	Lillian Skillman				2.00
21	Chas. J. Meriwether				464.00
22	Chas. E. Payne				2.21
23	Geo. R. Newman				33.50
23	do				85.00
28	Moss Greffelder				184.67
Dec. 1	B. P. O. E.				6,134.51
4	Lillian Skillman				2.00
6	Shelley Schuster				17.50
6	B. P. O. E.				418.70
11	Lillian Skillman				2.00
11	Old Bank of Perryville				7.24
13	Anna B. Thompson				10.00
19	Lillian Skillman				1.00
31	Cash Short				500.32
1929					
Jan. 2	Lillian Skillman				1.00
9	Moody & Boyd				50.00
10	Lillian Skillman				1.00
10	Chas. J. Meriwether				663.59
14	Lillian Skillman				1.00
21	" "				1.00
23	Eberts Bros.				451.63
29	Lillian Skillman				1.00
30	Leon Rosenbaum				340.30
					50.00
Feb. 3	Moody & Boyd				1.00
4	Lillian Skillman				17.50
9	Shelly Schuster				1.00
14	Lillian Skillman				1.00
27	" "				1.00
Mar. 8	Lillian Skillman				1.00
11	" "				

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 17

Form 1430.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5512 *Date of Report* May 25, 1929.

CHARGE OFFS & RECOVERIES — CNTD.

		LOSSES			
		Loans	Bonds	Others	Recoveries.
1929		$	$	$	$
Mar. 18	C. W. Thompson				10.00
19	Shelly Schuster				17.50
21	Lillian Skillman				1.00
27	Moody & Boyd				176.00
Apr. 1	Lillian Skillman				1.00
8	" "				1.00
16	Leon Rosenbaum				822.38
16	Anna B. Thompson				10.00
16	Lillian Skillman				1.00
23	" "				1.00
26	Elizabeth H. Smith				544.29
27	Subscription to Mammouth Cave National Bank			8,000.00	
May 1	Lillian Skillman				1.00
7	Shelly Schuster				17.50
8	Lillian Skillman				1.00
14	" "				1.00
20	" "				1.00
	TOTAL	$ 60,001.66	35,476.36	8,326.25	11,727.39

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 17

Form 1436—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* May 25, 1929.

REDISCOUNTS AND BORROWED MONEY

Where borrowed	Amount	Date of Borrowing	Date of maturity	Interest rate	Security pledged	Form of borrowing	State whether authorized by the board of directors.
Federal Reserve Bank, Louisville.	6,483,700.00	various		5%	6,483,700 var. Government sec.	B/P	Yes
do.	4,980,490.41	do.		5%		Rediscounts	do.
	11,464,190.41						
Other							
Guaranty Tr. Co., New York City	907,000.00	5-17-29	7-16-29	5½%	996,415.53 B/R 108,841.38 Wts.	B/P	do.
National Bank of the Republic, Chicago.	500,000.00	5-17-29	7-16-29	5½%	484,500.00 B/R 100,000.00 Bds.	do.	do.
Bank of America New York	500,00 .00	5-15-29	Demand	5½%	560,000.00 Bonds	epurchase Agreement	do.
do.	560,754.78	4-18-29	7-15-29	5.	560,754.78 Wts.	do.	do.
Stewart Dgds. Co.	200,000.00	7-5-28	6-30-29	4.86	200,000.00 Bonds	Bds. Borrowed	do.
	2,667,754.78						
Grand Total	14,131,945.19						

EXTRA SHEET PAGE 9-4

To the Comptroller of the Currency.
Washington, D. C.

Examiner

Form 1488.—Page 10
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 17

No. of Bank, 8312

BOOKS AND ACCOUNTS

GENERAL LEDGER.

1. Is satisfactory general ledger kept? Yes — By whom kept? Mr. Williams — Is daily statement taken? Yes
2. Are accounts with correspondent banks reconciled at least monthly? Yes — By whom? Auditing Dept.
3. Are reconcilements verified? No — By whom? — Is reconcilement book kept? Yes
4. Are the general and control accounts carried on the general ledger? Yes — If not, give full explanation.
5. Are loans and discounts proved at least monthly? Yes — Does custodian verify? Proved by auditing Dept.
6. Are certificates of deposit proved frequently by listing outstanding items? Yes
7. Does the employee verifying them issue the certificates? No

INDIVIDUAL AND SAVINGS LEDGERS.

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers. Yes
2. Is satisfactory individual ledger kept. Yes
3. State whether bank verifies balances with depositors periodically. No
4. State form of individual and savings ledgers. Machine posted
5. State how often individual or savings ledgers are proved. Individuals proved weekly - Savings every two weeks
6. Whether by some one other than clerk keeping same. Proved by auditing dept.
7. Is balancing of pass book or statement noted on the ledger? In what manner? All accounts balanced Monthly
8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? Yes — State name. Catherine Hogan
9. Are officers and employees required to take annual vacations? No
10. Is interest properly credited every six months on savings accounts? Yes

IN GENERAL.

1. Are paid and canceled drafts filed satisfactorily? Yes
2. Are proper entries made in Redemption Fund and Circulation Accounts? Yes — If not, were instructions given?
3. Are the books so kept that the examiner can readily make a thorough and complete examination? Yes
4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection. No
5. Is all business for each calendar day included in proper account for that date? Yes
6. Are erasures made of entries on books by the use of acid or otherwise? None noted — If so, did you give proper instructions?
7. Does the bank keep a liability ledger? Yes — How often balanced? Every two weeks — Is it a practicable book? Yes
8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions? Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held. Weekly - Friday
2. In what manner do they authorize or approve loans or discount? Approval reads "Loans taken during previous week were submitted to the board and unanimously approved."
3. State whether they have an active discount committee. — Are their meetings and actions properly recorded?
4. State whether they have an active examining committee. — Is complete and satisfactory report on file? No - examined annually by public accountant
5. Give date of last committee examination. December, 1928 — Do minutes record report? Yes — Are active officers only on committee?
6. State whether loans and discounts to their firms and corporations are specially acted upon by the board. No
7. Are the by-laws adequate? Appear to be — Are their provisions regularly observed by the officers and directors?
8. Was copy of report of last examination by examiner considered by directors and noted on minutes? Yes - at meeting 11/28/28
9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes? Yes

Exhibit 17

Form 1428.—Page 11
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 6518

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

Affiliated with Louisville Trust Co. through unification of stock

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

Yes

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

Individually

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

No

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state.

All directors are directors of the Louisville Trust Co.

ITEMS FOR SAFE KEEPING

Is a proper record kept of securities left for safe-keeping? Yes

Were securities checked against such records? Yes

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
All loans and discounts,	5,119,417.92	742,521.00	43,276.91	
Overdrafts,			9.07	
Premium on U. S. Bonds,				
Bonds, securities, etc.,				
Banking house,				
Furniture and fixtures,				
Other real estate,				
Cash Items,			348.97	
Shortages,				
Judgments,				
Unpaid Bills,				
TOTAL,	5,119,417.92	742,521.00	43,634.95	

Were estimated losses charged off during examination?

List items requiring attention and note any corrections made or promised during examination.

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	2,000,000.00
Net undivided profits,	568,988.83
All reserve accounts,	510,479.64
TOTAL,	3,079,088.47

SEE EXTRA SHEET

Jno S Wood
Examiner.

Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 8.

W. F. Woods
Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 17

Form 1438.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5518 *Date of Report* May 25, 1939.

CRITICISMS.

1.	Overdue Loans, described on Page 4 and on supplemental pages.	The amount of overdue paper continues to be too large.
2.	Slow and doubtful loans, described on Page 4 and on supplemental pages.	The aggregate of sub-standard loans continues to be large. The big problem of management is to "work out" these loans without sustaining excessive losses. Some of these large items are to be taken over by proposed holding company.
3.	Other Loans Especially Mentioned, described on pages supplemental to Page 6.	Before renewing these loans, management can well give consideration to the classification of your examiner.
4.	Large Lines, described on pages supplemental to Page 6.	A grave potential danger lies in these large concentrations of credit.
5.	Leases.	The matter was discussed in meeting of officers. It was also discussed in a conference with President Brown. It is expected that the bank will be functioning as a State institution within ninety days. In view of this fact, the management requested that the matter of "charging off" leases be waived.
6.	Overdrafts	Still permitted in an unwarranted degree, especially in the case of the Kentucky Wagon Mfg. Co.
7.	Illegal Real Estate Loans of E. H. Woods	It is expected that property will be sold in small tracts at auction.
8.	Minutes not signed by President Brown.	This omission was set out in previous report of examination.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 11-1

Examiner.

Assistant's time - 36 hours.

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1486 D

Exhibit 17

National Bank of Kentucky, Louisville, Kentucky.
(Title and location of bank)

Examined by John S. Wood Date May 25, 1929 No. of Fed. Res. Dist. 8

No. of Bank 5818

BALANCE SHEET OF ACTIVITIES IN TRUST DEPARTMENT

ASSETS				LIABILITIES			
1. Investments (other than No. 2)	$ 2,501	782	27	1. Private Trust Accounts	$ 1,718	678	09
2. Deposits in Savings Banks @ %				2. " " " Income	20	440	75
3. Deposits in other Banks @ %				3. Court Trusts (Executor, Administrator, etc.)	888	144	75
4. Deposits in Commercial or Savings Dept. of own Bank @ %	119	319	60	4. " " Income	82	480	12
5. Cash on hand (Held in Trust Dept.)				5. Profits due Bank			
6. Advances to Trusts	9	718	79	6. Other Liabilities (List)			
7. Other Assets (List)				Checks issued but unpaid		288	71
Accrued interest		625	76	2685 25.00			
				4 25.00			
				5 25.00			
				5280 .50			
				5287 137.16			
				6 4.50			
				78 700.00			
				7 15.35			
				662.71			
TOTAL	2,631	625	42	TOTAL	2,631	625	42

CORPORATE TRUSTS

1. Total amount of collateral trust bonds outstanding where bank acts as trustee		$5,041,400.00
(a) Ledger value of securities deposited in Trust Department to secure same	$6,542,870.00	
2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee		$1,478,000.00
3. Ledger value of securities held for account of sinking funds		None
4. Total amount of sinking funds uninvested (Include in 2, 3, 4, or 5)		$46,602.25
5. Face amount of unissued bonds held: (a) Certified	$49,500.00	
(b) Uncertified	75,000.00	
6. Face amount of canceled bonds held		$2,062,800.00

(a) Are receipts filed for all canceled bonds delivered?
Yes

(b) Are certificates filed for all cremated bonds?
None cremated.

IN GENERAL

No. of individual trusts 74 No. of corporate trusts 12

1. What trust powers have been granted to bank?
Full powers
2. What trust powers is bank now exercising? Escrow, Trustee, Depository, Executor, Co-executor, Administrator, Agent, Agent for Trustee, Committee, and Guardian.
3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors?
Yes
4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
Yes
5. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another?
Yes

Exhibit 17

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1486 R

No. of Bank [redacted]

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

(a) Do bonds of officers and other employees of trust department now in force specifically cover their duties as such?
Yes

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Yes

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
No

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department? Yes List securities pledged.

NAME	PAR VALUE	MARKET VALUE
Louisville Ky. Sq. Trust 6-60	500,000.00	500,000.00
Total,	500,000.00	500,000.00

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?
No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes

12. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Authorized and approved by trust committee and recorded in minute book.

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.
No

20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.
No

21. What audit or examination of trust department books and securities is made by or for the directors?
Annual audit by certified public accountant.

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes

23. List criticisms, if any.
None

Form 1003
TREASURY DEPARTMENT
OFFICE OF THE COMPTROLLER—EXAMINING

Exhibit 18

State whether special or regular examination REGULAR

This report of examination is furnished to the Board of Directors of the examined bank for their information and consideration. The information contained therein as to the resources and liabilities of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources believed to be reliable, and pronounced by the Examiner to be correct.

Much of the information required to the assets of the bank is of such a character as to make it necessary for the Examiner to rely upon the good faith and correctness of his statements, and while the Examiner regards the statements so accepted by him as correct, he is, necessarily, not in a position to guarantee the accuracy of each part of the information as may not have been obtained at first hand.

Name of Examiner, Russell E. Mooney No. of Bank, 5312 Fed. Res. Dist. No., -0-

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kentucky, Louisville (City), Jefferson, Kentucky (State)

Examination commenced at 8:15 o'clock P M., on December 30, 1929

Examination closed at 6:00 o'clock P M., on January 11, 1930

James B. Brown, President. Chas. F. Jones, Cashier.

Resources	Amount	Liabilities	Amount
1. Loans and Discounts,	37,921,178.98	1. Capital Stock Paid in,	4,000,000.00
2. Overdrafts,	89,397.36	2. Surplus Fund,	2,000,000.00
3. Interest earned not collected,	886,989.55	3. All other Undivided Profits, (Less expenses, etc.) 912,939.40 / 526,072.54	386,866.86
4. Customers' liability account of "Acceptances,"		4. Reserved for Depreciation and Losses,	208,345.52
5. U. S. Bonds to secure circulation,	2,800,000.00	5. Reserved for Interest, Taxes, etc.,	385,142.87
6. U. S. Bonds and certificates pledged,		6. Interest collected, not earned,	312,758.13
7. U. S. Bonds and certificates not pledged,	625,000.00	7. Due to Federal Reserve Bank,	
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,	8,266,861.90
9. War Savings Stamps,		9. Certified Checks,	78,000.84
10. Bonds, Securities, etc. (pledged and unpledged),	4,803,860.00	10. Cashier's Checks Outstanding,	91,025.98
11. Federal Reserve Bank Stock,	180,000.00	11. Dividends Unpaid, 781.00	
12. Banking House, Furniture and fixtures 35,000.00 / 147,380.87	182,380.87	12. Demand Deposits: Ind. Dep. subject to check, (including items subject to notice of less than 30 days.) 21,074,657.45	
13. Other Real Estate Owned,	11,749.92	Cfds. of Dep. due in 30 days or less,	21,075,608.45
14. Due from Federal Reserve Bank,	5,018,180.76	13. Time Deposits:	
15. Due from Federal Reserve Bank Transit Account, Transit A/c	2,722,897.76	A. Savings Deposits (the aggregate of which is subject to notice of 30 or more days)	
16. Due from Trust Companies, Banks, and Bankers,	1,434,411.83 / 1,858,979.40	1. Evidenced by pass book, 2,826,518.97	
17. Exchanges for Clearing House,	255,810.88	2. Evidenced by Certificates of Deposit, 6,902,778.35	
18. Checks on other Banks in same place,		B. Other Deposits subject to 30 or more days' notice, 9,146.47	
19. Cash,	846,896.42	C. Postal Savings, 81,000.00	9,489,494.71
20. Cash Items,	101,979.98	14. United States Deposits, (Including U. S. Disbursing Officers.)	
21. Cash Short,		15. Circulation req'd, 2,800,000.00 / Less on hand and returned, 728,670.00	2,071,330.00
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	16. Bonds Borrowed,	550,000.00
23. Other Funds with Treasurer U. S.,		17. Bills Payable with Federal Reserve Bank and War Finance Corporation,	1,500,000.00
24. Other Assets (describe),		Bonds sold under Repur. Agr.	2,250,835.62
Items paid on Cert. of Dep.	3,823.25	18. Other Bills Payable,	1,500,000.00
After Hour debits	8,362.62	19. Notes and Bills Rediscounted with Federal Reserve Bank,	
		20. Other Notes and Bills rediscounted,	
		21. Bills of exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown in this schedule,	644,969.09
		22. Accepted Bills of exchange payable abroad,	
		23. Cash Letters of Credit and Travelers' Checks Outstanding,	
		24. Acceptances Executed to Furnish Dollar Exchange,	
		25. Acceptances Executed for Customers,	
		26. Time Drafts Issued,	
		27. Cash Over,	3,517.71
		28. Other Liabilities (describe),	
		Deferred credits	11,345.11
TOTAL,	38,525,698.20	TOTAL,	38,525,698.20

CONTINGENT LIABILITIES

Unused letters of credit outstanding, $ -0-

Future contracts to buy and sell exchange, $ -0-

Form 1428—Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 18

No. of Bank, 5513

DIRECTORS (Use Form 1430, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 5.

Par value of shares owned	Name	Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
	SEE EXTRA SHEET				
		Total,	1,762,470.50	1,287,965.88	
		Less duplications,	—	—	
		Net total,	1,762,470.50	1,287,965.88	
		Loans to officers (not directors) and employees (omit duplications),	776,484.51	13,532.79	
		Total,	2,538,955.01	1,301,518.67	

How many board meetings since last examination? 31

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	264,439.50	2,274,515.51
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	1,219,423.53	355,200.00

OFFICERS AND EMPLOYEES

	Name	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President,					
Vice President,					
Cashier,					
Assistant Cashier,	SEE EXTRA SHEET				
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety. Surety

Are officers and employees adequately bonded? Yes

Are bonds in force? Yes

In whose custody? Auditing Department

Were they inspected? Yes

Does record show directors have approved bonds? Yes. Bond also covers Louisville Trust Company employees.

9—1288

Exhibit 18

Form 1436 -- Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* December 30, 1929.

D I R E C T O R S.

Par value of shs. owned.	Name.		Post-office address.	Liability as payer	Liability as endorser	Occupation
1,000.00	John S. Akers	30	Louisville,Ky.	—	—	Vice-President
1,000.00	Hy. J. Angermeier	28	"	44,000.00	25,367.65	"
1,000.00	Dr. Oscar E. Block	27	"	25,700.00	—	Physician
1,000.00	Chas. H. Behmer	22	"	—	—	V.P. Lou. Title Co.
6,000.00	James B. Brown	19	"	181,844.50	409,075.00	President
1,000.00	R. Lee Callahan	27	"	—	95,000.00	Pres. Callahan & Sons.
1,000.00	Anthony J. Carroll	21	"	25,000.00	—	Attorney
1,000.00	Geo. M. Clark	27	"	284,000.00	97,600.00	Pres. Ohio Falls Iron Co.
1,000.00	Samuel W. Coons	28	"	24,000.00	—	Chr. Board, S. Oil Ky.
1,000.00	Allen P. Dodd	24	"	—	—	Attorney
1,000.00	Stuart E. Duncan	16	"	131,667.50	10,000.00	Pres. Peerless Caulbert Co.
1,000.00	Joseph H. Durham	24	"	—	—	V.P. Amer. Creosoting Co.
1,000.00	James Garnett	28	"	1,000.00	—	Attorney
1,000.00	Augustus Gray	28	"	—	—	V.P. Louisville Title Co.
1,000.00	James J. Haynes	29	"	12,500.00	—	Vice President
1,000.00	T. Kennedy Helm	25	"	1,000.00	—	Attorney
1,000.00	Bayler O. Hickman	18	"	113,000.00	—	Vice Pres. Ensld Iron Co.
1,000.00	C. C. Hiatt	27	"	45,128.00	445,712.45	Pres. Cons'l. Realty Co.
1,000.00	Saunders P. Jones	14	"	76,500.00	208,000.00	Pres. Jones Dabney Var. Co.
1,000.00	Milburn P. Kelley	29	"	2,500.00	—	Pres. Lou. Bedding Co.
1,000.00	Walter I. Kohn	25	"	26,156.17	—	Pres. Herman Straus & Sons.
1,000.00	S. Clay Lyons	13	"	253,000.00	—	Member W. L. Lyons & Co.
1,000.00	Chas. C. Mengel	19	"	—	—	Pres. Mengel & Co.
1,000.00	Thos. J. Minary	27	"	—	—	Chr. Board Lou. Ry. Co.
1,000.00	Edw. J. O'Brien, Jr.	16	"	188,758.33	—	Member, E. J. O'Brien & Co.
1,000.00	Hy. D. Ormsby	26	"	—	5,210.50	Vice President
1,000.00	John B. Pirtle	6	"	—	—	V.P. Louisville Tr. Co.
1,000.00	Arthur M. Rutledge	26	"	—	—	Attorney
1,000.00	Wm. S. Speed	17	"	340,000.00	--	Pres. Lou. Cement Co.
1,000.00	John Stites	26	"	6,700.00	—	Chr. Board, Lou. Trust Co.
1,000.00	Henry Vogt	19-	"	—	—	Pres. Hy. Vogt Machine Co.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 2-1

Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* December 30, 1929.

		OFFICERS. Liability as payer	Liability as endorser.	Bond	Other occupation
President	Jas. E. Brown	121,944.80	409,075.00		None
Vice Pres.	E. J. Angermeier	44,000.00	25,367.65		"
"	H. D. Crosby	—	5,210.50		"
"	J. J. Hayes	12,500.00	—		"
"	Frank I. Pugsa	1,750.00	—		"
"	E. B. Robertson	—	9,730.12		"
"	Henry Thiemann	182,000.00	—		"
"	John S. Akers	—	—		"
"	L. L. Fontaine	95,000.00	—		"
Cashier	Chas. F. James	182,000.00	—		"
Assistant Cashier	A. P. Bumser	30,000.00	—		"
	Oscar A. Block	25,700.00	—		"
	David W. Gray	—	—		"
	Thos. Green	—	—		"
	Pius E. Lee	29,000.00	3,822.87		"
	E. R. Grant	34,700.00	—		"
	F. L. Moseley	17,500.00	—		"
Auditor	W. T. Zurschmiede	37,500.00	—		"
Other employees	(106)	163,834.81	—		"

$750M blanket bond covers all officers and employees.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 2-2

Exhibit 18

Form 1488.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 2512 *Date of Report* December 30, 1929.

LIABILITIES OF DIRECTORS, OFFICERS, AND EMPLOYEES

	Direct	Indirect
H. J. Angenmeier	44,000.00	
Collateral: 600 shs. Van Camp Pkg. Co.		
1020 " BancoKentucky		
150 " Electric Refrigerating Co.		
200 " Louisville Ry.		
300 " Misler Elec. Corp.		
50 " Chas. Rosenheim Co.		
Sty - Electric Refrigeration Co.		20,000.00
End. - Geo. Ruff		5,367.65
	44,000.00	25,367.65
O. A. Klesk	25,700.00	
Coll: $1M. Amer. Furn. Mart. Bd.		
1,000 shs. BancoKentucky		
J. B. Brown - Joint with J. W. M. Stewart et al	181,844.50	
Coll: 40M C/D this bank		
Endorser - S. S. Schlesinger		125.00
C. M. Lewis		4,550.00
Herald Post (4th St. Office)		395,000.00
Guarantor - O. A. Klesk		700.00
M. H. Grant		4,700.00
L. L. Fontaine		4,000.00
	181,844.50	409,075.00
R. L. Callahan		
Endorser - Callahan & Sons		95,000.00
A. J. Carrell	25,000.00	
Coll: 145 shs. Standard Oil of Cal.		
1,000 shs. BancoKentucky		
Geo. M. Clark	284,000.00	
Coll: 71,600.00 C/D this bank		
5,125 shs. Amer. Turf, Assn.		
40 shs. Second National Bank, New Albany, Ind.		
2,000 shs. BancoKy.		
Endorser- Ohio Falls Iron Co.		90,000.00
Lucy Clark Boyce (4th St.Office)		7,600.00
	284,000.00	97,600.00
S. W. Cooms	24,000.00	
Coll: 500 shs. Corn Products Co.		
Frank I. Dugan	1,750.00	
Coll: 200 shs. BancoKy.		
E. E. Duncan	131,687.50	
Coll: 2,075 shs. Stand. Oil, Ky.		
20M Big Springs Golf Club Bds.		
100 shs. Stand Oil Ind.		
1,300 shs. Amer. Superpower Co.		
748 shs. United Corp.		
Endorser - W. C. Duncan		10,000.00
	131,687.50	10,000.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 2-5 *Examiner.*

Exhibit 18

Form 1488 - Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8518 Date of Report December 30, 1929.

LIABILITIES OF DIRECTORS, OFFICERS, AND EMPLOYEES - - - Cont'd.

	Direct	Indirect
L. L. Fontaine Coll: 3,540 shs. Bancoky.	98,000.00	
James Garnett Coll: 100 shs. Bancoky.	1,000.00	
H. R. Grant Coll: 1,800 shs. Bancoky.	34,700.00	
T. K. Halm Endorser - Hugh B. Fleece	1,000.00	
J. J. Hayes Coll: 600 shs. Bancoky.	12,500.00	
Bayler C. Hickman Coll: 220 shs. Amer. Turf Assn. 500 shs. Bancoky. 300 shs. U. S. Foil 200 shs. Reynolds Inv. $25M C/D on this bank 2,800 shs. Bancoky 800 shs. Rinald Iron Co. com.	115,000.00	
C. C. Hiett Coll: $8,500.00 notes of Gardens Communities Corp. 100 shs. Cons. Realty Co. com. Joint with H. J. Schierich Discount of Consolidated Realty Co. - Jt. with H. J. Schierich Guarantor - Consolidated Realty Co. Endorser - General Realty Co. A. V. Thompson Gardens Communities Corp. Consolidated Realty Co. - indirect	25,550.00 12,000.00 9,595.00	276,700.00 130,680.00 11,782.32 12,882.55 13,768.78
	45,125.00	445,718.45
C. F. Jones Coll: 8,540 shs. Bancoky.	182,000.00	
S. P. Jones - Coll: 2,200 shs. Jones Dabney Co. $15M C/D this bank. Endorser - Jones Dabney Co. (4th St. Office) Veartmer D. Smith	76,500.00	200,000.00 2,000.00
	76,500.00	202,000.00
Milburn P. Kelley Coll: 100 shs. Bancoky.	2,500.00	
Walter I. Kahn Coll: 776.00 C. A. Bodwell 2nd Mtg. note. 400 shs. Stand. Oil Ky. 50 shs. National City Bank, New York.	26,155.17	
Edward E. Led Coll: 1,600 shs. Bancoky. Endorser - Margaret Weber Mary L. Lee	29,000.00	220.00 3,602.67
	29,000.00	3,822.67
S. C. Lyons Coll: 400 shs. Bancoky. Member of firm W. L. Lyons & Co.	8,000.00 248,000.00	
	255,000.00	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-4

Exhibit 18

Form 1430—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* December 30, 1929

LIABILITIES OF DIRECTORS, OFFICERS, AND EMPLOYEES - - - - Cont'd.

	Direct	Indirect
F. L. Moseley	17,500.00	
Coll: 700 shs. Bancoky		
400 shs. Commonwealth & Sou.		
E. J. O'Brien, Jr.	68,758.33	
Coll: $15M C/D this bank		
2,000 shs. Bancoky		
800 shs. National Bank of Ky. (Trusteed)		
Member of firm - E. J. O'Brien & Co.	100,000.00	
	168,758.33	
H. D. Crumby		
Endorser - St. Marks Church		1,500.00
H. V. Sanders, Jr.		1,080.80
Webster Moore		150.00
Guarantor - Dawson Daylight Coal Co.		2,500.00
		5,210.80
A. P. Ramser	30,000.00	
Coll: 1,500 shs. Bancoky.		
E. B. Robertson		
Endorser - Crescent Hill Baptist Church		9,000.00
Jno. H. Chandler		475.00
H. L. Armstrong		255.12
		9,730.12
John Stites		660.00
Endorser - J. H. Stites		
Jarrett Stites		4,180.00
Henry H. Sweets		300.00
		5,140.00
John Stites	6,700.00	
Coll: $5M Lewis Tr. Co. bds.		
$5M O. H. Kalsall - lien notes		
100 shs. Bancoky.		
Henry Thieman	162,000.00	
Coll: 10,000 shs. Bancoky.		
Wm. Speed	340,000.00	
Coll: 5,800 shs. Bancoky		
1,200 shs. A. T. & S. F. Ry. Co.		
400 shs. Ill. Cent. R. R. Co. com.		
400 shs. L. & N. R. R. Co. Com.		
W. T. Zumschmiede	37,500.00	
Coll: 1,700 shs. Bancoky.		

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-6

Exhibit 18

Form 1436.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5512 *Date of Report* December 30, 1929.

LIABILITIES OF EMPLOYEES (Parent Bank)

NAME	AMOUNT	COLLATERAL
Sarah Byrd Adams	200.00	10 shs. Bancoky.
Catherine Antonini	115.00	5 " "
Frank Bader	480.00	20 " "
John P. Bauscher	95.00	5 " "
A. H. Bobbt	1,150.00	50 " "
		100 " Ford, Ltd.
Mary A. Bernsden	710.00	30 " Bancoky.
Bart A. Brown	22,500.00	1060 " "
Daniel Brumer	250.00	10 " "
Sarah Jane Buckman	240.00	10 " "
Jas. Coomes	2,500.00	100 " "
Frank Crabb	115.00	5 " "
Mary Catherine Craig	125.00	5 " "
Gertrude Crutcher	500.00	20 " "
Margaret C. Davis	500.00	21 " "
Theodore J. Deese	750.00	30 " "
W. E. Dressing	200.00	8 " "
E. J. Dreppelman	225.00	10 " "
Christine Elvin	125.00	5 " "
James H. Erdman	175.00	12 " "
Leo E. Fath	1,675.55	50 shs. "
		100 shs. Atlantic Bk.& Tr.Co. Daytonia Beach, Fla.
Marjorie Fontana	125.00	5 shs. Bancoky.
Margaretta Gaines	250.00	10 " "
Wm. H. Goering, Jr.	115.00	5 " "
Bruzey D. Greene	375.00	15 " "
Erma Green	125.00	5 " "
C. H. Gwyn	1,000.00	40 shs. "
		$800.00 L.L.Bds.
Robert H. Haag	1,250.00	50 shs. Bancoky
Isabell Hagedorn	244.00	10 " "
Catherine Hagen	125.00	5 " "

To the Comptroller of the Currency,
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Examiner.

EXTRA SHEET PAGE 2-6

Exhibit 18

Form 1498—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* December 30, 1929.

LIABILITIES OF EMPLOYEES - - - Cont'd.
(Parent Bank)

NAME	AMOUNT	COLLATERAL
Mary Hannan	256.10	20 shs. Bancoky.
Thomas Harrod	125.00	5 " "
E. E. Hemp	225.00	20 " "
Lee Hendricks	125.00	10 " "
Jno. H. Hess	250.00	10 " "
Carl Hillerich	120.00	5 " "
Elizabeth Huette	315.00	17 " "
Olivia Kominberg	250.00	10 " "
Louise Kardas	115.00	5 " "
Kathryne Kiley	48.00	2 " "
J. J. Kimbal	5,000.00	200 " "
		60 shs. Tell City Desk Co.
Geo. T. Kinnarney	38,375.00	2500 shs. Bancoky.
R. F. Klunder	125.00	5 " "
A. W. Knoechelman	350.00	10 " "
		5 shs. Stand. Oil Of Ky.
Raymond L. Koehler	250.00	10 shs. Bancoky.
Chester Lauer	500.00	21 " "
Margaret Leamy	510.33	20 " "
Frank J. Leehleiter	450.00	20 "
Walter E. Lincoln	250.00	10 " "
Wm. B. McNulty	375.00	15 " "
Mahonay Monica	125.00	5 " "
Thos J. Maloney	220.00	10 " "
Cecil T. Marshal	125.00	5 " "
Alma Mattingly	225.00	10 " "
Elizabeth Mattingly	180.00	800 Lou. G. & E. Co. Bd.
		5 shs. Bancoky.
C. M. Miller	375.00	15 " "
Stephen P. Mongan	220.00	10 " "
Catherine D. Mooney	13,547.00	500 shs. "
		281 shs. Amer. Turf. Assn.
		10 Stand. Oil NJ
		6 shs. Stand Oil Ky.
Irene Moosman	105.00	5 shs. Bancoky.
Stewart Morgan	1,000.00	50 shs. "

To the Comptroller of the Currency,
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Examiner.

Exhibit 18

Form 1450.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5312 *Date of Report* December 30, 1939.

LIABILITIES OF EMPLOYEES - Cont'd. (Parent Bank)

NAME	AMOUNT	COLLATERAL
Peter J. Murphy	1,250.00	50 shs. Bancoky.
Wilbur I. Newhouse	11,000.00	400 shs. " 256 " Amer. Turf. Assn.
J. Pilsen	250.00	10 shs. Bancoky.
Lawrence Putnam	115.00	5 " "
C. L. Revenaugh	250.00	10 " "
Jas. S. Reynolds, Jr.	1,150.00	62 " "
W. S. Ritman	600.00	25 " "
Clema Roby	115.00	5 " "
E. J. Raque	1,250.00	50 " "
Geo. Ruffner, Jr.	125.00	5 " "
Susan M. Scanland	1,361.99	48 " "
Wm. F. Scharfenberger	500.00	20 " "
John W. Schleutker	500.00	50 " "
Ada L. Schuberth	208.00	10 " "
Curtis G. Scott	95.00	5 " "
Ernest J. Speckman	426.25	40 " "
Comdit Steele	125.00	5 " "
A. J. Staltingpohl	375.00	10 " " $1,160.00 F. W. Schwenhart - note.
Mabel Thompson	110.00	5 shs. Bancoky.
John Thomas	1,250.00	50 " "
Orville Truman	1,654.07-	50 " " 404.07 Saving A/c
E. W. Walker	5,078.33	200 shs. Bancoky.
Philip B. Watson	4,500.00	200 " "
Louis N. Woodward	1,220.00	50 " "
Louise Wright	625.0	25 " "
	134,348.40	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 2-C

Exhibit 18

Form 16a—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* December 30, 1929.

FOURTH STREET BRANCH

LIABILITY OF EMPLOYEES.

Adams, Walter M. Collateral: 25 Banco; 25 25/30 Com. & Sou. Value $825.00.	$786.62
Adamson, Chester F. Collateral: 10 Banco - Estimated value $300.00.	285.62
Barnett, Robert L. Collateral: 5 Banco - estimated value $100.00.	85.61
Bohanon, Clarence W. Collateral: 10 Banco - Estimated value $300.00.	236.87
Corcoran, C. Paul Collateral : 10 Banco - Estimated value $300.00.	223.92
Davis, Paul A. Collateral: 100 Banco - Estimated value $2,000.00.	2,275.00
Ganz, Joseph H. Collateral: 20 Kavanaugh Debbs; 10 Selected Industries; 10 American Turf; 10 Louisville G. & E. "A"; 10 Standard Ky. Estimated value $1,210.00.	1,070.48
Gordon, Angus W. Collateral : 10 Banco - Estimated value $300.00.	194.78
Harriman, Geo. Collateral : 50 Banco - Estimated value $1,000.00.	1,015.00
Hogan, Mary H. Collateral : 180 Am. Turf; 100 Canadian Marconi; 80 Com. & Sou; 50 Gen. Motors Com.; 50 Niagara Hudson Pwr. Co.; 100 Banco, estimated value $8,540.00.	7,695.75
Hosch, Warren, F. Collateral: 20 Reynolds Inv. Com. 50 American Tuff. 20 Banco Estimated value $1850.00.	1,827.90
Jenson, J. E. Collateral: $1,000.00 Portland Rwy. 1st 5/30; 140 Banco. Estimated value $3,800.00.	3,857.63
Kigel, John W. Collateral: 55 Banco. Estimated value $1,100.00.	1,403.42
Metz, Raymond L. Collateral: 50 Standard, Ky. 60 Turf 20 Banco. Estimated value $3,800.00.	2,755.18
Mitchell, Harold Collateral: 20 Banco - Estimated value $400.00.	307.42
Moeller, Rudolph A. Coll: $180.00 Adjusted Compensation Cf. 25 Banco, estimated value $786.75.	786.75

To the Comptroller of the Currency, *Washington, D. C.*

EXTRA SHEET PAGE 2-8 *Examiner.*

Exhibit 18

Form 1460.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* December 30, 1929.

FOURTH STREET BRANCH - Cont'd.

LIABILITIES OF EMPLOYEES.

Schwab, Paul E. Collateral: 20 Bonds - estimated value $400.00.	456.90
Traeger, George Collateral: 20 Bonds - estimated value $400.00.	434.38
Volpert, Allen W. Collateral: 200 Bonds - estimated value $4,000.00.	2,900.00
Trudeau, Harold B. Coll : 10 Bonds - estimated value $200.00.	203.18
	23,988.11

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 9-10

Examiner.

Exhibit 18

Form 1488.—Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8813

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?

Banks, brokers, merchants, manufacturers, tobacco interests, coal operators, and investors on collateral basis.

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?

No. See Large Lines and heavy concentrations on loans collateraled by stock of BancoKentucky and American Turf.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.

Listed and unlisted stocks and bonds, warehouse receipts, bills receivable. Register maintained.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.

SEE EXTRA SHEET

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reason.

No especial criticism

6. State whether all paper claimed by the bank as its property, including collateral, appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.

A few minor exceptions called to attention of officers

7. Give highest, lowest and average rate of interest obtained.

8-6- average 6% - Minimum - 30%

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.)

SEE EXTRA SHEET

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through indorsement of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for bank's benefit exists, describe fully.

Probably no legal liability. Most certainly a moral one exists.

10. Do they take loans to accommodate other banks, and to what extent?

Yes - Take a few for accommodation of country correspondents.

11. Does sending bank appear to be in any way liable? (See No. 10.)
List liabilities of National Banks.

SEE EXTRA SHEET

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)

Files are fair only - They do not measure up to the standards set by the better National banks.

Exhibit 18

Form 1488.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* December 30, 1929.

LIABILITIES OF CORPORATIONS IN WHICH DIRECTORS ARE INTERESTED.

	Direct	Indirect
Callahan & Sons. Director Callahan interested and endorses.	95,000.00	
Consolidated Realty Co. Secured by sundry B/R. Guaranteed by C. C. Hiett.	276,700.00	13,758.78
Electric Refrigeration Co. Director Angermeier interested and guarantees.	80,000.00	10,013.50
General Realty Corporation Endorsed by H. J. Scheirich and Director Hiett. Collateral: $133,966.67 B/R's.	130,650.00	
Gardens Communities Corp. Endorsed C. C. Hiett.	12,885.35	
Hart Mfg. Co. Vice-President Akers interested.		80,471.32
Herald Post Co. Director Brown interested and endorses.	395,000.00	
Hoffman Heater Co. Director Ormsby interested.	37,500.00	
Indiana Cotton Mills Co. Director Ormsby interested.	75,000.00	
Kentucky & Indiana Terminal R. R. Co. Director Ormsby interested.	67,000.00	
Ohio Falls Iron Co. Endorsed by Director Geo. M. Clark.	90,000.00	2,537.91
Peerless Caulbert Co. Director Duncan interested.	50,000.00	
Hynam Pickle Co. Director Ormsby is director.	70,400.00	
Dawson Day Light Coal Co. Director Ormsby is director, and endorses $2,500.00.	45,500.00	
James Dalmey Co. Collateral: $56,000.00 C/D Director James interested and endorses.	200,000.00	
Chas. Rosenheim Co. Director Angermeier interested.	11,000.00	
Herman Strauss and Co. Rediscount - Caldwell & Co. Director Kohn interested.		105,199.97
	1,574,635.35	211,961.48

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 3-1

Examiner.

Exhibit 18

Form 1430 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* December 30, 1939.

LOANS SOLD BY THE NATIONAL BANK OF KENTUCKY, LOUISVILLE, KENTUCKY.

MAKER	BANK TO WHICH SOLD	AMOUNT
Ades, Terrell B. & Sons Collateral: 100 Standard Indiana, estimated market value $5,400.00.	Crab Orchard Banking Company, Crab Orchard, Kentucky.	$ 2,800.00
Arterburg, S. B. Collateral: 10 Lou. G. & E. 5 Sutcliffe Pfd. 200 Reynolds Inv. com. $1,000.00 Kingdom of Belgium 7's 51 estimated market value $5,339.00.	Breckenridge Bank, Cloverport, Ky	3,435.88
B. & B. Laundry & Towel Supply Co. Collateral: $5,000.00 Lou. Title.	Citizens Bank, Cumberland, Ky.	4,200.00
Barker, Kenneth A. Collateral: 300 Banco, estimated market value $6,000.00.	Citizens Union Bank, Central City, Ky.	5,625.00
Barker, Thomas A. Collateral: 30 Avery B. & L, estimated value $3,000.00.	First National Bank, Buffalo, Ky.	2,000.00
Bell, Junius W. Collateral: 100 Lou. G. & S. 6% 200 Lou. G. & E. 7% Pfd. estimated market value $32,700.00.	Bank of Whitesville, Ky.	9,000.00
Bauchel, Geo. Collateral: 300.00 L. L. bonds; $1,000.00 Bethlehem Steel 6's -48 110 Cities Service (old) 745 Sutcliffe Com. estimated market value $87,340.00.	Breckenridge Bank, Cloverport, Ky.	15,300.00
Blitz, Samual S. Collateral: 165 Standard Ky. 200 Am. Radiator, estimated market value $11,645.00.	Peoples Exchange Bank, Bonttyville	9,000.
Blitz, Samual S. Collateral: 200 Mo. Pac. Estimated market value $17,600.00.	Peoples Bank, Gravel Switch, Ky.	5,000.00
Block, O. A. Collateral: 8 Continental Shrs. 5 Ky. Utilities Pfd. estimated market value $723.00.	do.	500.00
Bowman, T. W. Collateral: 600 Banco, estimated market value $12,000.00	Farmers & Peoples Bank, Campbellsville, Ky.	10,000.00
Brodsby, Nancy R. Collateral: Int. Shoe, estimated market value $36,800.00.	National Bank of Middlesboro, Ky.	15,000.00

To the Comptroller of the Currency,
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EXTRA SHEET PAGE 3-2

Examiner.

Exhibit 18

FORM 1436 - REPORTS
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* December 30, 1929

SOLD LOANS - - Cont'd.

Brown, George Collateral: $10,000.00 Tennessee & Ft. Smith Ry. 5½'s - 80 $5,000.00 City of Rome 6½'s - 52 247 Standard, NY; 80 Standard, Ind. Estimated market value $23,588.00.	National Bank of Middlesboro, Ky.	$14,500.00
Brown, George Collateral: 188 Standard, Ky. 100 Standard, Ind. Estimated market value $11,600.00.	First National Bank, Central City, Ky.	6,500.00
Brown, Joseph L. Collateral: 15 Rylleaby A; 4 Rylleaby B; 80 Utilities & Industries Pfd. Estimated market value $1,650.00.	First National Bank, Buffalo, Ky.	1,500.00
Brown, Sallie J. Collateral: 20 Artom-Fisher A; 125 Middlewest Utilities; 6 Comm. Edison; 10 Public Ser. Nor. Ill.7% Pfd. Estimated market value $7,510.00.	Bank of Whitesville, Ky.	4,000.00
Buchanan, John Collateral: 200 Courier-Journal Job. Ptg. Pfd. 55 Courier-Journal Job. Ptg. Com. Estimated market value - (No quotation available)	Deposit Bank, Crete, Ky.	6,072.00
Buchanan, John Collateral: 100 Coca Cola 50 L. & N. Estimated market value $19,900.00.	Peoples Exchange Bank, Beattyville, Kentucky.	14,900.00
Cohn, Nathan H. Collateral: 87 L. & N., value $11,350.00.	Farmers National Bank, Clay, Ky.	5,000.00
Callahan, R. L. Collateral: 687 Standard, Ky. Estimated market value $22,671.00.	National Bank of Middlesboro, Ky.	15,000.00
Cardwell, J. C. Collateral: 500 Banco 250 United Coal. Estimated market value $14,250.00	do.	10,000.00
Carmichael, H. S. & C. Collateral: 150 Asphalt, Estimated market value $3,750.00.	State Bank, Grady ville, Ky.	2,598.84
Carroll, A. J. Collateral: 375 Standard, Ky. 187 Curtis Wright, Estimated market value $13,870.00.	Henderson (Ky.) Co. Sav. Bank	13,500.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 2-6

Examiner.

Exhibit 18

Form 1420.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8813 *Date of Report* December 30, 1929.

SOLD LOANS - - Cont'd.

Carroll, A. J. Collateral: 392 American Turf Estimated market value $9,800.00.	Whitesville, Ky. Bank	6,000.00
Cary, Rowland Collateral: 200 American Radiator, Estimated market value $7,800.00.	do.	3,250.00
Casey, A. B. Collateral: 300 Standard, Ky. Estimated market value $9,900.00.	Peoples Exchange Bank, Beattyville, Ky.	6,800.00
Clarke, Elizabeth H. Collateral: 45 Anaconda; 80 Int. Shoe 20 Pennroad; 3 Comt. Shares conv. pfd. 24 Comt. Shares com; Wts. to buy 150 Asphalt Estimated market value of all collateral $10,271.00	Breckenridge Bank, Cloverport, Ky.	7,000.00
Coady, Mary K. Collateral: 100 Bonsc; 20 Standard, NJ. 190 Comm. Sou. Estimated market value $6,045.00.	Bank of Wingo, Ky.	4,000.00
Cogar Grain & Coal Company Collateral: Whse. Rcts. 10,000.bu. wheat; $10,000.00 insurance. Estimated market value $18,800.00.	National Bank of Middlesboro, Ky.	7,500.00
Connaughton, Sue G. Collateral: 100 Bonsc; 50 Phillips Pet. 50 Standard Calif; $1,000.00 Penn. R. R. 6's - 36 Estimated market value $7,070.00.	do.	5,800.00
Connors, Mary Collateral: 23 Lou. G. & E. 7% pfd; 12 Lou. G. & E. 6% Pfd. Estimated market value $3,766.00.	First National Bank, Buffalo, Ky.	2,780.00
Danforth, Florence S. Collateral: 25 U. S. Steel. Estimated market value $3,887.00.	Wallins National Bank, Wallins Creek, Ky.	2,348.77
DeSoto, Joseph Collateral: 100 Standard, Ky; 100 Standard, NJ. Estimated market value $9,800.00.	Carydon Ind. State Bank	8,500.00
Dinwiddie, Mattie Collateral: 125 Standard, NJ. 1347 Comm. & Sou. 371 Comm. & Sou. Wts. Estimated market value $21,272.00.	National Bank of Middlesboro, Ky.	14,850.00
Dollar, James G. Collateral: $5,000.00 Belgium 8's 41 $7,000.00 Vicksburg & Torm. 7's - 48 Estimated market value $11,400.00.	do.	10,000.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

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Exhibit 18

Form 1488 – Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* December 30, 1929.

SOLD LOANS - - - Cont'd.

Edwards, James P. Collateral: 500 Axton Fisher "A" 100 Axton Fisher Pfd. Estimated market value $88,500.00.	First State Bank, Pineville, Ky.	18,095.00
Farmaley, E. H. J. C. Koch. Collateral: 80 Ohio Valley B. & L. Fully Paid, Shively, Ky.	First National Bank, Buffalo, Ky.	3,400.00
Fitch, Bertha Sodem Collateral: 71 Standard, Ky. Estimated market value $2,343.00.	do.	1,800.00
Frank, Maude Lee Collateral: 80 Standard, Calif. Estimated market value $3,000.00.	Green River Dep. Bank Rochester, Ky.	2,500.00
France, S. E. Collateral: 535 Standard, Ky. Estimated market value $17,325.00.	Farmers Bank & Trust Co., Williamsburg, Ky.	10,000.00
Gardner, James L. Collateral: 128 Int. Harvester, Estimated market value $10,112.00.	Henderson (Ky.) Co. Sav. Bank	7,000.00
Gathright, Owen Collateral: 150 Cities Service; 50 West Penn. Elec. 7% Pfd. Estimated market value $9,600.00.	Farmers Bank, Antertown, Ky.	5,000.00
Glazebrook, James Collateral: 100 Vacuum Oil. Estimated market value $9,600.00.	Breckenridge Bank, Cloverport, Ky.	5,000.00
Graham, Chas. L. Collateral: 100 Reynolds Inv. Com. Estimated market value $1,000.00.	Peoples Bank, Gravel Switch, Ky.	800.00
Grau, A. C. Collateral: 200 Banco 90 Am. Turf; 86 Lou. G. & E. A. esti- mated market value $8,308.00.	Greensburg, Ky. Deposit Bank	5,800.00
Grau, Lewis C. Collateral: 60 American Turf, Estimated market value $1,200.00.	do.	850.00
Griffin, Chas. E. Collateral: 440 Axton Fisher B, Estimated market value $16,720.00.	Peoples Bank, Gravel Switch, Ky.	5,000.00
Haas, W. A. Collateral: $9,000.00 Franklin Bond & Mtg. Co.	Greensburg, Ky. Deposit Bank	8,000.00
Harris, L. I. Collateral: $2,000.00 L. & N. 7's -30 1,000.00 L. H. & St. L. 200 Standard O. & E. 1,000.00 Memphis Nat. Gas. 6's-43	Peoples Exchange Bank, Beattyville, Ky.	18,000.00

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Exhibit 18

Form 1480. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* December 30, 1929.

SOLD LOANS - - Cont'd.

L. I. Harris - Cont'd.

$1,000.00 L. & N. 4's - 40
2,000.00 Louisville Ry. 5's - 50
2,000.00 Mally Sugar 6's - 43
Estimated value $27,702.50.

Harris, L. I. Collateral: 100 Union Planters Bank, Memphis, Tenn. 350 Comm. & Sou. 100 Chi. & Ot. Western; 100 Home Publishing; $1,000.00 Louisville G. & E. 6's -37 Estimated market value $14,870.00.	Breckenridge Bank, Cloverport, Ky.	10,000.00
Heyburn, John G. Collateral: 1,720 Belknap Hdw. Estimated market value $34,400.00.	National Bank of Middlesboro, Ky.	15,000.00
Hall, Joseph Sr. Collateral: 10 Lou. G. & E. 7% Pfd. 20 Lou. G. & E. 6% Pfd. Estimated market value $3,160.00.	Wallins National Bank, Wallins Creek, Ky.	2,100.00
Heath, Harry M. Collateral: 500 Banco. Estimated market value $10,000.00	Monticello, Ky. Banking Co.	10,150.67
Herrman, Louis J. Collateral: 288 Am. Turf, Estimated market value $5,160.00.	Breckenridge Bank, Cloverport, Ky.	6,100.00
Hasefield, E. D. Collateral: 110 Banco. - Value $2,200.00.	Farmers Bank, Centertown, Ky.	2,200.00
Hoskins, O. M. Collateral: 100 Harland Ky. Ice & Refirg. Co. No quot. available.	Breckenridge Bank, Cloverport, Ky.	6,000.00
Humphrey, Susan Collateral: 50 L. & N. value $3,900.00.	Lee Co. Dep. Bank, Beattyville, Ky.	1,000.00
James, Preston W. Collateral: 300 Brown Shoe Estimated market value $12,300.00.	Crab Orchard, Ky. Banking Co.	8,959.15
Johnson, Chas. A. Collateral: 800 Bank, mkt. value $4,000.00.	Bank of Whitesville, Ky.	5,000.00
Kalbreier, L. P. Collateral: 50 M. K. & T. 100 Western Maryland. Estimated market value $5,950.00.	First National Bank, Glasgow, Ky.	2,000.00
Key, Henry M. Collateral: American Cyanamid B; 31 Standard, Ky. Estimated market value $5,910.00.	First National Bank, Buffalo, Ky.	5,259.00
Klapheke, J. W. Collateral: 200 Standard G. & E. Estimated market value $2,800.00.	National Bank of Middlesboro, Ky.	7,800.00

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Examiner

Exhibit 18

Form 1436—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8512 *Date of Report* December 30, 1929.

SOLD LOANS - - - - Cont'd.

Kruner, A. W. Collateral: 22 American Radiator. Estimated market value $2,460.00.	Crab Orchard, Ky. Mkg. Co.	2,575.84
Tapsey, J. S. Collateral: 28 United States Trust Co. Market value $11,400.00.	Farmers Natl. Bk. Scottsville, Ky.	6,122.04
Latta, A. E. Collateral: 100 Automatic Washer Pfd. 100 shs. in the South; 25 Am. Radiator; 100 Lou. G. & E. "A" $2,000.00 Texas Corp; 100 Van Camp Pkg. Com. Estimated market value $15,560.00.	French Lick (Ind.) State Bank	10,000.00
Loesom, A. C. Collateral: 70 Kennecott; 100 Gold Dust; 25 Cerro de Pasco. Estimated market value $9,375.00.	Bank of Whitesville, Ky.	7,300.00
Agree Collateral: 100 Lou. G. & E. A. Estimated market value $3,500.00.	Green River Deposit Bank, Rochester, Ky.	2,000.00
McDevitt, Ben Collateral: $5,000.00 Lou. G. & E. 6% Bonds. Estimated market value $5,465.00.	Citizens Bank, Cumberland, Ky.	3,500.00
McDowell, W. Wallace Collateral: 100 U. S. Steel. Estimated market value $16,000.00.	National Bank Middlesboro, Ky. Bank of Whitesville, Ky.	6,000.00 6,000.00
McRoberts, O. A. Collateral: 200 Ky. Utilities Jr. Pfd. 20 Fur. H/B, Danville, Ky. Estimated market value $10,000.00.	Farmers National Bank, Clay, Ky.	5,000.00
Manning, John W. Collateral: 20 Lou. G. & E. 6% Pfd. Estimated market value $2,000.00.	First National Bank, Charlestown, Ind.	1,000.00
Miller, Monie E. Collateral: 1288 Comm. Life. Estimated market value $6,220.00.	Farmers National Bank, Scottsville, Ky.	5,500.00
Milner, Chas. W. Collateral: 18 lot H/B, Louisville. Estimated market value $4,600.00.	Farmers National Bank, Centertown, Ky.	4,000.00
Morris, Andrew H. Sr. Collateral: $10,000.00 L/L Bonds.	H/B Middlesboro, Ky.	6,000.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

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Exhibit 18

Form 1489—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* December 30, 1939.

SOLD LOANS - - - Cont'd.

Moses, Harold H. Collateral: $4,000.00 Ky. Title Co.	First National Bank, Charlestown, Ind.	3,061.50
Munn, W. G. Collateral: 40 Texas Corp; 10 Nor. Pacific. Estimated market value $2,860.00.	Green River Dep. Bank, Rochester, Ky.	2,000.00
Mural, Mrs. W. J. Collateral: 200 Bonds $2,000.00 Ky. Title Bonds. Estimated market value $6,000.00.	Greensburg, Ky. Dep. Bank	5,000.00
Orwin, George Collateral: 5 Kroeger 20 Radio 20 Gen. Motors Com. 5 Am. T. & T. 13 Curtis Wright "A" 45 Curtis Wright Com. 10 Fox Film "A" Estimated market value $4,542.00.	Crab Orchard Ky. Banking Co.	4,000.00
O'Sullivan, M.B. Collateral: 200 Standard, Ky. Estimated market value $6,600.00.	Bank of Whitesville, Ky.	4,100.00
O'Sullivan, Martha B. Collateral: 750 Standard, Ky. Estimated market value $24,750.00.	Corydon, Ind. State Bank	12,453.00
Raque, Frank Collateral: 55 Utilities & Ind. Pfd. 100 American Turf, Estimated market value $5,100.00.	Citizens Bank, Cumberland, Ky.	3,000.00
Redman, G. Lee Collateral: 100 Standard Ky. 100 Am. Radiator. Estimated market value $6,500.00	Farmers National Bank, Scottsville, Ky.	5,000.00
Rhodeman, Wm. Collateral: 100 Ky. Utilities Pfd. Estimated market value $5,000.00.	Farmers National Bank, Clay, Ky.	3,468.87
Rutledge, Arthur M. Collateral: 50 Lou. G. & E. 6% Pfd. Estimated market value $5,250.00.	Lee Co. Bank, Beattyville, Ky.	3,500.00
Ryan, Clara K. Collateral: 31 L. & N. Estimated market value $4,030.00.	do.	3,000.00
Scales, J. H. Collateral: 25 Citizens Union Bank Estimated market value $12,500.00.	Peoples Exchange Bank, Beattyville, Ky.	10,000.00
Schwab, Joseph, Jr. Collateral: $5,000.00 Lou. Ky. 5's - 50 Estimated market value $4,250.00	Bank of Whitesville, Ky.	3,871.17

To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 18

Form 1430—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* December 30, 1930.

SOLD LOANS - - - Cont'd.

Schwertzer, Fannie C. Collateral: 15 Lou. G. & E. 6% Pfd. 25 Lou. G. & E. "A" 15 Asphalt Pfd. 25 Ot. Northern Pfd. Estimated market value $6,240.00	Bank of Whitesville, Ky.	5,000.00
Semple, Geo. C. Collateral: $2,000.00 L. & N. 4½'s - 51 $2,000.00 Rochester Ry. 5's- 30 $1,000.00 Am. T. & T. 5½'s - 43 Estimated market value $5,140.00.	do.	5,000.00
Smart, John W. Collateral: 250 Cont. Shares, Estimated market value $7,500.00.	do.	6,000.00
Smith, Gran W. & Sons Collateral: 100 Lou. Ry. 11 Funderal Auto. Market value Lou. Ry. - $1,500.00 No quot. available on Funeral Auto Company which is a local stock and has no market.	Farmers Bank, Centertown, Ky.	3,500.00
Smith, Wm. E. Collateral: 200 Standard, Calif. Estimated market value $12,800.00.	National Bank of Middlesboro, Ky.	6,800.00
Spillman, L. C. Collateral: 50 Reynolds Inv. Pfd. Estimated market value $1,062.50.	Corydon (Ind.) State Bank	1,000.00
Spillman, L. C. Collateral: 140 Reynolds Metals, Estimated market value $3,150.00. The two above mentioned lines are secured by excess on other collateral held by the National Bank of Kentucky sufficient to protect them against loss.	Farmers National Bank, Scottsville, Ky.	3,991.17
Stewart, W. K. Collateral: 40 1st M/B Louisville, Estimated market value $17,000.00.	National Bank of Middlesboro, Ky.	12,000.00
Stum, F. P. Collateral: 200 Texas Corp. Estimated market value $11,000.00.	do.	13,840.00
Stum, F. P. Collateral: 200 Standard NJ, Estimated value $13,000.00.	Peoples Exchange Bank, Beattyville, Ky.	9,096.65
Sullivan, Mayme Collateral: $2,000.00 L/L Bonds.	Bank of Whitesville, Ky.	2,000.00
Taylor, E. Leland Collateral: 1200 Banco Estimated market value $24,000.00	Peoples Exchange Bank, Beattyville, Ky.	18,000.00

To the Comptroller of the Currency,
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Examiner.

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TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* December 30, 1929.

SOLD LOANS - - Cont'd.

Thieman, Henry, Jr. Collateral: 100 Standard, Ind. Estimated market value $5,300.00.	First National Bank, Buffalo, Ky.	2,500.00
Thompson, R. P. Collateral: 40 Carter D. G. Louisville (No. quo. available)	Henderson (Ky.) Co. Sav. Bank	2,800.00
Threlkeld, W. S. Collateral: 120 Chrysler; 100 Lago; 300 Intercontinental Rubber 400 Texas Gulf; 110 Cont. Oil. Estimated market value $31,380.00.	Citizens Union Bank, Central City, Ky. Bank of Whitesville, Ky.	8,000.00 7,500.00
Thurman, T. H. Collateral: 600 Standard G. & E. Estimated market value $69,000.00.	First State Bank, Pineville, Ky.	29,000.00
Vaughn, Robert F. Collateral: 500 Banco Estimated market value $10,000.00.	Citizens Union, Central City, Ky.	7,500.00
Veiero, D. T. Collateral: 100 Armour Del. Pfd. $5,000.00 Bogota 8's 45 Estimated market value $12,250.00	Farmers Bank, Centertown, Ky.	3,500.00
Warfield, N. W. Collateral: 175 Lou. Paper - no quo. available on this stock- a local issue without market value.	Breckenridge Bank, Cloverport, Ky.	7,500.00
Wedding, C. C. Collateral: 500 Banco Estimated market value $10,000.00.	Carydon (Ind.) State Bank	7,700.00
Wheeler, Blakemore Collateral: 650 Standard, Ky. Estimated market value $21,000.00.	National Bank of Middlesboro, Ky.	10,000.00
Wheeler, Elizabeth J. Collateral: 150 Comm. Life. Estimated market value $10,500.00.	Breckenridge Bank, Cloverport, Ky.	5,200.00
Williams, R. R. Collateral: 5 Morris Plan Ind. Bank 10 United States Trust Co. Estimated market value $3,500.00.	First National Bank, Buffalo, Ky.	2,500.00
Woolfolk, Fanny O. Collateral: 150 American Rad. 58 Citizens Union N/B Estimated market value $39,300.00.	Bank of Whitesville, Ky.	9,347.70
Zehnder, John L. Collateral: 500 American Radiator Estimated market value $15,000.00.	National Bank, Middlesboro, Ky.	9,138.00

To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 18

TREASURY DEPARTMENT
Office of Comptroller of the Currency

832

No. of Bank _____ Date of Report December 30, 1929.

LOANS MADE DIRECT BY COUNTRY CORRESPONDENT BANKS TO CUSTOMERS OF THE NATIONAL BANK OF KENTUCKY AND REDISCOUNTED BY THEM.

Name of Borrower & Collateral	Bank Holding Loan	Amount of Loan
Alnstedt Bros. Collateral: 1,000 Comm. Life; 1,300 American W.W. & Elec. Estimated market value $100,000.00.	Robert M. Trimble (Ind)	$100,450.00
Grant, Henry R. Coll: 552 Standard, Ky. Estimated market value $18,216.00.	First National Bank, Greenville, Ky	8,500.00
Grant, Henry R. Collateral: 100 Standard, Ky. Estimated market value $3,300.00.	Peoples Bank, Gravel Switch, Ky.	2,000.00
Grant, Henry R. Collateral: 200 Am. Turf. Estimated market value $4,000.00.	First National Bank, Buffalo, Ky.	2,500.00
Green, Thomas Collateral: 220 Standard, Ky. Estimated market value $7,260.00.	Far. & Peo. Bank, Campbellsville, Ky.	4,400.00
Green, Thomas Coll: 200 Comm. & Sou; 99 Reynolds Metals; 200 Banco; 25 Mengel Pfd. 120 Standard, Ky. 100 Gen. Motors Com. Estimated market value $19,674.00.	Peo. Ex. Bank, Beattyville, Ky.	12,878.60
Grimstead B. & Company Coll: $1,000.00 Reynolds Inv. 5's -48 6 Reynolds Inv. Pfd. 200 U.S. Foil "B" Estimated market value $4,650.00.	Peo. Ex. Bank, Gravel Switch, Ky.	4,100.00
Hayes, J. J. Collateral: 200 Banco; 100 General Foods 200 Van Camp Pkg. Pfd. Estimated market value $17,800.00.	First National Bank, Greenville, Ky.	13,000.00
Hayes, J. J. Collateral: 100 Reliance Mfg. Co; 100 Banco. Estimated market value $5,700.00.	First National Bank, Charlestown, Ind.	3,350.00
Hayes, J. J. Collateral: 100 Banco; 50 Comt. Shrs. 100 K. O. Sou. 200 Banco. Estimated market value $15,350.00.	Peo. Ex. Bank, Beattyville, Ky.	8,650.00
Hilliard, J. J. B. & Son Collateral: 250 Am. Turf; 25 Lou. G. & E. 7% Pfd. Estimated market value $7,750.00	Farmers National Bank, Clay, Ky.	6,000.00

To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5518 *Date of Report* December 30, 1929.

Lotts, A. E. Collateral: 180 Banco 1 Sou. Pac; 25 Curtis Flying Ser. $1,000.00 Lou. Title. Estimated market value $4,860.00.	First National Bank, Milltown, Ind.	3,500.00
Lotts, A. E. Collateral: 200 Banco $650, Van Camp Pkg. 6's-42 6 Kroger; 5 Cont. Can 1 West Elec. Estimated market value $5,151.98.	Smithfield (Ky.) Bank	4,000.00
Lotts, A. E. Collateral: 200 Chi. & Ot. Western; 38 Am. Turf; $2,000.00 Utilities P. & L. 5's - 30 $1,000.00 Texas Corp. 5's; 18 B. & O. Estimated market value $13,602.00.	Farmers National Bank, Somerset, Ky.	5,000.00
Lotts, A. E. Collateral: 80 Lou. G. & E. A 200 Chi. & Ot. Western; 50 Granby; $1,000.00 L. H. & St. L. 5 's - 45 Estimated market value $8,580.00.	Citizens Bank, Waddy, Ky.	5,000.00
Lotts, A. E. Collateral: 20 Nat. Candy 8 Amer. W. W. & Elec. 20 US Rubber 125 Am. Turf; $1,000.00 Texas Corp. 5's $500.00 Inland Gas 6½'s - 38 $1,000.00 Seaboard Airline 6's - 45 Estimated market value $5,954.00.	Sebree (Ky.) Deposit Bank	5,000.00
Lotts, A. E. Collateral: 165 Lou. G. & E. A 20 Am. Radiator $1,000.00 Central G. & S. 5½'s - 46 Estimated market value $7,730.00.	Peoples Bank, Gravel Switch, Ky.	5,000.00
Lotts, A. E. Collateral: 200 Banco 100 shs. in the South 40 Standard, Ky. Estimated Market value $8,640.00.	Farmers National Bank, Scottsville, Ky.	7,000.00
Lotts, A. E. Collateral: $1,000.00 United Pub. Ser. 600 Sal. Industries 20 Nat. Pub. Ser. A 150 Banco $2,000.00 Paramount Bldg. 5½'s - 51 $3,000.00 Texas Corp. 5's. Estimated market value $13,848.00.	Farmers-Peoples, Campbellsville, Ky.	10,000.00

To the Comptroller of the Currency,
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Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8518 *Date of Report* December 30, 1929.

Lotts, A. E. Collateral: 100 Lone Drug $3,000.00 Van Camp Pkg. 6's - 48 100 Lou. G. & E. A. 6 Standard, Calif. 50 Cont. Oil $1,000.00 Utility P & L. 5's - 59 500.00 Am. T. & T. 4's - 39 Estimated market value $9,065.00.	National Bank of London,Ky.	6,500.00
Lotts, A. E. Collateral: 100 Nat. Candy 100 Sou. Surety NY 100 Empire Gas & Fuel Pfd. Estimated market value $13,600.00.	Farmers National Bank, Somerset,Ky.	10,000.00
Lotts, A. E. Collateral: 300 Pan American Pet B Estimated market value $16,000.00.	Henderson (Ky.) Co. Sav. Bank	10,000.00
Lotts, A. E. Collateral: 300 Nat. Candy 100 Lou G. & E. A. 50 Util. & Ind. com. 100 Cities Service Estimated market value $14,700.00.	Peo. Ex. Bank, Beattyville, Ky.	10,000.00
Lotts, A. E. Collateral: 335 Am. Superpower; 200 Am. Turf. 5 L. & N. 25 RCA Estimated market value $13,430.00.	Breckenridge Bank, Cloverport,Ky.	10,000.00
Lotts, A. E. Collateral: 300 Standard, Ky. Estimated market value $19,800.00.	National Bank of Middlesboro, Ky.	15,000.00
Lyons, W. L. & Co. Collateral: 800 Granby 700 Reynolds 800 L. Myers B 1,700 Gen Motors Com. 2540 Banco Estimated value of collateral $204,800.00.	Robert M. Trimble (Ind)	135,697.00
Lyons, W. L. & Co. Collateral: 2,200 Standard NJ 455 Comm. Life 700 Banco Estimated value $194,000.00.	Ian M. Trimble (Ind.)	119,930.00
McDonald, Donald, Jr. Collateral: 450 B. F. Avery & Sons Estimated market value $40,000.00.	First State Bank, Pineville, Ky.	13,500.00
Metcalfe, Ben J Collateral: 100 2nd Sou Bankers Surety Corp. ($39.75 per share paid in) 100 Vicks Financial Corp. 200 Reynolds Inc. com. 100 Vicks Financial Corp. 10 Marine Midland - 100 Reynolds Bros. Estimated market value $7,980.00.	Peoples Bank, Gravel Switch, Ky.	6,500.00

To the Comptroller of the Currency,
Washington, D. C.

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Form 1488.—Reports
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OFFICE OF COMPTROLLER OF THE CURRENCY

Exhibit 18

No. of Bank 5313 *Date of Report* December 30, 1929.

Metcalfe, Ben J.-	Peo. Ex. Bank, Beattyville, Ky.	5,500.00
Collateral: 200 Banco 100 Chemical Nat. Assoc. Estimated market value $6,100.00.		
Metcalfe, Ben J.	First State Bank, Livingston, Ky.	3,000.00
Collateral: 200 Banco Estimated market value $4,000.00.		
Moseley, F. L.	Bank of Whitesville, Ky.	9,000.00
Collateral: 100 Asso. Gas & E. 100 Nat. Pub. Ser. 100 United L. & P. 300 Comm. & Scu. Estimated market value $12,950.00.		
Moseley, F. L.	First National Bank, Greenville, Ky.	12,000.00
Collateral: 100 Corn Prod. 100 Mo. Pac. 100 Asso. G. & E. A. Estimated market value $22,100.00.		
Moseley, F. L.	Peoples Exchange Bank, Beattyville, Ky.	5,000.00
Collateral: 50 Cons. Copper; 100 Elec.Pwr. & Lt. Pfd. 100 Seaboard Airline; 60 Vadsco 400 Comm. & Scu. Estimated market value $12,350.00.		
Ormsby, Sallie L.	First State Bank, Livingston, Ky.	6,000.00
Collateral: 100 Atlantic Ref; 100 Standard, Ky. Estimated market value $7,100.00.		
Ormsby, H. D.	Breckenridge Bank, Cloverport, Ky.	5,200.00
Collateral: 60 Comt. Shares 100 Reliance Mfg. 100 Banco 50 Lehman Corp. Estimated market valued $11,960.00.		
Ragan, Emil J.	Peo. Bank, Crevel Switch, Ky.	4,250.00
Collateral: 100 Standard, Ky. 50 Banco. Estimated value $4,300.00		
Ramsey, W. P.	Breckenridge Bank, Cloverport, Ky.	2,500.00
Collateral: 150 Am. Turf, Estimated market value $3,000.00.		
Robertson, E. B.	Peoples Bank, Crevel Switch, Ky.	5,000.00
Collateral: 60 Comt, Shares; 250 Arcturus Radio Tube; 300 Reynolds Inv. Estimated market value $5,760.00.		
Robertson, E. B.	First National Bank, Hilltown, Ind.	3,500.00
Collateral: 50 Crumedies Creek Coal Co. - No quo. available.		
Robertson, E. B.	Breckenridge Bank, Cloverport, Ky.	13,000.00
Collateral: 640 Banco; 50 Reynolds Inv. Pfd.		

To the Comptroller of the Currency, Estimated market value
Washington, D. C. $13,010.00. *Examiner.*

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Treasury Department
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* December 30, 1929.

Robertson, E. B. Collateral: 400 Banco 10 Henderson Ky. Nat. Bank (retains lien for debts, no waiver) 87½ Reynolds Metals, Estimated value of all collateral $10,925.00.	Peoples Exchange Bank, Beattyville, Ky.	7,000.00
Sand, Alexander Collateral: 320 Reynolds, Inc. com. Estimated market value $2,240.00.	Peoples Bank, Gravel Switch, Ky.	2,200.00
Sand, Alexander Collateral: 585 Reynolds Inc. com. 300 US Foil B. Estimated market value $9,480.00. This loan was re-purchased by the bank during the examination.	Peoples Exchange Bank, Beattyville, Ky.	14,601.00
Schwabenton, Alex Collateral: 13 Comm. Life; 45 Reynolds Metals; 10 Courier-Journal Job Ptg. 100 Banco, Estimated market value $3,751.00.	Green River Deposit Bank, Rochester, Ky.	2,880.00
Schwitzer, Fannie G. Collateral: 300 Sou. Surety NY 300 Conn. & Gen. Estimated market value $12,900.00.	Breckenridge Bank, Cloverport, Ky.	10,000.00
Schwitzer, Fannie G. Collateral: 25 Cont. Com; 400 Banco 100 Lou. G. & E. A. 5 Penn. Estimated market value $15,440.00.	Far & Peo. Bk. Campbellsville, Ky.	10,000.00
Schwitzer, Fannie G. Collateral: 100 Lane Drug Pfd. 100 shs. in the South; $500.00 Louisville Title bds. 25 American Turf; 100 Van Camp Pkg. pfd. $1,000.00 Kanawha 5th Ave. Bldg. 6's - 44 Estimated market value $7,000.00	National Bank of Loudon, Ky.	6,500.00
Shreeve, M. B. Collateral: $1,500.00 Asphalt 6½'s - 36 300 Lou. G. & E. A. 250 Selected Industries Units. 300 American Turf. Estimated market value $18,625.00	Deposit Bank, Pleasureville, Ky.	25,000.00
Shreeve, M. B. Collateral: 50 L. & N. 25 B. & O. 10 Am. Turf 7 U. S. Smelting 100 Nor. Texas Elec. $2,000.00 Utility P. & L. 5's - 57 Estimated market value $14,898.00.	Farmers & Peoples Bank, Campbellsville, Ky.	6,500.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-18

Exhibit 18

Form 1068.—Reports
TREASURY DEPARTMENT
Comptroller of the Currency

No. of Bank 8318 *Date of Report* December 30, 1929.

Taylor, Edith S. Collateral: 150 Bank, estimated market value $5,000.00.	Peoples Exchange Bank, Beattyville, Ky.	4,000.00
Theobold, Edw. J. Collateral: 350 Lou. Ry. 100 Nat. Candy 150 Am. Turf; 300 Utilities & Ind. Pfd. Estimated market value $16,150.00	Par. & Peo. Campbellsville	12,000.00
Wakefield & Company Collateral: 500 Nat. Candy; $1,000. Utility P. & L. 5 - 59 Estimated value $5,040.00.	Par. National Bank, Somerset, Ky.	5,000.00
Wakefield & Company Collateral: $1,105.00 Van Camp Pkg. Co. 6- 48 28 Lou. G. & E. A. $500. Lou. G. & E. 6- 37 200 Ramco; 5 Penn RR Estimated market value $6,747.75.	Farmers Bank, Centertown, Ky.	5,000.00
Wakefield & Company Collateral: 10 Lou. G. & E. A. 12 Am. T. & T. 7 U. S. Steel; $1,000.00 L. & N. 4 - 40 20 Selected Industries 65 Asphalt Pfd. Estimated market value $10,793.00.	First National Bank, Jeffersonville, Ky.	7,500.00
Wakefield & Company Collateral: 150 Util. & Ind. Pfd. 14 Am. T. & T. 100 Chi. & Ot. Western 100 Selected Ind. Units 1 B. & O. 24 United Corp. Estimated market value $21,890.00.	Breckenridge Bank, Cloverport, Ky.	10,000.00
Wakefield & Company Collateral: 350 Am. Turf 50 Util. & Ind. 100 Home Publ. $2,000.00 Lou. Title Bds. Estimated market value $11,200.00.	Farmers Deposit Bank, Brandenburg, Ky.	10,000.00
Wakefield & Company Collateral: 460 Ramco 25 Am. Turf. Estimated market value $13,660.00.	Farmers National Bank, Somerset, Ky.	10,000.00
Wakefield, & Company Collateral: 200 Pan Am. "B" 200 Chi. & Ot. Western $500.00 Twin City Rapid Transit Estimated market value $15,240.00.	First National Bank, Pineville, Ky.	10,000.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 5-18

Examiner.

Exhibit 18

Form 1436 – Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* December 30, 1929.

Wakefield & Company Collateral: 200 Chi. & Ot. Western 200 Banco $1,000.00 Twin City Rapid Transit 5½'s - 52 $2,000.00 Utilities, Elkhorn Coal 6 - 48 100 Ky. Com. Stone Estimated market value $14,910.00.	French Lick, Ind. S/B	$10,000.00
Wakefield & Company Collateral: 200 Banco 82 Standard Ky. 6 Westinghouse Elec. $1,500.00 Asphalt 6½'s - 36 150 American Turf $500.00 Lou G. & E. 6 - 37 Estimated market value $12,085.00	Geo. H. Reese Treas.	10,000.00
Wakefield & Company Collateral: 200 Lou. G. & E. "A" 100 Chi. & Ot. Western; $2,000.00 Texas Corp. 5's 99 Selected Ind. 100 Van Camp Pkg. 100 Lago Oil Estimated market value $25,050.00.	Henderson (Ky.) Co. Sav. Bk.	10,000.00
Wakefield & Company Collateral: 145 Lou. G. & E. A. 50 Standard P. & L. Pfd. 300 Chi. & Ot. Western 50 American Radiator Estimated market value $16,110.00.	Farmers & Peoples Bank, Campbellsville, Ky.	12,000.00
Wakefield & Company Collateral: 250 Am. Superpower 300 Banco 300 Comm & Scu. 50 Standard P. & L. Pfd. 100 Nat. Bk. of Ky. (Old) Estimated market value $25,240.00.	Peo. Exch. Bk., Beattyville, Ky.	18,000.00
Wakefield & Company Collateral: 300 Pan Amer. B. 800 American Turf 50 B. & O. Estimated market value $31,480.00.	Deposit Bank, Pleasureville, Ky.	8,500.00
Walker, E. W. Collateral: 50 Amer. T. & T. Estimated market value $12,980.00.	First National Bank, Greenville, Ky.	7,800.00
Willson, Jos. C. Company Collateral: 50 Alleghany Corp. Pfd. $1,500.00 Waldorf Astoria 7-54 Estimated market value $6,345.00.	First National Bank, Jeffersonville.	5,000.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 3-17

Examiner

Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8518 *Date of Report* December 30, 1929.

LIABILITIES OF NATIONAL BANKS

Citizens National Bank, Bowling Green, Ky. Collateral: $58,110.00 B/R.	$25,000.00
Farmers National Bank, Cynthiana, Ky. Collateral: $60,000.00 B/R.	25,000.00
National Bank of Cynthiana, Ky. Collateral: $15,000.00 Various bonds.	10,000.00
State National Bank, Frankfort, Ky. Collateral: $30,000.00 various bonds.	25,000.00
Trigg National Bank, Glasgow, Ky. Collateral: $35,000.00 various bonds.	25,000.00
First National Bank, Hopkinsville, Ky. Collateral: $60,490.92 B/R	25,000.00
Farmers National Bank, Princeton, Ky. - Rediscounts " " " " " Collateral: $47,000.00 various bonds.	15,000.00 25,000.00
First National Bank, Princeton, Ky. Collateral: $110,900.00 various bonds	100,000.00
Southern National Bank, Richmond, Ky. Collateral: $35,450.00 B/R	25,000.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 8-18

Examiner.

Exhibit 18

Form 1428.—Page 4
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 6882

LOANS AND DISCOUNTS—Continued

Parent Bank - $210.75 Long
Branch - (In balance)

The loans and discounts and other securities must be carefully verified and every discrepancy noted

Total loans and discounts, s.e. 27,921,178.93

OVERDUE PAPER

A. Total bad debts, as defined by Section 5204, U. S. R. S., Parent bank 835,282.05 / $ 1,178.36

Of which there are carried in loans and discounts, $ 836,781.41

*Carried elsewhere,

B. Other overdue paper, Parent bank 1,698,405.91 / $ 102,888.84

Total overdue paper (including all bad debts), Parent bank 2,187,287.96 / 4th St. Branch $ 103,874.36

Remember should private bank interest on demand or time loans should be collected at least every six months, and that mere payment of interest is not considered a renewal of the loan unless formal extension agreement is signed by all parties or the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6. Give maturity dates of "bad debts."

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
P A R E N T			B A N K		
$27.35 C. M. Adams 1-4-26 Relying on endorser, who is superintendent of Odd Fellows Home at Lexington, Ky.	27.35		27.35	Dd	
$15,000.00 carried at $6,000.00 Badger Slumdings Company. Secured by title to 512 acres in Johnson County, Oklahoma, near Tishimingo, Oklahoma. Land all cleared, but not ranched. Continuing the policy heretofore agreed upon, another charge off of $1,500.00 was made at this examination.	6,000.00		5,000.00		1,000.00
$45.45 Harry P. Bertram 9-20-28 Endorsed Sam E. Metcalfe Mr. Metcalfe is now General Agent for the Massachusetts Protective Association at Columbus, Ohio. Note is in hands of attorney for collection and the belief was expressed that there is some change for collection.	45.45			45.45	
$1,000.00 D. A. Bates 10-14-27 Endorsed Temple Theatre Corp. Bank has unapplied funds in hand sufficient to pay this note.	1,000.00		1,000.00		
$80.00 E. B. and W. T. Baden Admitted loss.		80.00			80.00
$100.00 Annie L. and C. H. Bostic 11-7-27. Admitted loss.	100.00				100.00
TOTAL,		SEE EXTRA SHEET			

Use Form 1428-c for continuation of list.

Exhibit 18

TREASURY DEPARTMENT
Comptroller of the Currency—Examiner
Form 1488 C

No. of Bank, 6818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$295.80 Mrs. L. Brunson and L. Brunson 8-15-29 Bankrupt. Admitted loss.	295.80				295.80
$68,812.44 F. G. Brenlin Debtor a local contractor who secures his line by real estate notes and city warrants. Some reduction made since last examination.			68,812.44	7/1. 68079	
$300.00 Theo. Buschemeyer and L. Brunson 6-26-29 Brunson is in bankruptcy. Buschemeyer not reported to' have any means.	300.00				300.00
$45,000.00 Cadet Knitting Company Company has been re-organized and Messrs. Caldwell and Company of Nashville, Tennessee, advised that debt will be taken up on January 31, 1930.		45,000.00	45,000.00		
$110,855.87 Carter Guaranty Company The overdue portion of the note is secured jointly with a note for like amount held by the Liberty Bank & Trust Company, Louisville, Kentucky, by a second lien on company's building that is valued at $125,000.00, subject to a prior lien to the Commonwealth Life Insurance Company of $80,000.00. During examination, negotiations were carried on between a committee from the board of directors of a local life insurance company with the Carter Guaranty Company for sale of this property on the basis of the above valuation. Your examiner was advised that this committee unanimously reported their approval of the purchase. If this trade is eventually consummated it will do much to expedite the liquidation of this company. The company also has another piece of property on which the banks have a lien valued at $15,000.00 subject to a prior lien of $6,000.00. The company's affairs are in liquidation.		12,568.50	110,855.87		
TOTAL			EXTRA SHEET PAGE 6-1		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$9,081.87 Elberbe H. Carter Overdue portion of note is endorsed by E. L. Taylor and is reported to make the loan good. Remainder is collateraled by 197 shs. Carter County Co., Com. (see above) and a lien for $2,400.00 on some property in Western Kentucky. Line is most undesirable.		6,848.00	9,081.87		
$75.00 Wm. C. Cawthon - Bankrupt. Admitted loss.	75.00				75.00
$4,928.45 carried at $2,528.45 Central Paint and Roofing Co. Discounts Makers of notes are no good. Company has been operating in receivership for three years. Notes are due in 1925.	2,328.45			1,000.00	1,328.45
$4,498.00 John H. Chandler Line secured by several endorsers and by assignment of $10,000.00 life insurance. Local lawyer who makes but very little progress on his debts.			4,498.00		
$80,000.00 Chase Hymond Company Endorsed G. C. and W. H. Hymond. Reference is made to comment on their line in report of examination commenced May 25, 1920 - Page 4-B. Part of the receivables mentioned in that report have been liquidated and the line reduced to its present figure. Line appears to be safe, but a slow "work-out."			80,000.00		
$90.00 Chester D. Clark - George O. Barnes 8-1-28 Say collectible.	90.00		90.00		
$21,845.14 Planters Bank, Clarksdale, Miss. Since last examination, the creditors committee has made a report on the claims held by the respective creditors, which report indicates that this bank's claim has an ultimate liquidating value of $34,238.33. Since that date, a distribution of $3,384.73 has been made; the bank's debt reduced accordingly. In addition	21,845.14		21,845.14		
Total.		EXTRA SHEET PAGE 4-B			

— Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1492 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Planters Bank, Clarksdale, Miss. (Cont'd.) to the value of the claims shown in the report. Seven of the creditors have received a compromise offer in the sum of $25,000.00 from S. L. Dodds, one of the former directors. In addition, several of the creditors have joined in a suit against the former president, W. P. Holland, which may or may not be successful. For the time being, no loss was estimated on this claim, although it will require favorable conditions if further loss is to be avoided.					
$9,194.50 carried at $6,194.50 Clay County Coal Co. 3-15-28 Bank expects to get $1,000.00 through compromise of a real estate note - balance an admitted loss.	6,194.50		1,000.00	Paid	6,194.50
$9,113.06 W. C. Coleman Collateral: 90 shs. Semmin and Goodman, par $100. During examination, Mr. Coleman met your examiner and discussed with him this line. Mr. Coleman stated that he would be unable to liquidate very much of the note during the coming year. Company's statement indicates that the stock has some value. Line is undesirable in its present form.			9,113.06	Paid	
$75.00 James M. Coll Bankrupt. Admitted loss.		75.00			75.00
$15,225.00 Columbia Phosphate Mining Co. Bank is secured by a second lien on some phosphate property in Tennessee, which property is under lease to the Armour Fertilizer Company on a royalty basis. The debtor company has been forced to take care of some outside claims which will absorb all of the earnings for the year 1930. However, the bank is hopeful that beginning 1931 the debtor company will be able to establish a program for the orderly liquidation of the note.			15,225.00		
TOTAL					

EXTRA SHEET PAGE 4-8

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELLSWORTH
Form 1488 C

No. of Bank, [redacted]

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and Security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$2,381.22 J. Parker Conn 8-31-29 Indorsed C. Thomas Conn, E. F. Conn and M. E. Johnson. Line is collateraled by a $5,000.00 note of Alice Thomas Conn and C. D. Conn, secured by a third interest in city property in Louisville having a total valuation of $48,000.00 subject, however, to a prior lien of $6,500.00 and also to a life interest of their mother. In view of the fact that the note is so long overdue, it is believed that the bank should proceed to foreclose the property and reduce it to possession as their seems to be absolutely nothing to be gained by carrying it overdue.	2,381.22		2,381.22		
$276,700.00 Direct $13,728.78 Indirect Consolidated Realty Company Collateraled by sundry installment real estate notes. During examination your examiner discussed the condition of this company with Messrs. Humphrey Robinson and Co. C. P. A's who are making an audit of their affairs. The opinion was expressed by them that the loan was safe and would work out slowly without loss. Line shows a substantial reduction from the preceding examination.	85,000.00	55,500.00	276,700.00 13,728.78	76,800.00 1306	
$12,865.33 Gardens Communities Corp. Discount, C. C. Hiett		12,865.33	12,865.33		
$150,650.00 General Realty Corp. 1-18-29 Indorsed C. C. Hiett and H. J. Scheirich.	150,650.00		150,650.00		
$25,550.00 C. C. Hiett Collateral: $22,500.00 R/R's, Gardens Communities, and 100 shs. Consolidated Realty, Com.	25,550.00		25,550.00		
$9,595.00 H. J. Scheirich - Discount, Consolidated Realty Co. due 5/17/29	9,595.00		9,595.00		
TOTAL			EXTRA SHEET PAGE 4-6		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—REVISED
Form 1485 C

No. of Bank, 8313

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$12,000.00 H. J. Schedrich and C. C. Hiett 6-6-28 Collateral: 187½ shs. Consolidated Realty Co. Com.	12,000.00		12,000.00		
$11,720.38 A. V. Thomson 6-6-27 Collateral: $1,000.00 Second Church of Christ 7-30 $10,810.00 lien notes 25,000 shs. Fidelity Oil Corp. par 1.00.	11,720.38		11,720.38		
$200.00 carried at $100.00 H. A. Cook 2-11-28 Admitted loss.	100.00				100.00
$1,722.98 Aubrey Cossar			1,722.98		
$1,200.00 Maud Woodson Cossar Endorsed Aubrey Cossar. Aubrey Cossar is the present Sheriff of Jefferson County, Kentucky, and controls some valuable public funds. Line of long standing.			1,200.00		
$5,000.00 Cumming and Brotman Retail haberdashers. Statement dated 12-31-28 indicates current assets $60,784.00, against current debt of $56,074.00, and a net worth of $55,165.00. Comparative figures show that the company's net worth has declined from $63,215.00 in 1925 to $55,165.00 in 1928. Bank reports that this money was loaned to buy out one of the partners.			5,000.00		
$5,600.00 Day Coal Mining Co. - Discount of Harlan Coal Co. 12-1-27 Reference is made to comments contained in the report of examination begun May 25, 1929, page 4-14. Loan was charged off at this examination.	5,600.00				5,600.00
$45,500.00 Dawson Daylight Coal Co. Since last examination, this line has been increased in the amount of $7,500.00, $5,000.00 of which is guaranteed by D. I. Murphy and $2,500.00 by H. D. Crumby. This new advance was made in order to put the company			45,500.00		

EXTRA SHEET PAGE 4-B

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1425 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Dawson Dayling Coal Co. - Cont'd. in funds to permit the change from stripping operations to slope mining. Otherwise no change since the previous examination. $2,120.00 R. W. and Lillie W. Dehomey Since the last examination the property securing this debt has been foreclosed and the holder of the prior lien bid in the property for the amount of the prior lien. This balance an admitted loss.		2,120.00			2,120.00
$29.89 J. W. Demling - Discount of Bagby Howe Drug Co. 6-21-26 Admitted loss.	29.89				29.89
$11.00 Harry H. Dietz Endorsed John F. Will. Admitted loss.		11.00			11.00
$11,221.85 L. J. Dittmar Collateral: 100 shs. Majestic Theatre; $10,000.00 Color Cinema 7% bonds. The stock is reported to have a market value of about $60.00 per share. The bonds have no market. Line shows slight reduction since last examination.			11,221.85		
$1,758.75 J. E. Dunne 7-6-28 Collateral: Own note to Temple Theatre Corp. due 3-23-28, in turn collateraled by 20 shs. Temple Theatre Corp. Charged off during this examination.	1,758.75				1,758.75
$1,950.00 C. C., J. M. and E. C. Eblen 4-16-28 Secured by an assignment of equity in certain notes held by the Standard Mortgage Company to secure a debt to them in the original amount of $5,565.29 but reported now to be about $1,900.00. As soon as the remainder of the debt to the Standard Mortgage Company has	1,950.00		1,950.00		
TOTAL		EXTRA SHEET PAGE 4-6			

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

No. of Bank, 5518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Helen - - Cont'd.					
been liquidated, the residue will be turned over to this bank,					
$20,600.00 carried at $10,000. Eureka Products Co. Debtor's statement dated 4-1-29 indicates assets of only $8,918.00 with which to pay debts of $30,900.00. Line is secured by an assignment of $10,000.00 life insurance against which the insurance company has a lien to secure some premiums paid. Bank has agreed to compromise its debt for $10,000.00 which he hopes to raise by selling an interest to a young employe. If this is not accepted, company will be placed in liquidation. In view of the condition of the company, it was believed that a further charge off should be made, which was done at this examination.	6,500.00	3,000.00	3,000.00	0	7,000.00
$10,310.55 Geo. H. Fisher Co. - Discounts	10,310.55		5,000.00		5,310.55
$3,142.39 Geo. H. Fisher Co. - Direct The slow portion of the line is collateraled by $5,000.00 Kentucky Title Company bonds, the ownership of which is in dispute; however, in view of the fact that the bank appears to be an innocent holder, its position would appear to be impregnable. Balance is an admitted loss.	3,142.39				3,142.39
$3,250.00 A. H. Flanagan Collateral: 51 shs. Citizens Bank, Drakesboro, Ky. Liability ledger indicates that this line has been continuous since 3-24-27. The collateral is not regarded as being of a liquid nature. Bank's statement indicates that it is tied up with real estate.			3,250.00		
TOTAL		EXTRA SHEET PAGE 4-7			

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$2,800.00 Hugh B. Fleece Endorsed T. K. Helm. Former president of the Bankers Trust Company, now practicing law. Surety makes line good.			2,800.00		
$1,392.00 J. G. Gallagher Notes are in suit. Debtor is dead, but bank reports estate is solvent.	1,392.00		1,392.00		
$6,500.00 Gibralter Coal Mining Co. Endorsed R. L. Brown.			6,500.00		
$5,000.00 Mercer Coal Company - Discount, Gibraltar Coal Mining Co. Since the previous examination, this line has been reduced in the aggregate $2,500.00. It is believed that still further reductions are in order.			5,000.00		
$4,500.00 J. Kemp Goodlee Endorsed John W. Barr, Jr., and collateraled by 50 shs. Pickrell Motor Co., Pfd. Debtor is connected with the Pickrell Motor Co. It is believed that this line should be placed on a monthly payment basis.			4,500.00		
$13,500.00 carried at $6,500.00 F. S. Graham and W. A. Perry 7-27-28 Perry is in bankruptcy and Graham is reported to be of no means. Collection of this claim depends entirely on the outcome of a suit against the Atlantic Bank & Trust Co. of Daytona Beach, Florida, for refusal to transfer stock in the above named bank, resulting in a loss of sale. Since that time the bank has failed. This bank has won the suit at the first hearing.	6,500.00			6,500.00	
$450.00 Emma R. Greenebaum and L. A. Rosenbaum Rosenbaum has made a compromise with his creditors and this balance is an admitted loss.		450.00			450.00
TOTAL		EXTRA SHEET PAGE 8-B			

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$2,143.00 E. L. Greene et al 7-9-25 Note is in the hands of F. H. Good, attorney, and bank continues to receive small payments. Line shows a reduction of $190.00 since the last examination.	2,143.00		2,143.00	3/0 - 1043 -	
$39,405.08 Harlem Coal Company Endorsed E. U. Maguire and Karl Jungbluth, Jr. Collateral: 880 shs. Dawson Daylight Coal Co., Pfd. Line is further secured by a first lien on 85/100 interest in certain coal lands in Letcher County, Kentucky. This, together with the stock in the Dawson Daylight Coal Company, may enable the bank to work out without loss.			39,405.08		
$46.30 Geo. Horn 3-19-28 and 2-18-28 Bankrupt. Admitted loss.	46.30				46.30
$11,500.00 Joseph Hubbuch, Sr., & Sons Endorsed Seb. C. Hubbuch. Company's statement dated 2-1-29 indicates current assets of $136,000.00, current debt $108,000.00, net worth $76,000. Included in assets is an item of $11,000.00 "due from officers." Bank reports that one of members will come into an inheritance which will put him in funds to take up the debt.			11,500.00	3/0 - 11000 -	
$27,734.74 Louis S. Humphrey Collateral: 765 shs. Herald Post Com. Debtor is dead. President Brown advised your examiner that his estate was reported to be worth $200,000.00 and that the stock of the Herald Post Co. was worth about $300.00 per share. There appears to be some dispute between the estate and the owners of the Herald Post Company regarding a price at which the stock will be purchased. It is believed that this debt should be cleaned up without further delay.	3,054.78		27,734.74		
TOTAL					

EXTRA SHEET PAGE 4-9

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1433 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$70,400.00 Hyman Pickle Co.			45,400.00		25,000.00
$1,196.24 H. D. Ormsby, Agent Company's statement dated 8-30-29 shows current assets $104,962.00, current debts $154,489.00., net worth $31,965.00. The debt shows an increase over the preceding examination in the amount of $16,000.00. The company is operating under a creditors' agreement, which agreement provides that this $16,000.00 will be entitled to priority inasmuch as it is a new advance. Comparative analysis of the company's statement indicates that it continues to operate at a loss, the loss for the preceding year having been $7,885.00. It is believed that a loss in this line is inevitable and at this examination $25,000.00 was charged off.			1,196.24		
$11,500.00 Louis P. Hyman Co. Endorsed L. P. Hyman. Debtor is bankrupt and also under indictment for arson. It is reported that debtor has stated that friends or relatives will put him in money to protect two of the creditors, one of them being this bank.		11,500.00		11,500.00	
$40,000.00 Indian Hills Development Co. Company promoted a sub-division. Line has been reduced from $70,000.00 since 1-30-27, $20,000.00 having been paid since last examination.			40,000.00		
$43,860.00 Walter F. Jacobs & Co. Endorsed Walter F. Jacobs and J. Matt Chilton, and collateraled by bills receivable aggregating $49,380.96. Company's statement indicates assets of $99,000.00 and debts of $72,000.00.			43,860.00		
$2,360.00 Kaster Whitman Co. 1-9-29 Company in bankruptcy. An admitted loss.	2,360.00				2,360.00
TOTAL.		EXTRA SHEET PAGE 4-10			

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1428 C

No. of Bank, 8012

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$2,356.45 D. A. Keller Estate 1-14-29 Bank is executor of his estate. Liquidation of debt depends on sale of equity in building in which bank is located. Loan is a slow "work out."	2,356.45		2,356.45	10-20-40	
$1,800.00 Edward C. Kelly Co. Company's statement dated 8-1-29 shows current assets of $2,100.00 current debt $15,000.00, net worth $13,255.00, of which $12,250.00 is represented by bill boards. Being reduced slowly.			1,800.00		
$5,856.13 carried at $848.13 Kentucky Plumbing & Heating Co. 6-2-27 Admitted loss.	848.13				848.13
$57,000.00 Kentucky Public Elevator Company owns good plant which is free of encumbrance, this being entire debt of company. All of preferred stock of company is owned by six railroads serving Louisville. Line reduced $3,000.00 since last examination.			57,000.00	10-40-100	
$112,087.13 Kentucky Refrigerating Co. Part not criticised is secured by commodities in cold storage. Remainder represents old debt of the Frank Fehr Coal Storage Company. Company continues to show unprofitable operations. Company's statement dated 3-31-29 shows current assets $137,000.00, plant and machinery valued at $1,090,000.00, current debts $252,000.00, mortgage debt $650,000.00, net worth $324,000. Maturities on the bonded debt have been taken care of by a decrease in working capital. Bank reports that company had another bad year on account of an ice "war." Unless the company can get its earnings on such a basis as will enable it to show a profit above its fixed charges, receivership is, of course, inevitable.				50,000.00	38,000.00
TOTAL.			EXTRA SHEET PAGE 4-11		

Exhibit 18

TREASURY DEPARTMENT
Comptroller of the Currency, Examining
Form 1488 C

No. of Bank, 6312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Wagon Manufacturing Co. Reference is made to comment contained in last report of examination, began May 25, 1929, on extra pages 4-17, 4-18, 4-19 and 4-20. It will be observed that this debt shows an increase over the preceding report of $163,740.98. Your examiner was advised that the operations since that report continue to show a loss. At the present time the management of the bank is negotiating with interests in an effort to sell the plant to an aviation manufacturing company, also to a large electrical manufacturing company which expects to begin the manufacture of electrical refrigerators. Your attention is invited to the fact that in addition to the present carrying value of the debt the bank has heretofore charged off $600,000.00. It is evident that the size of this debt is one which may well cause the management considerable concern.	$1,904,294.31		661,882.01	604,294.31	300,000.00	300,000.00
$4,089.98 - Overdraft Chandler & Lamm Endorsed W. R. MacNeal and James R. Duffin. Collateral: 498 shs. City Realty Company. The collateral is reported to carry with it title to twenty-five pieces of real estate valued at between seventy-five and eighty thousand dollars. Company's statement dated 12-31-28 shows total assets of $148,000.00 total debt of $257,000.00. Operations for 1928 showed that the company lost $22,000.00. Operating figures for 1929 were not available during examination, but the management expressed the opinion that the year's operations had not been profitable. In view of the fact that the company's statement indicates a condition of insolvency, a charge-off of $25,000.00 was made at this examination.	$160,225.00			75,000.00 4,089.98	56,225.00	25,000.00
Total.			<EXTRA SHEET PAGE 4-12			

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$65,359.56 Robert G. Lassiter & Co. - Discount, Kentucky Rock Asphalt Co. 11-6-28 Debtors have agreed with bank on a program of liquidation beginning January 10, 1930, and extending through November 10, 1930, at which time the unpaid portion of the debt will be taken up: Bank is trying to work out the debt to save its customer - the Kentucky Rock Asphalt Co. - a loss.	65,359.56		65,359.56	P2	
$30.65 Chas. A. Leitchfield 10-17-27 and C. J. Sternberg. This represents unpaid balance of a compromised debt.	30.65				30.65
$29,222.00 Dennis H. Long Collateral: 10,650 shs. 4th Ave. Amusement Co., par $10.00. 808 shs. Swiss Cleaners & Dyers, par $50.00.			29,222.00	2/ 0.78.00	
$28,530.00 Swiss Cleaners & Dyers Co. Endorsed D. H. Long. Collateral: $6,700.00 note, H. E. Moehling, in turn collateraled by 180 shs. Swiss Cleaners & Dyers. $5,000.00 Union County Mining Co. 6% bonds, 1930.			28,530.00	2/ 0.713.00	
$27,600.00 Interstate Coal Co. Endorsed D. H. Long. Generally speaking, the safety of this loans rests in the value attaching to the stock of the 4th Avenue Amusement Company. Statement of that company indicates that the stock has a book value of about $115.00 per share. Earnings statement, however, indicates that company earned in 1928, $385,000. on a capital of $600,000.00. It is noted that the combined line shows a reduction of only $2,250.00 since the last examination.			27,600.00	2/ 0.764.00	
$8,000.00 Louisville Mortgage & Finance Co. Company is in liquidation. Debt has been reduced $7,000.00 since the preceding examination.			8,000.00	2/ 0.7000	
TOTAL			EXTRA SHEET PAGE 4-15		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1123 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$129,065.40 Louisville Ice & Storage Co. Coll: 1,552 shs. American Ice & Storage Co., and $210,195.90 bills receivable. Debtor company has a contract for payment of three cents per three hundred pounds of ice delivered to them. This amount is applied to the payment of this debt. Line has been reduced $14,651.60 since the previous examination.			129,065.40		
$38,825.00 Louisville Provision Co. The portion not criticised is secured by assignment of meat. Company's statement dated 3-30-29 shows current assets $382,000.00, current debt $270,000.00, fixed assets $708,000.00, other liabilities $306,000.00. Company's affairs are somewhat involved.			15,000.00	10,000.00	
$16,000.00 Louisville Textile Co. For company's statement figures, reference is made to report of examination begun May 25, 1929, extra sheet page 4-23. Company is to be re-organized and merged with the Louisville Cotton Mills.			16,000.00		
$341,365.00 Louisville Cotton Mills Company's statement dated 6-30-29 shows current assets $510,000.00, current debt $357,000.00, net worth $988,000.00. Increase in line since the previous examination is occasioned by the fact that the bank advanced company funds to enable it to pay off a local bank. It is noted that the company's operations continue to be on a basis of limited profit. At the present time, interests connected with the company are arranging to raise new capital and merge this company with the Louisville Textile Company.			341,365.00		
$1,091.00 William Lynch 10-23-28 Collateral: 1,000.00 Louisville Ry. 5 - 30 35 shs. Louisville Ry. Com.	1,091.00		1,091.00		
TOTAL					

OVER SHEET PAGE 4-14

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
William Lynch - Cont'd. The value of the collateral is sufficient to protect the debt. However, bank is trying to protect the owner of the collateral, who lodged it with bank to guarantee Lynch's debt.					
$450.00 J. A. McDermett 4-30-29 Endorsed E. B. Dishman. Collateral: 30 shs. First State Bank, Barbourville, Kentucky. Bank is likely to have to take over the collateral, which is of uncertain value.	450.00			450.00	
$100.00 W. L. McGuffin 4-9-29 and W. C. Hall. Bank advises that payment has been promised for January 15, 1930.	100.00		100.00		
$150.00 L. R. Mahan and E. T. Pearey 1-24-28 Admitted loss.	150.00				150.00
$195.00 Carl Mauk Admitted loss.		195.00			195.00
$7,500.00 Mann Insurance Agency Endorsed Owen R. Mann and Louis Grossman. Line shows reduction of $2,000.00 since the previous examination.			7,500.00		
$4,591.54 Chas. J. Meriwether Endorsed O. J. Meyer.	4,591.54				4,591.54
$19,061.09 Chas. J. Meriwether - Discounts Meriwether is bankrupt. Bank has $1,300.00 in insurance money and title to a stucco bungalow valued at $7,000.00. Balance an admitted loss.	19,061.09		8,595.67		10,465.42
$174.75 Sam B. Metcalfe Admitted loss.		174.75			174.75
$300.00 Mrs. H. L. Middleton Runs a rooming house. Is endeavoring to sell the furnishings and pay off her debts.		300.00	300.00		
TOTAL		EXTR. SHEET PAGE 4-15			

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1492 C

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$4,170.09 John M. Carson Banking Co., Morgantown, Kentucky. Bank is in hands of a receiver. Bank has a goodly sum of notes in hands of attorneys for collection, but collection thereon is problematical.	4,170.09		Pd. 1117 06	3,170.09	3,000.00
$8,918.90 Geo. D. Morrison Endorsed L. M. Rumsey, J. S. H. Duffin, R. V. Board and W. E. Massey. Sureties are not believed to add much strength. Debt represents funds advanced in connection with the development of Mammoth Cave. No change in the line since 10-21-26.				8,918.90	
$1,240,608.82 Murray Rubber Co. (See Large Lines) Company's statement dated 7-31-29 shows current assets $1,168,000.00, current debt $384,000.00, plant $1,688,000.00 bond issue $1,000,000.00, net worth $752,000.00. Company is still unable to get its volume of sales to such a point as will afford it an operating profit. Company is now engaged in marketing its tires direct to the consumer through its own chain of retail stores. Operating figures disclose that the company's loss for the year ending 7-31-29 was $88,392.85. It is evident that if the affairs of the company cannot be rehabilitated, resulting in a decrease in fixed charges on the debt, company will soon be confronted with a receivership.			1,240,608.82		
$3,180.00 C. W. Napier, et al 8-25-29	3,180.00		3,180.00		
$24,800.00 J. I. Dempsey 1-8-29 The Louisville Trust Company is preparing a mortgage on several pieces of property in Hazard, Kentucky, to secure the above two notes. The advice was that property securing the note would be more than ample to protect the debt.	24,800.00		24,800.00		
TOTAL			EXTRA SHEET PAGE 4-16		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 2513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$1,775.00 Albert Nesbett Endorsed Mrs. Emma Kissaler.	1,775.00		1,775.00		
$1,800.00 Albert Nesbett - Discounts Nesbett is broke and is under indictment for fraud. Bank reports that Mrs. Kissaler is good for that portion of the debt endorsed by her. Of the discounts, bank advises that the portion criticised as slow carries with it solvent makers, the balance an admitted loss.	1,800.00		525.00		1,275.00
$1,150.00 J. Colgan Norman Endorsed E. B. Norman and collateraled by 30 shs. E. B. Norman & Co.			1,150.00		
$8,500.00 E. B. Norman Endorsed A. E. Norman, Jr.et al and collateraled by 218 shs. E. B. Norman & Co.			8,500.00	2/0-2400	
$595,719.25 E. B. Norman & Co. Collateral: $16,000.00 note of E. L. Bailey, secured by a lien on stumpage. Remainder collateraled by assigned accounts and chattel mortgage on lumber. Lumber company has not yet completed its contract with the Texas Corporation. Bank advises that there will remain enough Tupelo lumber to reduce the debt in the amount of $110,000.00 after this contract has been completed. Company's statement dated 1-1-29 shows current assets $385,000.00, current debt $649,000.00 with net worth of $309,000.00. It is observed that none of the hopes expressed by the management at the last examination with reference to the liquidation of this debt have materialized.			595,719.25	2/0-587,719.25	
$4,500.00 A. E. Norman, Jr. Collateral: 98 shs. Norman Lbr. Co.			4,500.00	2/0-4250	
$50,000.00 Norman Lumber Co.			50,000.00		
TOTAL			EXTRA SHEET PAGE 4-17		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1483 C

No. of Bank, 5513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$31,910.71 Rediscounts of Norman Kiln Drying Co.			$1,910.71		
$17,000.00 Norman Kiln Drying Co. Endorsed A. E., Jr., J. V. and E. E. Norman. Statement of Norman Lumber Company dated 12-31-28 shows current assets $69,400.00, current debt $54,800.00, other assets $6,700.00, investments in affiliated companies $64,000.00, net worth $102,000.00. The statement of the Norman Kiln Drying Company shows current assets $28,100.00, current liabilities $56,300.00, net worth $92,400.00. Statements of both companies show poor ratio.			17,000.00		
$3,200.00 Lee Oberdorfer 4-20-29 Collateral: 187 shs. Standard Oil Company of Kentucky. Maker is dead and bank is executor of his estate.	3,200.00				
$38,503.97 Parkway Lumber & Construction Co. Endorsed Louis Rosenberg, E. H. Ortmar, Frank S. Robinson. Collateral: 1,122 shs. Standard Mortgage Co; 10 shs. Paducah Water-works, Pfd., 5 shs. Louisville Gas & Elec. Pfd., $1,000.00 Cytron Mortgage Co., Second Mortgage Bond. Securities belong to endorsers. Bank wishes to work its debt out of $42,500.00 second mortgage bonds held, instead of forcing endorsers to pay. Company is in liquidation.			38,503.97		
$150.00 E. T. Pearcy and Mrs. H. B. Waller 1-9-28 Admitted loss.	150.00				150.00
$45.58 Peerless Printing & Specialty Company 3-19-29 In bankruptcy. Admitted loss.	45.58				45.58
TOTAL					

EXTRA SHEET PAGE 4-18

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1455 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$6,075.00 C. N. Peore Collateral: 78 shs. Louisville Textile Co. Com; 51 shs. Louisville Cotton Mills. Debtor is an officer of the Louisville Cotton Mills. No information as to outside means. Line reduced from $8,200.00 - 8-4-27.			6,075.00		
$195.00 Premier Manufacturing Co. 1-15-29. Endorsed C. I. Wikle. Admitted loss.	195.00				195.00
$3,045.00 carried at $240.00 E. H. Ray 4-13-25 Have sold bonds - this represents loss.	240.00				240.00
$37,441.80 Reed and Reed Collateral: $1,000.00 note, M. M. Simmons. General Agents for John Hancock Mutual Life Insurance Company. No statement of makers or endorsers. Line should be collateraled.		2,850.00	37,441.80		
$1,900.00 Edwin A. Reid Collateral: 60 shs. Reynolds Investment Co., Com., valued at $600.00. Debtor is ex-cashier of the Bank of Taylorville, Kentucky. He left the country after it was disclosed that he was short approximately $4,000.00 in his accounts.		1,900.00	600.00		1,300.00
$2,000.00 W. E. Rendar Collateral: 100 shs. Livermore (Kentucky) Chair Co., Com. Stock is non-liquid. It is noted that the line has been reduced from $5,000.00 since Feb. 23, 1927. It should be collected.			2,000.00	31-1800	
$150.00 James H. Richmond $30.00 paid since last examination. Now has a good job with State Board of Education.				150.00	
TOTAL			EXTRA SHEET PAGE 4-19		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1433 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$5,746.00 Edwin Ritter Collateral: $11,000.00 note of Amalia Ritter, secured by a lien on real estate valued at about $7,500.00. Debtor is no good. Will have to sell property to pay debt.			5,746.00		
$52.50 S. S. Rosenfield Collateral: $102.50 note of D. E. Lahey, due 6-1-29. Maker of note is no good. Bank will try to make debt out of collateral.		52.50		52.50	
$41.52 Shapin Manufacturing Co. 9-7-28 Any balance will be paid out in full during January, 1930.	41.52		41.52		
$600.00 Simpson Realty Co. Endorsed W. E. Simpson. Line is being reduced slightly at each maturity.			600.00		
$5,000.00 C. A. Singer Secured by second lien on two pieces of property valued at $15,800.00, subject to prior liens of $8,800.00. Debtor paid $2,600.00 on this debt during examination.			5,000.00		
$2,074.68 carried at $74.68 Peoples Bank, Springfield, Tenn. 9-30-24	74.68		74.68		
$600.50 Overdraft Peoples Bank, Springfield, Tenn. Reference is made to item in Bonds & Securities account. It is believed that debt should work out without further loss.	600.50		600.50		
$90,250.00 Standard Mortgage Company Endorsed by Max L. Simons. Company's statement indicates assets of $516,000.00 and debts of $78,000.00. Company specializes in financing of second mortgages. It is noted that the dividends about equal the net profits from operations. It is believed that earnings should be left in the company until the debt is on a more liquid basis.			90,250.00	2/10 - 10,750	
TOTAL			EXTRA SHEET PAGE 4-30		

Exhibit 18

TREASURY DEPARTMENT
Comptroller of the Currency—Examiner
Form 1458 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$71,800.00 Standard Printing Co. Endorsed D. C. H. Rose and Edw. Gottschalk. Reference is made to report of examination commenced May 28, 1929, extra sheet page 4-32, for operating figures of company as of 8-1-29. The item of receivables continues to be too heavy. During examination $15,800.00 was paid on this debt.			55,800.00		
$31,000.00 State Journal Company - Discount, C. T. Dearing Printing Co. Consolidated statement of the two companies shows total assets $299,000.00, total debt of $135,000.00. Line has been continuous since 7-8-27.			31,000.00		
$367.42 E. G. and J. W. Stall 8-1-29 J. W. Stall is an ex-president of the First City National Bank, Lexington, Kentucky. He committed suicide and his affairs are badly involved.	367.42			367.42	300.00
$50.00 Deane C. Taylor and I. R. Petch 4-28-28 Admitted loss.	50.00				50.00
$2,000.00 W. C. Taylor 8-8-28 Debtor is insane. A committee has been appointed for him and his affairs are being liquidated. Reduced $2,000.00 since last examination.	2,000.00		2,000.00		
$1,000.00 Temple Theatre Corp. Endorsed Leon L. Solomon.			1,000.00		
$1,500.00 Temple Theatre Corp., L. L. Solomon, Receiver Company still attaches considerable importance to the value of lease referred to in preceding report of examination. In addition, it advises that Mr. Solomon is good for his endorsement.			1,500.00		
$18,746.81 Estate of A. V. Thomson National Bank of Kentucky is executor of his estate. Estate			18,746.81		
TOTAL		EXTRA SHEET PAGE 4-31			

Exhibit 18.

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1288 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Estate of A. V. Thomson - Cont'd.					
consists chiefly of a farm and lien notes on twenty-nine suburban lots. Collection depends on liquidation of the estate.					
$36,462.62 W. V. Threver Secured by a lien on 230 acres near Lexington, Kentucky, valued at $150,000.00, subject to prior lien of $60,000.00 to the Joint Stock Land Bank. Loan appears to be protected, but liquidation has been slow.			36,462.62		
$74,712.71 Trumbo, Schupp and Schmidt			74,712.71		
$11,302.79 Overdraft of J. Dalfinger & Co. 1-14-29 (See also line of J. Dalfinger & Company in Fourth Street Branch Loans) Line is collateraled by 325 4/7 shs. Common and 315 4/7 shs. Preferred, Busk Stove and Range Company; also assignment of lease on 642 South Fourth Street for ten years, valued at $20,000.00. In addition, these lines are secured by a second lien on his home site, consisting of thirteen acres in Cherokee Park, valued at $125,000.00, subject to a prior lien of $8,000.00. The thirteen acres have been platted and it is expected that they will be sold off as soon as market conditions are favorable. Line appears reasonably safe, but most unliquid.	11,302.79		11,302.79		
$1,500.00 J. C. Utterback Collateral: 40 shs. Palmer Hotel Co., Paducah, Ky. Debtor is President of City National Bank, Paducah, Ky. Collateral is non-liquid. Reduced $100.00 since last examination.			1,500.00		
$40,000.00 carried at $29,000.00 H. Verheeff & Company Debtor's statement dated 10-31-29 shows $45,000.00 assets, $38,000. current liabilities. Bank is		29,000.00	29,000.00		
TOTAL.			EXTRA SHEET PAGE 4-29		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1493 A

No. of Bank, 5316

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
H. Verhoeff & Co. - Cont'd. the principal creditor and feels that it can liquidate enough out of business to avoid further loss. However, company will be liquidated at the end of six months if operations are not being carried on profitably. Your examiner is of the opinion that the bank will sustain further loss before the debt is liquidated.					
$175.00 C. S. Walesby . 1-11-29 Admitted loss.	175.00				175.00
$68.93 William Walker Endorsed James Horton, Sr. Debtor has made two small payments since maturity.		68.93		68.93	
$507.50 Louis M. Wallinger 1-31-28 Endorsed Temple Theatre Corp. Bank has funds in hand to pay this.	507.50		507.50		
$40,000.00 Wheeler Realty Company Endorsed Blakemore and W. C. Wheeler. Company's statement dated 12-31-28 shows total assets of $99,000.00, with debts of $58,600.00. Company has been a continuous borrower since 12-13-28.			40,000.00		
$725.00 Oscar & Edward Wilder Collateral: $4,000.00 life insurance. Is making small progress on this debt. Have an inheritance in trust from which they receive the income.		725.00	725.00		
$90,327.77 E. H. Woods Since last examination, the 2,000 acre tract has been sold. Bank bid in about 1,300 acres containing the buildings, which it bid in on the basis of about $40.00 an acre. The remainder of the land was sold for enough to clear up the prior liens. The money has not yet been paid over, due to a controversy regarding the fee to be charged by the real estate agent. Bank will transfer its 1,300 acres to Other Real Estate account.			52,000.00		38,327.77
TOTAL			EXTRA SHEET PAGE 4-28		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1425 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$105,000.00 S. Zorn & Co. - Discounts, Gold Proof Milling Co. Statement of the Gold Proof Milling Company is as follows:			105,000.00		
12-1-29 Cash .2M — Bills Payable 110. Receivables 3.2M — A/C's " .8 Plant 206.5M — 110.8 Due from officers 23.5M — Bonds 170. Treas. Bds.140. — 280.8 Auto .7 — Net worth 96. Misc. 1.8 375.7M — 376.8M					
Line shows a reduction of $15,000.00 since the previous examination. The statement of S. Zorn and Company shows quick assets $162.2M., current liabilities $61.9M., net worth $113.7M. It is evident that if S. Zorn and Company is required to make good on its guaranty, both companies will "sag."					
Other overdue paper		834,360.89			
TOTAL	355,352.05	1,682,405.93	3,364,088.60	658,428.29	365,016.17

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1425 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
FOURTH STREET BRANCH					
$3,000.00 Alemite Lubricating Company Company's statement 12-31-28 shows current assets of $28M., current debt $14M, net worth $28M. Debt has been continuous with no apparent prospect of immediate reduction. Conditions indicate that it is a capital loan, the original loan being a part of the purchase price of the company.		3,000.00	3,000.00		
$155.94 Chas. H. Boden Has been past due since 12-29-27. Maker has no assets.	155.94				155.94
$675.00 Bibb, Thos. M. Secured by 20 shs. of Alemite Lubricating Company (see above comment). Loan was made for the purpose of buying an interest in the company.			675.00		
$850.00 Bottom, G. C. Secured by 20 shs. of Alemite Lubricating Company, same as above.			850.00		
$7,600.00 Lucie Clark Boyce- Endorsed by Geo. M. Clark. This loan has been carried for three years with a reduction of only $2,400.00. Apparently no effort is being made to secure liquidation, the endorser being a director in bank.			7,600.00		
$1,900.00 Bunath, Joe Secured by 40 shrs. Alemite Lubricating Co. (discussed above) and was made for the purpose of purchasing an interest in the company.			1,900.00		
$1,015.17 Chappell, Edwin H. Secured by 50 shs. Bancoky. Co. valued at $1,000.00.		1,015.17			
$1,200.00 Cunningham, Ida M. Secured by 80 shs. Graham Stave & Heading Company, whi			1,200.00		
Total		EXTRA SHEET PAGE 4-8			

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY - EXAMINING
Form 1433 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Cunningham, Ida M.- - Cont'd. is in liquidation and said to be worth about $17M net. However, the date of final settlement is uncertain.					
$4,000.00 Cutler, Murrah Pace Secured by second mortgage on city real estate taken in violation of law. Property valued at $7GM - prior lien $4GM - dated 12-15-29 and maturing in one year.			4,000.00		
$55.00 DeWitt, Oscar Past due since 12-27-28. Maker has no assets.	55.00				55.00
$15,296.30 Edmondson, E. J. Secured: $2,500.00 C/D 210 U. S. Foil B. Com. 15 B. & O. RR 11 Sou. RR 27 Reynolds Metals; 200 Selected Industries; 10 Freeport, Texas; 250 Reynolds Investing 6% Pfd. Estimated value of all collateral $14,806.80. Maker has no assets and as to whether the bank sustains a loss depends entirely on the action of the market.				789.80	
$6,000.00 Fields, Dorn and W. J. Loan has been carried without reduction since November, 1927. No statement of the makers on file. Apparently no immediate prospects of payment.				6,000.00	
$500.00 Henry, Bettie M. Secured by old lease on second floor of Henry Apts. dated 5-31-24. Security believed to be worthless.					500.00
$100.00 Hodapp, F. R. Past due since 7-17-27. Whereabouts of borrower unknown.	100.00				100.00
$500.00 Thos. Jefferson Memorial Fund Endorsed: Fred J. Campbell. Past due since 5-14-28. Solvency of endorser is question-	500.00				500.00
			TOTAL		

EXTRA SHEET PAGE 4-28

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—FIDUCIARY
Form 1426 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$50.00 Jutz, H. F. Past due since 12-13-38. Cashier's check for $50.00 supplied by Asst. Cashier Thos. Green is attached to secure payment.	50.00				
$4,000.00 Laib, G. Fred Collateral: 150 shrs. Reynolds Inv. Common, valued at market $1,500.00. The solvency of the maker is doubtful and it is believed that the amount of the loss sustained depends entirely on the action of the market.				2,500.00	
$30,000.00 $1,621.67 Levi, Abe C. Company. Statement of company 1/15/39 shows current assets $177M, current debt $118.2M., net worth $100M. Collateral: $2,000.00 C/D; $10,000.00 note Anchor Realty Company, dated 10-16-39 and maturing 4 mo. Earning statement for 1938 (latest available) shows a net loss of $19,267.00. Company operates a retail store and is said to have sold its assets including a lease to the Mangal Company and it is stated that this debt will be paid as soon as final settlement has been made.			30,000.00	Paid 28,000.00	
$30.61 Maxwell, Mrs. R. R. Maker has no known assets.		30.61		30.61	
$35,500.00 Miles, Ollie C. Lewis Collateral: 500 Gen. Motors, $30,000.00 100 Cornett Lewis Coal Company, par value $100.00. This debt has been carried without reduction since March, 1939. Stock of the Cornett Lewis Coal Company is possessed of very limited market and it is believed that liquidation should be secured.			35,500.00		
$50.00 Hoe, Geo. R. and Elizabeth Past due since 6-15-39 and makers have no known assets.	50.00				50.00
TOTAL					

EXTRA SHEET PAGE 4-27

Exhibit 18

TREASURY DEPARTMENT
Comptroller of the Currency—Examiners
Form 1435 C

No. of Bank, 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$1,236.75 Oppenheimer, M. S. Collateral: 148 No. Am. Aviation; $500.00 Menart Apt. 1st Mtg. 7%, 1926 $250.00 C/D Total estimated value $1,050.00.		1,236.75	1,236.75	Paid	
$54.64 Perry, Sam G. Past due since 6-14-29 and maker has no assets.	54.64				54.64
$2,500.00 Pirtle, Wm. B. Collateral: 100 BancoKentucky Valued at $2,000.00. Maker has no other known assets.		2,500.00		Paid 500.00 500.00	
$5,000.20 Riddell, J. E. Collateral: 200 BancoKentucky valued at $4,000.00. Maker has no other known assets.		5,000.00		1,000.00	
$129.65 F. H. Straub Endorsed by mother. Past due since 8-25-27. In judgment but have not been able to effect collection.	129.65				129.65
$15,600.00 Terselegge, Mrs. Clara M. Collateral: $2,600.00 C/D 100 U. S. Foil B. Com. 280 Reynolds Metals; 140 Reynolds Inv. Com. 15 Units Selected Industries; 60 Reynolds Inv. Com. Total estimated value $14,030.00. Maker has no assets and amount of loss sustained will be determined by the action of the market.				1,570.00	
$12,000.00 Thomas & Menart Endorsed: E. T. Thomas. Company operates Brilling's Cafeteria, which is said to be operating at a loss. No statement of either company or endorser on file, but endorser is said to be worth $100M, mostly in real estate equities.			12,000.00		
$10,204.80 Thomson, E. E. Collateral: $2,500.00 C/D 200 U. S. Foil B. Com. 100 Scu. Corp. Com.				5,204.80	

(Over)

EXTRA SHEET PAGE 4-28

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 7813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Thomson, E. R. - - Cont'd.					
Total value $6,900.00. Maker has no other assets.					
$5,100.00 James E. Tierney Indorsers: Ed. Tierney (Father) Collateral: 121 Cont. Oil, value $2,600.00. Statement of endorser shows current assets $198.00, current debt $1,400.00 and net worth $8,418.00. This has been a continuous for about three years.			5,100.00		
$106.15 Mimms Treay, Inc. Past due since 8-14-28 and the solvency of the company is very doubtful.	106.15				106.15
$258.80 Walls, Alvin Past due since 7-8-29 and efforts to collect so far have met with little success. Maker has no known assets.		258.80		258.80	
$6,400.00 Willis, W. M. Collateral: $800.00 C/D 166 Chase & Wyman Co. par $100.00; Second mortgage on city property valued at $14M., prior lien $5.6M. dated 6-29-29 and maturing one year.			6,400.00		
$10,824.48 Young, Alma E. Collateral: 190 Sak. Ind. com. 225 Standard of Ky. $1,500.00 C/D Total estimated value $9,868.00. Maker has no other assets.		10,824.48		939.48	
$2,200.00 Young, W. C. Collateral: 20 Louisville G. & E. 7% Pfd., value $2,225.00.		2,200.00			
$21,541.95 Delflinger, J. Secured by assignment of lease on 642 So. Fourth St., in which there is a profit of approximately $50,000.00 extending over a			21,541.95		
TOTAL		EXTRA SHEET	PAGE 4-29		

Exhibit 18

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1483.C

No. of Bank, 5X12

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
period of 10 years. Maker also owes the Parent Bank (See Extra Sheet Page 4-22) $11,302.79, which is secured, in addition to the above lease assignment, by 325 4/7 shs. pfd. and 325 4/7 com. of Buck Range & Stove Company and by a second lien on unimproved property (13 acres) in Cherokee Park, valued at $12M., prior lien $6M. See comment in Parent Bank schedule.					
$18,500.00 Roster, J. H. Collateral: $3,000.00 C/D 1st Mtg. on 8 houses Banks Street for $6,000.00 of debt; 1st Mtg. real estate notes $10.5M. 2nd mtg. real estate notes $7,152.48. The mortgage on the Banks Street property is irregular and the value of it is questionable. Maker shows assets (consisting of real estate) $125.5M - mortgages $54.7M and net worth of $66.5M. The loan seems reasonably secure, but has been running with very little reduction since 1926. Maker promises complete payment within 90 days.			18,500.00		
Aggregate total of other current maturities		76,290.21			
Total	1,179.36	108,888.84	147,805.68	18,978.45	1,429.36

EXTRA SHEET FILED 4-30

Exhibit 18

(Form 1466—Reports)
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8318 *Date of Report* Dec. 31, 1929.

LOANS SECURED OR PARTLY COLLATERALED - PARENT BANK, (Cont'd).

Name of Borrower	No of Shares	Amount of Loan
(U)		
Unruh, Jno. M.	100	510.25
Utterback, Robt. L.	100	2,000.00
(V)		
Van Watts, Frances	50	750.00
Veenemen, C. Edward	75	995.15
Vendome, Copper and Brass	100	1,750.00
Veit, Alvin A. Jr.,	50	1,000.00
Volz, Harry A. Jr.	55	825.00
(a)Vonderhitt, Charles	200	4,000.00
Voneye, Mayme	10	250.00
(W)		
Wagner, Geo.	200	3,800.00 (x)
Walker, F. W.	200	5,978.85
Walsh, Misses	50	1,000.00
Walter, Mary M.	15	284.00
Walter, Jno. H.	50	400.00
(a)Wash, ?. M.	200	4,000.00
Washer, Ben S	1000	20,000.00 (x)
(a)Watson, Philip B	200	4,800.00
Weis Outfiting Co.	800	18,000.00 (x)
Weiss, Coleman G.	40	800.00 (x)
Wells, Prince	800	12,750.35 (x)
Welsh, Catharine M.	10	200.00
Wigginton, James L.	800	18,000.00 (x)
(a)Wiley, Redman	200	5,000.00
Wilson, Clarence R.	50	250.00
Winn, M. J.	1400	34,947.80
(a)Woodward, Louis H	50	1,250.00
Woolfolk, Fannie O.	1500	41,823.85
Wright Louise	25	625.00
(Y)		
Yager, Mabell L.	150	3,000.00
(a)Yeager, Louis C. Sr.	100	2,000.00 (x)
(Z)		
Zurschmede, W. T.	1700	37,800.00
		$ 3,048,350.07

(x) - Has other loans not considered.
(a) - No margin.
(b) - Less than 20% margin.
(c) - Insufficient collateral.

EXTRA SHEET PAGE 6/7

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 148a—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 Date of Report December 30, 1929.

FOURTH STREET BRANCH

LOANS MADE SECURED BY STOCK OF BANCOKENTUCKY CO.

DECEMBER 30, 1929.

Name of Borrower	No of shares	Amount of loan
Chester F. Adamson	10	258.62
C. L. Alderson	940	11,000.00
Robert H. Appel	20	2,150.00
Juliet B. Ayers	25	50.00
Robert L. Barnett	5	55.61
Milton Beard	200	2,500.00
Clarence W. Bohmen	10	236.87
Wm. Brown	10	250.00
Mrs. Helen Floyd Bryan	100	1,470.00
Roland B. Burk	50	650.00
Mrs. Estelle Burke	20	300.00
Mrs. Gladis Challiner	5	50.00
M. B. Chambers	10	150.00
Edwin & J.°M. Chappelle	80	1,015.17
Adelia L. Conrad	100	1,980.00
Edwin G. Cooke	25	150.00
C. Paul Corcoran	10	223.92
Paul A. Davis	100	2,275.00
J. H. Flowers	8	100.00
L. Wallace Frank	100	2,500.00
Fugate & Enfield	200	2,150.00
Garvin Fulton	1000	25,000.00
Mary S. Gibbons	100	800.00
Emma Dorcey Gipperich	25	1,000.00
Leonard C. Goering	10	148.00
Angus W. Gordon	10	194.78
Robert J. Graf	2000	37,500.00
Allen L. Green	25	425.00
Wm. C. Hall	500	12,500.00
J. Duffy Hancock	100	1,500.00
Trevor L. Hawkins	25	325.00
George Herrman	50	1,015.00
Louis J. Herrmann	220	5,150.00
C. J. Hertel	15	190.00
Ruth Higgins	200	2,200.00
John Higgins	400	2,500.00
Thomas Humphrey	100	1,500.00
J. Bernard Hutchinson	100	2,200.00
Edward F. Jacoboh	16	240.00
Margaret McDonald Jones	20	150.00
B. W. Kelley	50	720.00
Robert L. Kelley	200	2,600.00
John V. Kigel	95	1,403.42
Koby Drug Co.	80	1,250.00
Wm. H. Krippelmann	1,000	19,000.00
Rose Bent Krogmeier	25	300.00
Thelma Kroungrou	10	145.00
Mrs. R. H. Lehman	100	1,800.00
C. H. Lenahan	10	100.00
Gordon M. Lee	75	1,200.00
Alma B. Letzler	100	800.00
Mrs. H. B. Lewis	200	5,000.00
Annie C. Lindenberger	100	1,015.89
J. J. McKenna	100	2,800.00
Wm. C. Mays	800	15,512.50
E. S. Mayer	100	800.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 6-8 Examiner.

Form 1428—Page 3
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 18

No. of Bank, 5512

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate
Wakefield & Co.	600,000.00	These loans are to employees or officers of the company. As set out in former reports of examination, loans are for the accommodation of Wakefield and Co., proceeds having either been deposited to their account or subsequently transferred.
Green, J. M.	600,000.00	
Harris, L. S.	190,000.00	
Latta, A. E.	20,000.00	
Schweitzer, Fannie G.	180,000.00	
	1,610,000.00	

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.

Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility, under Section 5239, U. S. R. S., for all loans sanctioned on excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	221,974.43
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	
3. Aggregate amount on which real estate security has been taken in violation of law,	4,000.00
TOTAL,	225,974.43

* These loans need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
	SEE EXTRA SHEET						
TOTAL,							

Are properly executed certificates (Forms 1415, 1416, 1416a) attached to loans?

No. 715

Exhibit 18

TREASURY DEPARTMENT
Comptroller of the Currency—Washington
Form 2000.—Ed. 10-30—Apr. 30-31

No. of Bank, 2318

LIST OF REAL ESTATE LOANS

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
Parent Bank.							
Badger Aluminum Co.	6,000.00	-	8,000.	3-26-34	1-27-37	212 A.	
Carter Guaranty Co.	12,562.50	of $	140,000.	—	10- 1-29	City, - concurrent $12,500.	
Harlan Coal Co.	39,405.08	-	40,000.	9-10-25	—	Coal land 55/100 int.	
Rettere, Edwin	3,256.76	-	7,500.	9- 5-25	7- 2-28	City	
Singer, C. A.	8,000.00	8,500.	15,500.	8- 1-28	—	City	
Throves, A. V.	54,462.62	60,000.	180,000.	3- 2-25	—	220 A.	
Trumbo Schupp & Schmidt	74,312.71						
Delfinger (J) & Co.	11,302.72	6,000.	185,000.	—	—	Vacant - 13 A.	
Fourth Street Branch.							
Hester, J. H.	6,000.00	-	9,000.	3- 4-27	1-11-29	8 pos. City.	
Willis, W. N.	6,100.00	8,600.	14,000.	—	—	Apartment	
Delfinger (J) & Co.	21,841.98	See security at Parent Bank					
Total D.P.O.	221,974.42						
SS.							
Cutler, Murrah P.	4,000.00	40,000.	70,000.	12-15-29	12-15-30	Apartment House	

EXTRA SHEET PAGE 8/1.

TOTAL

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

Exhibit 18

No. of Bank, 5818

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
SEE EXTRA SHEET..		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

SEE EXTRA SHEET..		

Exhibit 18

Form 1488. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9818 *Date of Report* December 31, 1929.

LARGE LINES

BANCOKENTUCKY

Loans collateraled by BancoKentucky Parent Bank (See list)	3,066,390.07
do do do Fourth Street Branch(See list)	345,483.10
Loans partially collateraled by BancoKentucky - Parent Bank (See list)	1,434,911.12
do do do do Fourth St. Branch (See list)	1,006,276.69
Total loans in which BancoKentucky stock is all or a part of the collateral.	5,853,060.98

LOANS ENTIRELY COLLATERALED - PARENT BANK.

	Name of Borrower	No of shares	Amount of Loan	
(A)	Adams, Sarah Byrd	10	200.00	
	Allin, Bush W.	200	4,120.00	
	Ament, Mary B.	16	330.00	
	Ament, Nolte C.	200	4,000.00	
	Anderson, W. Sherman	1400	25,000.00	
	Antoni, Catherine	5	115.00	
	Annear, J. Frank	300	5,000.00	
	Arterburn, S. B.	100	2,500.00	(x)
	Arton, E. D.	1000	25,000.00	(x)
(B)	Bader, Frank	20	480.00	
	Ballard, Joe	2200	40,000.00	
	Bannan, P.	20	404.00	
(a)	Bannan, Rose, M.	500	10,000.00	
(a)	Bannan, Wm. P.	1000	20,000.00	(x)
(a)	Barry, J. J.	50	1,000.00	
	Bartley, Ellen C.	50	1,000.00	
	Bartman, Charles H.	20	200.00	
	Bauscher, John P.	5	95.00	
	Beard, John T.	100	2,049.60	
	Barnsden, Mary W.	30	710.00	
	Bethel Peyton, B.	200	3,000.00	
	Bishop, Kate B.	400	10,000.00	(x)
	Bittner, Wm. C.	610	15,565.17	
	Blackford, W. F.	500	12,695.83	(x)
(c)	Black, O. A.	1250	25,000.00	(x)
	Board, Robt. V.	1900	34,500.00	(x)
(c)	Boden, Smaual D.	240	5,105.33	(x)
	Borgman, Angela	20	304.55	
	Bourlier, Emil	400	9,000.00	(x)
	Bovard, Ray T.	10	200.00	
	Bowling, Allie A.	100	1,500.00	
	Bradley, Harry A.	50	1,000.00	
	Bradsby, E. W.	1000	25,000.00	(x)
	Bridges, Harry	225	1,600.00	
	Briscoe, W. L. Jr.,	200	2,500.00	
(c)	Brown, Arthur F.	200	4,000.00	
(c)	Brown, Bert A.	1060	22,500.00	
	Brown, Frank H.	200	4,082.67	
	Brown, Harry J.	25	500.00	
	Brown, J. G.	2000	40,000.00	
	Brown, Tim C.	25	500.00	
	Bruner, Daniel	10	250.00	
	Buckman, Sarah J.	10	240.00	
	Budde, Anna B.	100	400.00	
(c)	Buechel, Geo.	250	6,500.00	(x)
	Bullock, J. L.	120	2,400.00	(x)
(c)	Burch, H. L.	200	5,105.33	(x)
	Burdorf, Fred G.	1000	20,000.00	

To the Comptroller of the Currency,
Washington, D. C. EXTRA SHEET PAGE 6/1 *Examiner.*

Exhibit 18

Form 1488. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8812 *Date of Report* Dec. 31, 1929.

LOANS ENTIRELY COLLATERALED - PARENT BANK. (Cont'd).

Name of Borrower	No of Shares	Amount of Loan
Burdue, Edward W.	100	1,100.00
(a)Business Enterprise Co.	780	14,780.00
Belshoff, Richard	100	1,250.00
Beyer, Henry S.	200	3,000.00
(C)		
Cahn , Nathan, H.	50	1,000.00 (x)
Calvesid, S. R.	200	3,800.00 (x)
Carney, Hattie C.	50	1,000.00
Caron, L. S.	200	4,000.00 (x)
Carson, A. M.	100	1,500.00
Carter, Allen R.	200	4,068.67 (x)
Caverly, John R.	200	2,500.00
Childress, Christopher C.	200	3,000.00
Christian, G. A.	400	8,121.38
Clancy, Mary P.	200	3,078.38
Coady, Louis	30	525.00 (x)
Cominger, Carl E.	200	2,082.38
(c)Coomes, Jas.	100	2,500.00
Corcoran, Martin P.	200	4,082.67
Cotton, Francis	60	1,000.00
Crabb, Frank	5	115.00
Craig, Mary C.	5	125.00
(c)Crutcher, Gertrude	20	500.00
(c)Curry, Lee	100	4,000.00
Clements, J. W. S.	1000	12,738.38
Clark, Geo. M.	2000	30,000.00 (x)
(D)		
Dant, J. P. Sr.,	1380	25,000.00
Dauble, J. Louis	80	800.00
Davis, Margaret C.	21	800.00
Davis, Harry V. Sr.,	40	800.00
Davis, Harry V. Jr.,	28	456.88
Degrow, Jess D.	20	250.00
Dessi, Theodore , J.	50	780.00
Dickmeyer, Alvena	15	191.38
Dodd, C. P.	1800	16,800.00 (x)
Deitch, Nat. F.	100	2,000.00
(b)Dozier, N. H.	1400	27,446.80
Dreging, W. E.	8	200.00
Dreppelmann, R. J.	10	225.00
Duffy, Martin J. Jr.,	40	325.00
Dugan, Frank J.	300	4,780.00
(c)Dugan, W. E.	800	11,000.00 (x)
(c)Durnil, C. H.	100	2,000.00
Derryberry, L. T.	1000	25,516.67 (x)
(E)		
Eakin, C. W.	250	5,800.00
Eckenroth, Pauline	200	4,000.00
(c)Edens, W. M.	400	12,800.00 (x)
(a)Edwards, Rothwell T.	80	1,050.38
Elvin, Christine	5	125.00
Emmart, J. M.	800	10,000.00 (x)
Epping, John G.	1000	17,800.00 (x)
Erdman, James H.	12	175.00
Ewing, Charles	25	800.00
Ewing, C. Oscar	1000	20,000.00
Ewing, C. Oscar, Jr.,	300	5,000.00

To the Comptroller of the Currency, EXTRA SHEET PAGE 6/2
Washington, D. C. *Examiner.*

Exhibit 18

Form 1469—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9813 *Date of Report* Dec. 31, 1928.

LOANS WHOLLY COLLATERALED - PARENT BANK. (Cont'd).

Name of Borrower	No of Shares	Amount of Loan
(F)		
Fahey, Julia, E.	400	10,080.65 (x)
(c)Fainsaley, B. H.	2700	68,000.00 (x)
(c)Fatt, Leo E	80	1,100.00
Fealer, Harry	400	8,000.00 (x)
Fetter, Geo. G. Jr.,	1000.	25,000.00 (x)
Fields, J. J.	10	180.00
Fuley, A. J.	10	200.00
(c)Funtains, L. L.	3960	98,000.00
Funtana, Charles E.	100	1,080.00
Funtana, Marjorie	5	125.00
Frantz, L. F.	50	918.10
Fuchs, Hilda	40	720.00
(G)		
Gaines, Margarette J.	10	250.00
Galvin, Maurice L.	3200	80,000.00 (x)
Garnett, James	100	1,000.00
Gathof Rev. J.	10	250.00
Genale, Frank B.	20	520.00
Gilligan, Thos. J.	20	520.00
Girdler, W. H.	8000	100,000.00
Glass, V.C.	100	2,500.00 (x)
Goering, Wm. H. Jr.,	5	118.80
(c)Goodman, Harry W.	80	1,280.00 (x)
(c)Grant, H. R.	1200	24,700.00
Gray, E. C.	1000	25,000.00 (x)
Green, Emma	5	125.00
Green, O. Denton	100	1,000.00
Green, Greeny D.	15	372.00
Griffin, Jas. T.	100	2,000.00
(c)Grunstead, Bailey	600	15,000.00 (x)
(H)		
(c)Haag, Robert H.	50	1,220.00
Hagedan, Isobel	10	244.00
Haggan, Catherine	5	125.00
Hambleton, Wm.	100	1,200.00
(c)Hamilton, A. C.	125.	2,625.00
(c)Hamilton, C. L.	600	12,200.00
Hannan, Mary	20	256.10
Harrod, Thomas	5	125.00
Hasson, Margaret	40	1,219.00
(c)Hayes, J. E.	600	12,000.00
Head, C. Bruce	200	5,000.00
Hemp, E. E.	20	295.00
Hendricks, Lee	10	125.00
Herbert, Preston	1000	20,000.00
Hess, Jno. H.	10	220.00
Hewett, E. A.	4000	90,000.00
Hibbett, R. F.	20	220.00 (x)
Hillerich, Carl	5	125.00
Hollenkamp, Mary	60	1,080.07
Huette, Elizabeth	17	215.00
Hughes, Harry	200	5,400.00
Hummel, Emmajean	10	120.00
(b)Humphrey, Mrs. Wilhelmina	80	1,978.84
Hunter, Ray B.	100	1,000.00 (x)
(I)		
Ilg, Robt. C.	1000	20,000.00 (x)

To the Comptroller of the Currency, Washington, D. C. EXTRA SHEET PAGE 6/8 Examiner.

Exhibit 18

Form 1455—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* Dec. 31, 1929.

LOANS ENTIRELY COLLATERALED - PARENT BANK. (Cont'd).

Name of Borrower	No of Shares	Amount of Loan
(J)		
Jacobs, Walter F.	200	5,000.00 (x)
Jacoby, Zack	200	5,000.00 (x)
Jarvis, Mrs. Wm.	100	1,400.00
Jefferson, J. Wm.	9000	204,218.75
Jefferson, Hal T.	5000	65,850.00
(a)Jenkins, I. Sidney	200	4,696.50 (x)
(a)Jenkins, I. Sidney and Co.	100	2,054.38 (x)
(b)Jones, C. F.	9540	188,000.00
Joyce, Preston P.	200	2,500.00
Kalcher, R. G.	20	800.00
Kannenberg, Alivia	10	260.00
Karder, Louise	5	115.00
Kebech, Chas. E.	25	400.00
Kelley, Milburn P.	100	2,500.00
Kerr, Robt. M.	30	720.00
Kiley, Katherine	2	48.00
Kinnainey, Geo. T.	2300	38,275.00
Kinnainey, Jas. M.	3600	54,068.75
Kirwan, James, G.	1000	25,000.00 (x)
Klaspheke, J. L.	200	3,062.50
Klapheke, J. W.	350	9,696.53
Klapheke, Louis A.	50	1,275.84
Klapheke, Robt. E.	50	1,275.84
Klapheke, Rudolph W.	50	918.60
Klapheke, Vincent	50	1,275.84
Klein, Jno. T.	10	255.17
Klunder, R. F.	5	125.00
Knight, E. V.	1000	15,225.00
Kneschelmann A. W.	10	250.00 (x)
Koehler, Raymond L.	10	250.00
Kosse, Louis C.	40	800.00
(L)		
Lanegan, Richard D.	100	2,050.67
Larsen, H. C.	100	1,700.00
Lauer, Chester	21	500.00
Leamy, Margaret	20	510.25
Lechleiter, Frank J.	20	480.00
Lechleiter, Robt. E.	50	1,000.00
Lee, Edward E.	1600	29,000.00
Leonhardt, Rose	200	3,045.50
(c)Levi, Max	25	500.00 (x)
Lincoln, Walter E.	10	250.00
(a)Livingston, G. E.	200	4,082.67
Long, Geo. J.	600	10,000.00 (x)
Luckett, C. H.	1000	15,000.00
(a)Lynn, Mrs. W. O.	100	2,000.00
Lyons, S. C.	400	8,000.00
(Mc)		
McBride, Grace C.	20	500.00
McBride, H. S.	100	1,500.00
McDonagh, Nellie A.	10	150.00
McGoodwin, Mary D.	680	5,000.00
McGrath, T. M.	25	325.00
McKanan, Clyde D.	50	1,000.00
McNulty, Wm. B.	15	375.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 1133—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* Dec. 31, 1929.

LOANS ENTIRELY COLLATERALED - PARENT BANK. (Cont'd).

Name of Borrower	No of Shares	Amount of Loan
(M)		
Mahoney, Monica	5	125.00
Malone, Mary C.	500	5,000.00
Maloney, Thos. J.	10	220.00
(c)Marschak, M.	1200	30,455.00
Marschal, Cecil T.	5	125.00
(a)Marks, Chas. E.	100	2,150.00
Marshall, Burwell, E. Jr.,	100	1,522.00
Mattingley, Elizabeth	5	130.00
Mattingley, Louis J.	20	378.00
Means, J. A. Jr.,	500	5,500.00
Meglenery, W. A.	200	4,000.00
(a)Menefee, James T.	100	2,000.00
Mengel, Edwin P.	600	10,303.33
(c)Mengel, Joseph T.	1000	25,186.25
(c)Mengel S. C.	1000	25,186.25 (x)
Metz, Louis F.	800	15,000.00
Miller, C. H.	15	375.00
Moellman, Theresa	400	7,000.00 (x)
Monfield, L.	20	400.00
Mongan, Stephen P.	10	220.00
(a)Moore, Geo. W.	200	4,088.87
Moosman, Irene	5	105.00
Morgan, Stewart	50	1,000.00
M Martz, Elmer C.	25	375.00
Morrison, John H.	100	2,000.00
Mosier, Wm. L.	20	200.00
Mulligan, F. A.	5	100.00
Murphy, Mrs. D. J.	25	500.00
Murphy, D. K.	1020	10,206.00
Murphy, J. C.	210	2,581.66
(c)Murphy, Peter J.	50	1,250.00
Mimoth, Chas. W.	50	250.00
(N)		
Neal, C. H.	300	2,500.00
Neel, H. H.	300	2,500.00
Nelligan, Joseph, J.	40	800.00
(a)Newman, L. L.	500	10,000.00
Netzman, Elmer J.	50	1,000.00
Nee, A. L.	250	5,000.00 (x)
Nee, Hattie Lee	250	5,000.00
Nugent, Wm. F.	200	2,000.00
(O)		
Obermeier, H. A.	200	2,103.28 (x)
Obrien, E. J. Jr.	3600	80,785.28 (x)
O'Gara, Grace	25	475.00
(P)		
Pilson, J.	10	250.00
Pender, T. V.	500	10,000.00
Pepe, W. T.	4	80.80
Prestorius, H. A.	115	1,300.00
Pulman, Lawrence	5	115.00
(Q)		
Queen, J. R.	10	250.00
(R)		
Ramser, A. P.	1500	30,000.00
Ramser, Geo.	200	3,400.00
Rayne, E. J.	50	1,250.00
(c)Reid, Stanley	1000	25,516.67 (x)

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

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Exhibit 18

Form 1068 - Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9019 *Date of Report* Dec. 31, 1929

LOANS ENTIRELY COLLATERALED - PARENT BANK. (Cont'd).

Name of Borrower	No of Shares	Amount of Loan
Reese, Geo. H. Jr.,	100	2,056.08
Reitzel, A. M.	130	2,000.00
Revenough, C. L.	10	250.00
Reynolds, Jas. S. Jr.,	62	1,150.00
Rutman, W. S.	25	600.00
(a)Robinson, J. M.	100	2,000.00
Roby, Clarns	5	115.00
(c)Rogers, Bros.	1000	25,000.00
Rommell, Daniel	1150	20,000.00
Rommell, Edward D.	1150	20,000.00
(c)Rueff, Geo.	40	200.00 (x)
Ruffner, Geo. Jr.	5	125.00
Ryan, Chas. J.	60	1,200.00
Ryan, Joseph J.	40	800.00
(S)		
(a)Samuels, Meyer	100	2,000.00
Samuels, Theodore, O. H.	50	750.00
Scanland, Susan M.	48	1,351.77
Scharfenberger, Wm. F.	20	500.00
Scheer, Helen J.	10	200.00
Schlenk, W. A.	20	200.00
Schleutker, John W.	50	500.00
Schneider, Earle	5	115.00
Schneller, J. A.	50	1,000.00
Schopp, W. J.	50	400.00 (x)
Schwerth, Ada L.	10	205.00
Schulman, Wm.	25	500.00
Schultz, Lorraine C.	10	200.00
Scott, Curtis G.	5	95.00
Selligman, Alfred	180	5,572.55
Selligman, Jennie K.	200	3,582.67
Semple, Geo. C.	1140	5,000.00 (x)
(c)Seymour, Charles	100	2,313.62
Shaughnessy, T. J.	70	965.00
Sieloff, L. F.	80	1,600.00
Smith, Al S.	100	2,000.00
Smith, Newton C.	60	1,020.55
Smith, Virtner D.	500	6,500.00
Spaulding, H. G.	25	300.00
Speakman, Ernest J.	20	426.25
Speed, Wm.	200	5,000.00 (x)
Spillman, L. C.	700	4,595.00 (x)
Steele, Condit	5	125.00
Stettenpohl, J. C.	400	2,000.00 (x)
Stites, John	100	2,000.00 (x)
('T)		
(a)Tabor, J. D.	200	4,200.00
Talimini, Harry G.	1000	20,000.00 (x)
Tashgois, Herbert	1000	25,000.00 (x)
Taylor, Major	180	4,500.00
Theobeld, Edw. J.	1000	25,516.97
Thieman, Henry	10000	142,000.00
(c)Thomas, John	50	1,250.00
Thomason, Mabel	5	110.00
Thompson, Paul E.	1000	25,000.00
(a)Thompson, R. P.	300	7,500.00 (x)
Tilford, Henry J.	100	1,700.00
Timmel, Eugene H.	30	600.00
Trau[illegible], Fred	100	2,500.00 (x)
Trusheart, Carrie	60	727.90
Truman, Orville	50	1,250.00 (x)
[illegible]	2000	[illegible] (x)

To the Comptroller of the Currency. *Washington, D. C.* *Examiner.*

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Exhibit 18

Form 1488 - Revised
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9512 *Date of Report* Dec. 30, 1929.

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Flint Goodwin Endorsed Thomas A. Barker. Collateral: 1000 shs. Goodwin Preserving Co., Com.,1.00 par. Debtor is superintendent of the company and is reducing debt at the rate of $50.00 per month.	1,025.30
Douglas Graham Collateral: 180 shs. Bank of Pembroke, Kentucky, par $50.00. Continuous line since 12-8-26.	4,750.00
C. T. Haydon Collateral: 515 shs. Kentucky Paper Box Co No change in this line since 1-14-29.	15,000.00
Hibbs Kiefer Hat Co.	12,000.00
Discount, Belmont Cap Co.	9,000.00
Henry B. Kiefer and Harry C. Hibbs. These interests manufacture and wholesale hats and caps. The companies have shown some progress with respect to earnings since the last examination.	4,700.00
W. W. Hite & Company In mill supply business. Statement dated 9-30-29 indicates that company is in fair position, but not making any progress. Paid $250.00 on this line during examination.	7,150.00
D. M. Hoskin Collateral: 117 shs. Monarch Auto Co. Collateral is non-liquid.	6,000.00
Leonard P. Hyatt Collateral: 61 shs. Inman Co., Com. Line has been reduced from $6,714.80 since 4-4-27.	2,040.87
Harry C. Inman Collateral: 228 shs. Inman Company. Reduced only from $19,866.44 since 6-15-27.	17,346.90
Lawrence Jones Reputed to be wealthy, but no statement on file.	40,000.00
Kentucky Consumers Oil Company Endorsed E. H. Hilpp and H. C. Hasenstab. Refiners and wholesalers of gasoline and oil products. Company makes good money, but needs additional working capital.	8,500.00
D. B. Lam Endorsed S. J. Gish. Collateral: 47 shs. Cedar Grove Farm. Debtor resides at Central City, Kentucky. Nothing is known as to value of collateral. Surety is reputed to have considerable real estate holdings, but has been unsuccessful in disposing of them. No change in line since 10-23-28.	3,000.00
Larimore Auto Co. Company in liquidation. Have been handling Oakland-Pontiac agency. Figures of company, dated 6-30-29, indicate current assets $106,000.00, furniture and fixtures $5,000.00, current debt $75,000.00, net worth $31,000.00. Reduced only $500.00 since last examination.	10,200.00
E. E. Major Endorsed Sonie F. Ferguson. Collateral: 144 shs. Block, Fetter and Frost, who are in liquidation. Bank reports that there will be sufficient value to the collateral to retire the debt. Major is reported to be slow.	3,890.00

To the Comptroller of the Currency
Washington, D. C.

Examiner.

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Exhibit 18

Form 1469—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank [redacted] *Date of Report* Dec. 30, 1929.

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Thomas K. Monson — 32,969.80
Collateral: 85 shs. Latonia (Kentucky) Deposit Bank & Trust Co.,
1864 " P. Lorillard.
Collateral is barely sufficient to cover the debt. Debtor has offered a mortgage on property at Covington, Kentucky, to provide additional margin.

Marrett and Miller — 4,500.00
Endorsed J. S. Miller.
Company is in need of working capital. Have good earning power. Reduced $400.00 since last examination.

Robert L. Meraks — 21,118.42
$4,000.00 endorsed by C. C. Meraks.
Collateral: 80 shs. U. S. Bond & Mortgage Co., Pfd., Louisville, Ky.
100 " " " " " " Com., " "
80 " Missouri State Life Insurance Co.,
100 " In the South, Inc.,
10 " Continental Shares, Inc., Pfd.,
20 " Armour & Co. of Del., Pfd.,
2000 " Jack Waite Cons. Mining Co.,
100 " Builders Finance Corp., Louisville, Ky., par 10.00,
25 " Curchgald Corp., Com.,
15 " Union Central Bank, Louisville, Ky.,
40 " Continental Shares Inc., Com.,
50 " Jefferson Woodworking Co., Louisville, Ky.
20 Units, Second National Investors.

Collateral is possessed of limited marketability. Is going to pay one-half at next maturity.

M. H. Moise Company — 12,714.28
Collateral: $700.00 bills receivable, Jefferson Cafeteria.
Company's statement dated 1-1-29 shows current assets $20,800.00, current debt $25,600.00, net worth $95,500.00.
Handle Copeland refrigerators. In need of working capital.

Thomas T. Morris — 2,060.42
Endorsed J. E., M. C. and S. D. Palmer.
Maker is cashier of the Union National Bank, Providence, Kentucky.
No change since 1-17-27. Is known to be somewhat extended personally.

Pickrell Motor Company — Direct 18,000.00; Discounts 13,236.18
Handle Durant agency. Statement dated 9-30-29 shows current assets $64,000.00, current liabilities $34,000.00, net worth $68,000.00. In need of working capital.

Henry Pilchers Sons — Direct 58,000.00; Discounts 8,946.78
Collateral: $23,344.18 pipe organ notes.
During examination, bank rediscounted twenty-seven thousand odd dollars, customers' notes, due within the next four months, and applied this amount to reduction of open line. Bank advises it will endeavor to work out the line by this means, and, in so far as possible, limit future borrowings to current rediscount.

Sidney Rosenblum — 11,225.04
Is reputed to be of considerable means, but no statement on file.

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 1430 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5518 *Date of Report* December 30, 1929.

Name of Borrower	No of shares	Amount of loan
Geo. M. Miller	500	$ 12,500.00
Harold Mitchell	20	307.42
Rudolph A. Moeller	25	634.48
R. Montgomery	650	4,068.00
W. B. Moore	100	1,811.88
Neil Petree	100	1,350.00
Anne Pinney	100	1,450.00
J. E. Priddy	1000	25,000.00
Philip F. Quinn	50	850.00
H. H. Richeson	100	1,800.00
J. E. Riddell	200	5,000.00
Eleanor M. Ripley	40	400.00
Robert S. Ripley	40	400.00
J. T. Rodgers	100	2,800.00
Mrs. Mary L. Rogers	5	50.00
C. F. Sanders	200	4,000.00
Robert C. Schmelz	70	1,100.00
Paul E. Schwab	20	456.90
Joseph Selligman	600	6,800.00
J. Garland Sherrill	25	500.00
R. H. Simpson	100	1,400.00
R. H. Slack	60	80.00
Jas. R. Smith	200	2,500.00
John A. Smith	10	75.00
Susana Spana	50	650.00
W. S. Speed	3,000	75,000.00
Frank M. Stiles	100	1,900.00
Robin E. Stone	30	519.00
Turner A. Summers	250	3,100.00
E. M. Sweeney	75	1,125.00
Mrs. J. W. Thomas, Jr.	20	300.00
Geo. Traeger	20	484.38
Harold B. Trudeau	10	203.18
Noble Waddy	40	400.00
James H. Warner	50	1,000.00
Ella D. Watkins	4	30.00
W. M. White	20	350.00
A. G. Williams	100	1,900.00
Edwin D. Wood	100	2,500.00
Margaret L. Wooty	50	200.00
Allen W. Wolpert	200	2,900.00
Stella Anne Yeaun	65	925.00
Rev. A. C. Zeller	150	400.00
	20,679	$345,455.10

LOANS PARTIALLY SECURED BY BANCOKENTUCKY STOCK

Name of Borrower	No. Shares	Estimated Value Other Security	Amount of Loan
Walter M. Adams	25	$ 325.00	$ 786.62
A. G. Angermeir	200	25,000.00	22,000.00
Walter G. Appel	200	2,600.00	7,100.00
Geo. R. Armstrong	200	15,400.00	16,000.00
Wm. H. Atkins	50	460.00	1,250.00
Mrs. Goldie Arty	100	2,550.00	1,800.00
Wm. H. Bauer	25	3,438.00	3,800.00
Katherine Behrens	50	3,060.00	3,800.00

To the Comptroller of the Currency,
Washington, D. C.

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Examiner.

Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9812 *Date of Report* December 30, 1929.

Name of Borrower	No. Shares	Estimated Value Other Security	Amount of Loan	
Clara L. Behrens	50	3,950.00	3,350.00	
J. H. Bellman	200	5,000.00	5,000.00	
J. Edgar Boswell	300	4,940.00	10,000.00	
Wm. Lillie M. Bryant	40	6,079.00	6,600.00	
Thos. B. Bullitt	300-	23,700.00	11,358.00	*
Adele Challiner	20	561.00	670.00	
Mrs. Nina H. Detweiler	30	548.00	750.00	
Cornelius D. Dooker	150	14,800.00	9,231.65	*
A. B. Dundas	80	8,880.00	4,958.86	*
Isador Dreyfus	130	24,518.00	15,000.00	*
Frank H. Dyer	100	3,141.00	5,285.00	
Mary O. Eldridge	10	100.00	175.00	
Merritt L. Emrich	300	12,000.00	13,336.86	*
O. L. Evertech	1000	52,000.00	25,000.00	*
A. V. Finley	280	22,256.00	20,000.00	
Simon Fitzpatrick	30	1,040.00	1,000.00	
Louis Frank	880	32,870.00	30,220.00	
I. T. Fugate	500	20,618.00	20,008.80	
Christine P. Gates	40	560.00	350.00	
J. H. Giles	200	22,450.00	15,220.00	*
Lula S. Gipperich	200	24,525.00	8,500.00	*
Helen F. Gordon	200	16,120.00	15,400.00	
J. E. Grey	200	14,000.00	16,800.00	
Alex V. Griswold	100	5,086.45	7,145.80	
H. M. Hamilton	25	1,053.00	1,245.00	
A. M. Hardaway	100	9,552.00	7,597.65	*
J. H. Harrison	500	8,500.00	12,980.48	
Dr. O. A. Hendon	600	5,090.00	11,969.38	
Mary H. Hogan	100	6,540.00	7,695.75	
Michael J. Hogan	60	1,360.00	2,775.00	
E. B. Hohe	500	2,000.00	13,000.00	
Warren F. Hosch	30	1,450.00	1,827.80	
Frank B. Howe	50	3,600.00	2,350.00	
Mary J. Hutchins	200	9,415.00	14,286.59	
Wm. A. Jaighman	50	325.00	220.00	*
J. E. Jansen	140	1,000.00	3,697.63	
Emil O. Jutt	200	12,525.00	13,000.00	
C. W. Karraker	100	16,250.00	14,500.00	
Robert L. Kemper	30	350.00	1,500.00	
Ira N. Kerns	500	25,490.00	21,658.77	
Mrs. Elizabeth W. Kennel	100	2,000.00	3,450.00	
Robert J. Lalonde	150	2,000.00	4,500.00	
Bessie M. Lichten	25	1,122.00	1,125.00	
Margaret M. McAuliffe	400	25,960.00	25,250.00	
Katherine McIntyre	20	14,305.00	10,700.00	*
Daisy L. McQuary	100	1,800.00	3,100.00	
Nora MacGahe	10	6,080.00	2,500.00	*
Eugene F. May	15	1,000.00	900.00	
Raymond L. Metz	20	3,150.00	2,755.16	
C. C. Miller	50	2,046.00	1,250.00	*
Mary S. Mock	58	2,317.00	2,400.00	
Joseph W. Morris	1000	21,970.00	28,547.00	
Mildred Morrow	50	1,100.00	1,400.00	
Henry H. Murray	90	2,800.00	1,700.00	*
W. O. Onderdonk	200	225.00	2,500.00	
Chas. S. Perry	200	19,925.50	17,545.39	
Chas. A. Pinnell	50	675.00	1,250.00	
Chas. H. Pratt	900	10,800.00	22,500.00	
J. R. Ramage	100	1,200.00	2,200.00	
Fernand M. Rassinier	200	2,900.00	3,102.50	*
Cleves Richardson	100	6,000.00	4,200.00	*
Margaret Roper	100	8,912.00	8,666.00	

To the Comptroller of the Currency,
Washington, D. C.

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Examiner.

Exhibit 18

Form 1464—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* December 30, 1929.

Name of Borrower	No. Shares	Estimated Value Other Security	Amount of Loan	
Sam L. Salomon	100	16,750.00	15,500.00	
F. W. Samuel	100	17,400.00	15,383.08	
A. T. Schreiber	50	7,000.00	6,250.00	
Virgil R. Simpson	150	1,998.00	4,000.00	
Torrens A. Smith	12	475.00	300.00	
Eugene H. Speer	20	1,440.00	975.00	*
R. G. Spurling	500	7,250.00	12,500.00	
Mrs. E. M. Starks	700	78,750.00	61,231.00	*
Laura B. Swearingen	10	1,000.00	52.50	*
Susie E. Talamon	100	5,000.00	5,000.00	
M. H. Thornberry	200	2,774.00	5,000.00	
Miles Turpin	50	1,975.00	3,646.00	
Alvira Van Arsdale	150	400.00	3,606.00	
D. P. Vandiver	50	250.00	1,606.31	
May L. Vaughn	300	18,400.00	19,088.25	
Sanford Vaughn	150	10,994.00	11,475.00	
C. G. Warren	200	2,100.00	4,900.00	
Mrs. Charlotte J. Watson	100	2,201.00	4,847.37	
Daisy E. Weaver	25	100.00	300.00	
G. A. Weber	100	1,088.00	1,088.00	
Wm. J. Weinert	1000	4,000.00	25,000.00	
Mrs. Helen Weller	10	490.00	300.00	
Edwin L. White	50	106.00	975.00	
F. L. Wilbercqs	100	250.00	2,251.97	
T. B. Wilson	2000	200,000.00	188,000.00	*
Claude L. Wolffe	200	1,200.00	1,200.00	x
Lula Lee Woodruff	50	200.00	1000.00	
R. T. Yee	1000	4,000.00	25,250.25	
	11,297	$1,139,302.98	$1,004,276.69	

* Other collateral ample to protect aside from Banco Kentucky stock.

To the Comptroller of the Currency,
Washington, D. C. *Examiner.*

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Exhibit 18

Form 1564—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9613 Date of Report December 30, 1929.

			Value of other collateral	Loan	
	Ament, Allen	50	1,364.00	2,000.00	
	Angermeier, H. J.	1000	5,200.00	25,000.00	
	Axton, W. F.	2000	29,800.00	47,648.00	
	Allgaier, F. H.	100		2,150.00	(1)
	Barker, Henry A.	1000	1,800.00	2,000.00	
	Boehl, A. H.	50	1,188.00	1,150.00	
	Book, Anna F.	200	1,080.00	1,650.00	
	Bills, Lottie A.	200	3,100.00	3,100.00	
	Bengman, Eugene C.	70	2,388.00	3,065.00	
	Bohne, P. J. Jr.	50	2,970.00	2,695.00	
	Boeler, John H.	24	510.00	750.00	
(0)	Boesmeyer, Florence A.	150	340.00	3,510.00	
	Brown, Mary K.	25	975.00	550.45	
	Bryan, V. H.	100	6,700.00	5,450.00	x
	Budde, Edw. G.	2000	6,146.00	25,250.00	
	Bunnell, H. E.	4	1,200.00	700.00	x
	Brown, Wm. H.	6	100.00	100.00	x
	Cardwell, Marion M.	100	1,000.00	2,347.70	
	Carroll, A. J.	1000	2,700.00	25,000.00	
	Chappell, J. M.	200	1,209.15	6,289.15	
	Clarke, Wm. K.	100	396.00	2,500.00	
	Coleman, T. C., Jr.	500	9,350.00	13,000.00	
	Corcoran, A. J.	50	1,000.00	1,250.00	
	Corcoran, Miriam W.	50	250.00	1,250.00	
	Clark, Geo. M.				
	Dell, Clarice	50	1,400.00	1,595.00	
	Demmon, J. C.	150	1,000.00	3,306.87	
	Duffy, Martin, J.	20	1,621.00	1,700.00	
(0)	Farnsley, A. T.	1000	1,700.00	25,000.00	
	Feiler, Milton E.	100	604.00	2,200.00	
	Fleischmann, A. W.	100	1,000.00	2,252.66	
	Fleming, R. E.	1000	7,200.00	24,000.00	
	Fontaine, E. L.	500		12,756.25	(1)
	Frazier, S. L.	1000	9,650.00	25,000.00	
	Gates, John C.	100	3,500.00	3,075.00	(x)
	Gaylord, Paul P.	1000	6,600.00	25,000.00	
	Gillespey, Thos. E.	100	2,900.00	4,750.00	
	Gilliford, Aurene B.	50	500.00	1,000.00	
	Glass, Clarence D.	200		11,500.00	(1)
	Glaugamer, Louis R.	100	23,100.00	20,500.00	
	Greenstein, S. J.	100	1,154.00	3,500.00	
	Guernsey, Gordon B.	50	1,750.00	1,250.00	(x)
	Gustig, Hettie	150	975.00	3,750.00	
	Guigliano, Agnes	100	2,088.00	1,500.00	(x)
	Guyn, C. H.	40	200.00	1,000.00	
	Hannill, W. B.	50	480.00	1,250.00	
	Hannon, Mary A.	340	9,800.00	8,675.84	(x)
	Hannon, Bennie	1100	1,980.00	2,500.00	
	Hardin, P. W.	50	1,097.50	1,250.00	
	Harris, L. S.	100		170,000.00	
	Hayes, E. W.			115,000.00	
	Herrington, L. B.	200	17,190.00	12,000.00	(x)
	Hickman, Bayler O.	2700		110,000.00	

To the Comptroller of the Currency,
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Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9813 *Date of Report* December 30, 1929.

	Hallcraft, Rice	500	12,650.00	9,510.00	(x)
	Hume, Wm.	100	225.00	2,800.00	
(e)	Humphrey, L. M.	1440	1,220.00	29,000.00	
	Johnson, Dora G.	150	1,480.00	3,900.00	
	Johnson, J. M.	800	3,580.00	9,000.00	
	Jones, Wm. E.	100	888.00	3,800.00	
(e)	Kentucky, Book Mfg.	20	880.00	1,220.00	
(e)	Kimbel, J. J.	800		5,000.00	(1)
(e)	Kinnard, R. D.	800	3,900.00	10,000.00	
	Kramer, A. W.	400	1,000.00	10,000.00	(x)
	Kuhn, Walter I.	400	1,080.00	26,186.17	
	Leibold, Lillian	20	880.00	780.00	
	Loughridge, Pearl M.	100	1,800.00	3,800.00	
	McOmigall, W. J.-	100	6,000.00	5,775.20	(x)
	Mason, Malcolm	150	840.00	3,428.00	
	Mattingley, Alma	10	294.00	225.00	
	Menefee, Jean W.	100	880.00	2,800.00	
	Merrill, C. R.	800	1,018.00	5,108.80	
	Meroke, Geo.	400	2,800.00	10,206.67	
	Meroke, Stella E.	640	3,800.00	16,888.00	
	Merriman, M. L.	800	20,800.00	80,480.00	
	Miller, Viola McK.	10	80.00	250.00	
	Mooney, Catherine D.	800	6,488.00	13,847.00	
(a)	Morrow, C. E.	400	1,427.00	10,000.00	
	Moseley, F. L.	700	4,800.00	17,800.00	
	Newhouse, Wilbur	400	4,700.00	11,000.00	
	Nugent, Edw. B.	100		4,897.50	(1)
	Obermeier, Julia	100	1,200.00	2,800.00	
	O'Sullivan, Daniel E.	1000	9,075.00	25,979.17	
	Poole, Florence E.	22	980.00	1,800.00	
(a)	Prituff, G. Potter	200		5,076.67	(1)
	Ramser, Camille M.	25	222.00	868.25	
	Reneu, E. I.	80	280.00	1,220.00	
(a)	Riley, W. M.	100	115.00	2,222.00	
	Ryan, W. F.	100	1,000.00	2,250.00	
(e)	Sand, Alexander	1000		25,900.00	(1)
(e)	Sanfley, S. M.	1000		25,218.67	(1)
	Schocklo, Solomon	800	1,500.00	4,800.00	
	Schwab, Jacob, Jr.	200	1,095.00	8,005.20	
(e)	Seidenfaden, Amelia	500	1,220.00	7,500.00	
	Semple, Lottie D.	80	1,860.00	1,881.00	(x)
	Shine, John E.	70-		84,800.00	(1)
(e)	Shinnick, Kate	800	2,841.00	8,448.82	
	Simcoe, Sam H.	10		800.00	(1)
	Simpson, Sam H.	2150	18,700.00	84,846.25	
(a)	Simpson, W. G.	1540	6,220.00	82,550.00	
	Stellenpohl, Anna	50		1,885.96	(1)
(e)	Stokes, E. M.	400		18,800.00	(1)
	Strong, Jesse F.	800	2,940.00	7,800.00	
	Tinnell, Edward V.	12-	200.00	800.00	
	Turline, B. F.	40	800.00	910.89	
	Trueheart, C. T.	800	1,400.00	8,108.35	
	Tully, Philip. S.	1000		22,800.00	(1)
	Twyman, Verda L.	10		150.00	

To the Comptroller of the Currency,
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Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 6512 *Date of Report* December 30, 1929.

	Yelz, Harry A.	500		8,000.00	(1)
	Walsh, M. W.	1500		64,500.00	(x)
	Webb, Louis Ky.	100	2,080.00	7,500.00	(x)
	Whiteley, A. C.	600	20,103.00	21,000.00	
(b)	Williams, Anna C.	400	1,000.00	8,800.00	
	Yeamer, Geo. A.	100	2,000.00	2,000.00	(x)
	Young, Stanley B.	50	20,585.00	10,000.00	(x)
		41,498.		1,454,911.12	

(a) - No margin

(b) - Less than 20% margin

(c) - Insufficient collateral

(x) - Other collateral ample to protect aside from Bemos Kentucky stock

(1) - Collateral not listed. No accurate valuation possible.

To the Comptroller of the Currency,
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Exhibit 18

Form 1466—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9813 *Date of Report* December 30, 1929.

KENTUCKY RACE MANUFACTURING COMPANY

Direct Loan	$998,884.85
Bonds and Securities	197,617.14
Jas. R. Duffin - Loans and Discounts	15,720.00
do. Cash Item	800.00
National Motors Corp. - Loans and discounts	211,978.47
do. do.	22,280.00
Overdraft	99,546.98
Associated Motors Industries - Loans and Discounts	3,651.42
do. Bonds and securities	998.65
National Motors Corp. Loans and Discounts	48,617.28
do. do.	42,282.95
W. Ej Massey do.	7,800.00
R. C. Kinkead do.	1,964.85
Current Discounts	8,891.80
	1,804,224.51

MURRAY RUBBER COMPANY

Direct Loan	800,000.00
Bonds and Securities	850,000.00
Wm. D. Campbell- Collats: $50M Murray Rubber Co. bonds	47,808.91
S. M. Pepper do. $50M do. do.	47,808.91
Rogers Caldwell et al Collat: $250M do. do.	288,800.00
	1,830,418.82

To the Comptroller of the Currency,
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Exhibit 18

Form 1006.—Reports
TREASURY DEPARTMENT
Comptroller of the Currency

No. of Bank 8818 *Date of Report* Dec. 30, 1929.

PARENT BANK

OTHER LOANS ESPECIALLY MENTIONED.

Guy D. and Eugene R. Atkinson Agents for Maryland Casualty Company. Statement shows $41,000.00 assets and $30,000.00 debt. This is a new loan as company paid out since last examination.		$ 5,500.00
David Baird & Son Wholesale milliners. Statement dated 6-30-29 shows current assets $326,000.00, current debt $114,000.00, net worth $251,000.00. Company's analysis of receivables indicates that they have a heavy volume of undesirable items contained therein. Bank is getting reduction on line every thirty days, and in addition is getting the direct line worked into discounts as rapidly as good notes can be taken.	Direct Discounts	27,500.00 13,964.56
Bankers Trust Company Collateraled by $226,850.00 bills receivable, of which $209,000.00 represents bonds issued by themselves. Bank is not making progress.		151,000.00
Henry C. Beddinger $2,200.00 endorsed Maria V. Beddinger. Collateral: 5 shs. Bank of St. Helens, Shively, Kentucky. Reduced only $300.00 since the previous examination.		2,200.00
Duffy Ice Company Endorsed Thomas J. Duffy. Company's statement dated 10-1-29 shows assets $62,000.00, debt $61,000.00. Company's net worth continues to decline. Bank reports that endorser is abundantly good for the note.		7,000.00
Don W. Elliott Collateral: 100 shs. Purity Bakers, Com., valued at $7,800.00.		7,400.00
Frank Fehr, Trustee Collateral: 40 shs. Stewart Warner, valued at $1,580.00.		2,500.00
Foreign and Domestic Veneer Company Company's statement dated 6-30-29 shows current assets $1,082,000.00, current debt $655,000.00, fixed assets $254,000.00, mortgage liens $9,000.00, net worth $652,000.00. It is evident that company's ratio of debt to net worth is poor. Company should arrange for permanent financing in order to provide additional working capital.		175,000.00
Gibbs Inman Company No new statement in the file since the last examination. Has been reduced $5,000.00 since that time.		75,000.00
W. G. Giles Collateral: 100 shs. Monarch Equipment Co., 284½ " Monarch Auto Co., 80 " American Basic Business Shares Corp. "B". 300 " Kelvinator Corp. Collateral is non-liquid.		11,095.50

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To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 18

TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank [redacted] *Date of Report* Dec. 31, 1938.

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Howard L. Savage — 8,700.00
Collateral: 19 shs. Coca Cola "A",
19 " " " Com.
44 " Louisville Bridge and Iorn Company.
Maker resides in Clarksville, Tennessee. The stock is believed to make the line good, but the debt should be cleaned up. It is considerably overdue.

Semmie Goodman — Direct 10,220.00 / Indirect 1,588.60
$8,000.00 endorsed Harry W. Goodman, H. C. Coleman and E. L. Taylor.
Collateral: $2,654.94 real estate note, J. W. Polk.
Company's statement dated 12-31-38 shows (after deducting Good Will) assets $80,000.00, liabilities $40,000.00. However, included in the assets is $17,500.00 due from shareholders. Company's profits have been good, but withdrawals have exceeded earnings.

Myron J. Sheridan — 3,800.00
Flour jobber. Statement dated 12-31-38 shows current assets $15,200.00, plant $49,600.00, current debt $12,700.00, mortgage liens $11,700.00, net worth $40,600.00.
Company's statement is very poor.

Stewart Warner Sales Co., — 8,000.00
Endorsed J. H. Morrison.
Statement dated 11-25-38 shows current assets $31,900.00, investments $7,600.00, real estate $98,000.00, equity in real estate $15,000.00, current debt $44,600.00, mortgage liens $19,000.00, net worth $105,900.00. Current ratio is 1.07. Item of "Equity in real estate" should be explained.

Stimpson Computing Scale Co. — 200,700.00
Reference is made to comment on extra sheet page 8/8 of last report of examination. Company's line shows a reduction of $38,300.00 since that time.

E. K. Warden — 6,800.00
Collateral: 100 shs. Consolidated Realty Co., Pfd.
Collateral is non-liquid. Line shows no change since preceding examination.

Mrs. Caroline M. Williams — 4,000.00
Collateral: 38 shs. Louisville Railway Co., Pfd.,
100 " " " " Com.,
4 " First National Bank, Louisville, Ky.
Collateral is valued at $4,220.00.

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To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 18

(Form 1488—Reports)
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* Dec. 30, 1938.

OTHER LOANS ESPECIALLY MENTIONED, (CONT'D).

Chappell, Edwin H. & J. M. Collateral: 20 Banco - estimated value $1,000.00.		1,015.17
Clarke, Harry M. Collateral: 45 Anaconda Copper - 200 Inter-Southern Life - 18 Com. & Sou. Estimated value $4,454.00.		3,250.00
Cleaver, I. V. Collateral: 8 International Nickel Canada - Adjusted Compensation Certificate for $75.00, total estimated value $256.00.		251.14
Corcoran, C. Paul Collateral: 10 Banco, estimated value $200.00.		225.92
Cusendam, Arthur B. & Harry Collateral: 17 Cusendam Ice Cream, par $100.00 - $100.00 City Hotel Co. 1st Mtg. 7-39 - $145.70 Savings Account - $100.00 Louisville Title Co. 6-36 - $300.00 Of Greater Louisville B. & L., total estimated value $645.70.		1,025.00
Davis R. Hargis Collateral: $3000.00 1st mtg. Real Estate Note of R. N. Stracke, past due since 8-29-38.	Indirect:	3,025.00 1,470.66
Davis, Paul A. Collateral: 100 Banco - estimated value $2,000.00		2,275.00
De Fanniak, Florence Collateral: 208 Ford Ltd. Canada - 100 No. Am. Aviation - $2000.00 C/B - 200 Standard Ky. - 25 U. S. Steel com - 5 com. Gas & Elec. 7% Pfd. - 40 U. S. Steel Pfd - 125 General Motors Com - 22 1st Nat. Bank Detroit Mich. - total value $26,742.50.		25,450.15
Deifenbach, Jessie S. Collateral: 22 Reynolds Inv. Com - 24 U. S. Foil B Com - $250.00 C/B - 5 Allegheny Corp. Com. - total value $1700.00.		2,250.00
Demarest, Helen G. Collateral: [illegible]IV. Pipe & Radiator Com - 8 Louisville Gas & Elec. 6% Pfd. - total value $675.00.		650.00
Brautman, Sophia Collateral: 3 Lou. G. & E. 7% pfd. - value $320.00.		300.00
Dyer, Frank H. Collateral: 8 Am. Turf - 4 Am. T. & T. - 2 Reynolds Tob. - 16 Am. Radiator - 5 Standard Ky. - 150 Banco - $200.00 C/B total estimated value $5141.00.		5,265.00
Eckles, Richard Collateral: 10 Reynolds Bros., valued at $70.00.		68.21
Ellison, James A. Collateral: 35 North American Av., valued at $140.00.		200.38
Ford, John I. Collateral: 14 Reynolds Metals Com, valued at $350.00.		300.00
Ford, Sarah Brashear Collateral: 8 Lou. Gas & Elec. 7% pfd. - value $220.00.		200.80

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5818 *Date of Report* Dec. 30, 1932.

OTHER LOANS ESPECIALLY MENTIONED, (CONT'D).

Funk, Maud Lee Collateral: 50 Reynolds Inv. com - $5000.00 C/D - 250 Standard Ky. - $1000.00 C/D - 100 American Turf, total estimated value $14,550.00.	14,225.05
Fulton, Garvin Collateral: 360 Am. Radiator - 200 Liggett & Meyers - 1000 Banco - 100 Pennroad Corp. - 43 Sou. Pacific, total estimated value $87,149.00.	80,276.20
Gamble, T. H. Collateral: 400 Kentucky Util. 7% Pfd. value $13,200.00. Maker is a member of the firm of Gamble Brothers, owning a 40% interest in the firm. Firm carries a substantial balance with the bank. Said to be amply good for the deficiency.	16,975.00
Gibson, Mildred U. Collateral: $2000.00 Louisville Joint Stock Land Bank 5-38.	2,000.00
Gordon, Angus W. Collateral: 10 Banco - value $200.00 (Employee).	194.78
Graf, Robert J. Collateral: 2000 Banco - value $40,000.00.	37,500.00
Gray, J. E. Collateral: 800 Banco - 80 Hoffman Heater com. - $2000.00 C/D - $1500.00 Kemair Temple 2nd mtg. 6% - 200 Cont. Oil. Total value $18,000.00.	16,500.00
Griswold, Alex. V. Collateral: $451.74 Savings Acct - 80% John P. Morton Co - 180 Am. Turf - 100 Banco - 25 Standard Ky - value $7026.84.	7,145.59
Mrs. Margaret H. Guthrie Collateral: 20 Seaboard Utilities com - 2 NEO "A" - value $179.00.	234.65
Haag, Jewel H. Collateral: 535 American Radiator - $1500.00 C/D - value $11,688.80.	10,961.09
Wm. C. Hall Collateral: 800 Banco - valued $10,000.00. Maker has no statement on file.	12,500.00
Harrison, J. H. Collateral: 500 Banco - 100 Am. Turf - value $12,500.00.	12,280.48
Hayden, Lucy W. - endorsed Thos. E. Hayden. Collateral 10 Lou Gas & Elec 6% pfd. - value $1060.00.	1,000.00
Herrman, George Collateral: 50 Banco, value $1,000.00.	1,015.00
Herrman, Louis J. Collateral: 250 Banco - value $5250.00.	5,100.00
Hogan, Loretta Collateral: $703.56 Avery B. & L. Cf - $100.00 K. C. 6-31 - 20 International Shares - 20 Com & Sou - 4 Anaconda Copper - 10 Niagara Hudson Pur Com - $200.00 Utilities Lt. & Pur Sh - 47, total estimated value $2351.56	2,348.00

To the Comptroller of the Currency,
Washington, D. C.

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Examiner.

Exhibit 18

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8318 *Date of Report* Dec. 30, 1929.

FOURTH STREET BRANCH

OTHER LOANS ESPECIALLY MENTIONED.

Adams, Walter M. Collateral: 25 shrs. BancoKentucky - 25 Commonwealth & Southern, valued at $625.00.		786.62
Adamson, Chester F. Collateral: 10 shrs. BancoKy., estimated value $200.00.		253.62
Atkins, Wm. R. Collateral: 50 shrs. Banco. 8 shrs. Standard of Ky., 3 Standard of N. J., valued at $1460.00.	Indirect	1,250.00 331.87
Baldauf, Bertha M. Collateral: $5,000.00 C/D - 100 Seaboard Airline Com - 35 Standard J. J. - 8 United Cigar Com. - 784 Contl. Oil Value $22,804.00.		20,848.00
Behrens, Katherine Collateral: $900.00 C/D - 25 Central Public Service A - 50 Banco - 130 Reynolds Inv. Com. - Estimated Value $4,080.00.		5,600.00
Bohanon, Clarence W. Collateral: 10 Banco - Estimated value $200.00.		236.87
Boswell J. Edgar Collateral: 50 Utilities & Industries Com. - 175 Reynolds Metal Com. - 300 Banco - estimated value $10,940.00.	Indirect:	10,500.00 250.00
Bridwell, R. W. Collateral: 15 Standard Oil Ky. estimated value $495.00.		475.00
Wm. Brown Collateral: 10 Banco, estimated value $200.00.		250.00
Bryant, Mrs. Lillie M. Collateral: 40 Banco - 5 Standard Gas & Elec. 8% Pfd. - 186 American Turf - 18 Standard of Ky. - $515.00 of B. F. Avery Building & Loan - estimated value $6,879.00.		6,600.00
Burdorf Company, Inc. - Endorsed F. G. Burdorf. Company's statement 9-30-29 shows current assets of $57M, current debts of $12.6M. funded debt of $16M., net worth of $60.8M. Line originated 9-17-28 at $10M. and has steadily increased. Large increase in current debts since date of above statement was occasioned by large purchases in Europe for stock. Conditions indicate it is top-heavy for working capital.		75,000.00
Burton, G. R. Collateral: 300 American Turn estimated value $6,000.00.		7,000.00
Burton, S. T. Collateral: 100 No. American Aviation - 25 Anaconda Copper, estimated value $2,200.00.		2,121.35
Cahoe, James A. Collateral: $1200.00 C/D - 175 Reynolds Metals Com- estimated value $2187.50.		5,000.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 1469 - Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5818 *Date of Report* Dec. 30, 1929.

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Hogan, Mary H. Collateral: 180 Am. Turf - 100 Canadian Marconi - 80 Com & Sou - 80 Gen. Motors - 80 Niagara Hudson Pwr. Com - 100 Banco - total estimated value $8,840.00.	7,666.75
Michael J. Hogan Collateral: $1,000.00 Ky. Com. Stone Corp 1st mtg 6½'s - 88 - 80 Int. Shares - 80 Banco - value $2860.00.	2,775.00
Hogan, Walter P. Collateral: $1000.00 Dodge Bros 6's - 40 - $1000.00 Calif. Pet 5's - 80, 80 International shares - total value $2560.00.	2,575.00
Hohp, E. B. Collateral: $2000.00 C/D - 800 Banco - total value $18,000.00.	12,000.00
Hosch, Warren F. Collateral: 80 Reynolds Inv. com - 50 Am. Turf - 80 Banco - value $1880.00.	1,827.99
Hutchins, Mary J. Collateral: 186 No. Am. Av. - 65 Com & Sou - 5 Ox Oral Co par $100.00 - 10 Lou G. & E. 6% pfd. - 80 Pratt Lambert com - 800 Am. Turf - 800 Banco, total value $15,415.00. Maker is the wife of an employee of the bank.	14,865.80
Hutcheson, J. Bernard Collateral: 100 Banco - 15 Curtis Wright com - value $2105.00. A young Dentist whose Father -in-law (Milburn P Kelley) is a director in the bank.	2,675.00
James E. Hoyt Collateral: 47 Cities Service com - value $1269.00. Has promised an early reduction of $900.00 without reduction in collateral.	1,500.00
Jenson, J. E. (Employee) Collateral $1000.00 Portland Ry 1st 5's - 80 - 140 Banco - value $3,800.00.	3,887.65
Jones, Clarence L. Collateral: 65 Elec. Bond & Share com - 80 Burnham Trading Corp - $1800.00 C/D - 100 Utilities & Ind. Pfd - 280 Reynolds Inv. Com - total esti ated value $14,076.00. Maker is employed as a salesman for Caldwell & Company and is said to be good for the deficiency.	14,496.88
Kastner, Albert H. Collateral: 400 Reynolds Inv. Com - value $4,000.00 -	5,000.00
Kellner, Anna L. Collateral: $4000.00 Metropolitan Realty Co. 1st 6's/36 - $1000.00 C/D - 100 Studebaker com - total value $10,000.00.	10,150.00
Kemper, Robert L. Collateral: 80 United Corp. com - 80 Com & Sou. com - 30 Banco - total estimated value $1480.00.	1,500.00
Keiffer, Andrew J. Collateral $5 00.00 C/D - Util. & Ind. Conv. pfd. - 80 Associated G. & E. - total estimated value $1510.00.	1,400.00
Kigel, John W. (Employee) Collateral: 55 Banco - estimated value $1,100.00.	1,405.42

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To the Comptroller of the Currency,
Washington, D. C

Examiner.

Exhibit 18

Form 1064—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank [illegible] *Date of Report* Dec. 30, 1930.

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Kleinmann, Louis J. Collateral: 20 No. Am. Aviation - value $120.00	120.00
Koby Drug Company Collateral: 50 Banco - value $1000.00.	1,000.00
Wm. H. Koppelmann Collateral: 1000 Banco - value $20,000.00.	19,000.00
Krancisc, Emma Hunt Collateral: 28 Banco - value $560.00.	500.00
Lashbrook, C. F. Collateral: 75 Central Pub. Ser. A - $350.00 C/D - value $2975.00.	2,850.00
Lucas, Robert H. Collateral: 100 Reynolds Metals A - 200 Standard Ky - $1000.00 C/D - 100 Selected Industries - 200 Park Utah Con Mines - $2000.00 C/D - 400 Lou Ry com. - 50 U. S. Foil B. Com - total estimated value $18,715.00. Maker was formerly Collector of Internal Revenue at Louisville, Ky., and has recently been appointed Commissioner of Internal Revenue at Washington, D. C. Bank has no recent financial statement.	27,500.00
Lukins, Dr. J. B. Collateral: $3000.00 C/D - 250 Selected Industries - 268½ Reynolds Metals Com - 200 U S Foil B com - 10 Texas Corp. - 80 Gen Motors - total estimated value $17,010.00.	15,500.00
Mays, Wm. C. Collateral: 1360 Nat. Candy com - 212 Standard N. Y. - 112 Proctor Gamble com - 256 Standard N. J. - 180 Standard Calif 40 Standard Ohio - 310 Standard Indiana - 100 Anaconda Cop 40 Standard Neb - $6500.00 C.D. - 500 Banco - 100 Gen. Motors 100 Louisville Ry. - total estimated value $111,734.00.	96,483.59
Meddendorf, Mattie B. Collateral: $1,000.00 C.D. - 200 Standard Ky - 80 Phillips Pet. 336 American Turf - total estimated value $18,800.00.	16,656.89
Mitchell, Harold (Employee) Collateral: 20 Banco - value $400.00	307.42
Moeller, Rudolph A. (Employee) Collateral: $186.00 Adjusted Compensation Cf - 25 Banco - total value $680.00.	754.75
Moore, W. B. Collateral: 100 Banco - value $2,000.00.	1,811.55
Neal, G. B. Collateral: 10 Associated G. & E. - value $380.00.	365.00
Patterson, E. W. Collateral: 5 Lou G. & E. 7% pfd. - value $350.00.	300.00
Pfeiffer, Cornelius J. Collateral: 140 Reynolds Inv. com - 100 Selected Ind. Com - 100 Chicago Pneumatic Tool - $1500.00 C/D - value $6,000.00.	6,000.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 1489 — Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5318 *Date of Report* Dec. 30, 1929

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Priddy, Mollie S. - endorsed J. E. Priddy Collateral: 1000 Turf - value $20,000.00.	14,370.00
Richeson, H. H. Collateral: 100 Armour & Co. B. - 25 Phillip Morris Com - 100 No. Am. Av. com - 100 Curtis Flying Service com - 100 So. Corp. com - 100 Reynolds Inv. com - 100 Banco - $1000.00 C/D, total estimated value $7,325.00.	7,000.00
Sanders, C. F. Collateral: 45 Frick & Co. com - 45 Frick & Co. pfd- 5 Union Pacific com - 7 Standard Gas com - 2 Detroit Edison com - 200 Banco - 60 1st Nat. Bk. & Tr. Co. Waynesboro, Pa. - total estimated value $15,278.00. Maker is the Treasurer of Stewart Dry Goods Company.	13,000.00
Scanlon, Louis C. Collateral: $1500.00 C/D - 50 Com & Sou - $1000.00 Treas. Bonds - 120 Am. Turf - total estimated value $5,980.00.	5,650.00
Schwab, Paul E. (Employee) Collateral: 20 Banco - value $400.00.	456.90
Shinnick, Kate L. Collateral: 30 Standard Ky - 120 American Turf, total estimated value $5,980.00.	4,375.00
Solomon, Leon L. Collateral: 150 Commonwealth Life Ins. Co. $9000.00 value, 10 Thrift Realty Mtg. Company, Par $100.00.	9,413.98
Speed, Mrs. Wm. Collateral: 75 Reynolds Bros. com - 25 Sal Industries - 11 Tennessee Jellicoe Co. 7% pfd - 87 Reynolds Metals com - 27 So. Calif Edison com - 8 So. Calif Edison pfd - $1000.00 C/D. 168 Ky. Rock Asphalt com - 100 Tr. Cfs Kentucky Rock Asphalt total estimated value $10,784.00.	9,650.31
Summers, Turner A. Collateral: 250 Banco - value $5,000.00.	5,100.00
Thomas, Mary P. Collateral: 20 F. W. Woolworth - $2000.00 C/D value $3400.00.	3,249.50
Trudeau, Harold B. (Employee) Collateral: 10 Banco - value $200.00.	206.18
Turpin, Miles Collateral: 50 Banco - 25 Gen. Motors - 45 Packard Motor - total estimated value $2675.00.	2,644.00
Van Arsdale, Elvira Collateral: 100 Banco - $400.00 C/D - value $2400.00.	2,800.00
Vandiver, D. P. Collateral: 50 Banco - 200.00 C/D - 10 Associated G. & E. A. total estimated value $1560.00.	1,606.31
Vaughn, Frank N. Collateral: 10 Standard Ky - 5 Warner Bros Picture com - 5 American T. & T. - $5000.00 note James & Julia Wymann, dated11-7-24 - due on demand - no interest paid. Estimated value $1190.00.	1,075.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 1476—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8813 *Date of Report* Dec. 30, 1929.

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Vaughn, May L. Collateral: 200 Sel Industries com - 300 Banco - $3000.00 C/D - 200 Am. Turf - 100 Standard Ky - 100 Utilities & Ind Pfd. - 100 Reynolds Inv. Com - total estimated value $28,400.00.		19,035.28
Wakefield, Mrs. John D. Collateral: 9 Lou G. & E. 6% pfd - $2000.00 Kentucky Rock Asphalt 5½'s - 56 - 100 Am. Turf - 75 Reynolds Metals - total value $9184.00.		9,600.00
James H. Warner Collateral: 50 Banco - value $1,000.00.		1,000.00
Watson, Mrs. Charlotte Collateral: 100 Banco - 50 Am. Turf - 5 Lou G. & E "A" - 22 Lou G. & E. "A" com - 6 No. Am. Aviation - total value $4801.00.		4,847.37
Weisert, Wm. J. Collateral: 200 Am. Turf - 1000 Banco - total value $24,000.00.		23,000.00
Wernke, Edna L. Collateral: 120 Selected Indcom - 240 Am. Turf - 20 Loft Candy com - 10 Aviation Corp. - Gen. Motors - $2800.00 C/D: - $680.00 2nd mtg. 1268 Willow Avenue, lot 17, Insurance $1,000.00, dated 6-19-29 - payable in monthly installment. Estimated value of security $10,170.00.		9,641.82
Wilkerson, F. L. Collateral: 10 Utilities & Ind. pfd. - 100 Banco - total estimated value $2250.00.		2,551.67
Williams, A. G. Collateral: 100 Banco - value $2,000.00.		1,900.00
Yee, R. T. Collateral: 6 Sel Industries - 10 Armour A - 30 Sinclair Con Oil com - 10 0 Banco - 12 Vacum Oil - 17 Lou G. & E. "A" com - 14 U. S. Foil "B" com - 5 Ky Con. Stone Com - 5 Ky. Con Stone pfd. - 6 Standard Indiana - 12 Standard N. Y. - 11 Standard Ky - 800 Banco 15 Pet. Corp. of Am. - 30 Standard Ky. - 18 Standard Indiana, total estimated value $26,827.00.		25,920.85
Jones Dabney & Company - endorsed S. P. Jones & Wm. Dabney Collateral: $35,000.00 C/D Company's statement of 6/30/29 shows $355M current Assets, $183m current liabilities and net worth of $267M. Ratio of current assets to current liabilities being 1.94. Statement indicates that this is a capital loan and has been continuous in the bank of several years. Mr. S. P. Jones is a director in the bank.	Discounts	200,000.00 3,078.97
Jones, S. P. (Director) Collateral: $15,000.00 C/D - 5800 shares Jones-Dabney Co - see comment above - this line has been almost continuous since its origination 7-10-26, with apparently no effort towards reduction being made.		76,500.00
Teague, Mrs. John Collateral: 75 Insurance Securities Company; 20 Mo. State Life; 25 U. S. Steel; 19 American Radiator com; 20 Standard of Ky; 42 Ford Ltd; Bank balance $412.00 (which bank is holding), total estimated value of security $6704.00.		7,032.00

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To the Comptroller of the Currency,
Washington, D. C. *Examiner.*

Exhibit 18

Form 1006—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* Dec. 30, 1939.

OTHER LOANS ESPECIALLY MENTIONED, (Cont'd).

Miller, Harry H. 8,650.00
Collateral: 100 Reynolds Inc, com; 50 Wilson Holding Company (no quotation available); 10 RAF; 100 Colon Oil Corp; 100 Mat Aviation; 200 No. Am. Aviation; $1650.00 C/D, total estimated market value $5810.00.

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 18

Form 1428.—Page 1
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—REMINGTON

No. of Bank, 8518

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes		Name of issuing corporation, character of mortgage, rate, and maturity		Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off (See note below)
#6.						
2,500,000.00	2	U. S. Consols	'30	2,500,000.00		
#7.						
175,000.00	4	Fourth L. L. Bds.		175,000.00		
450,000.00	5½	Treas. Certs.	20-22	450,000.00		
				625,000.00		
#10.		MUNICIPALS.				
15,000.00	4½	Port of New Orleans	42-42	14,400.00	14,400.00	Secure Postal Savings
20,000.00	5	do. do.	52-67	20,000.00	20,000.00	do.
10,000.00	4½	Los Angeles, Calif.	46	9,800.00	9,800.00	do.
14,000.00	3½	Louisville, Ky.	45	12,110.00	13,160.00	do.
20,000.00	4½	do. (Hospital)	51	20,400.00	21,450.00	do.
56,000.00	3½	do. Refund	41	57,290.00	62,040.00	do.
10,000.00	4½	do. School	54	10,100.00	10,000.00	do.
25,000.00	4	do. Sewer	47	24,375.00	24,500.00	do.
29,000.00	3	do. do.	41	25,625.00	25,375.00	do.
10,000.00	4½	Omaha, Nebr.	38	10,000.00	10,000.00	do.
25,000.00	5	Rocky Mt., N. C.	53	25,000.00	25,000.00	do.
10,000.00	4	Tennessee Refund Series "A"	49	9,800.00	9,800.00	do.
100,000.00	4	Louisville, Ky. Sch.	67	103,750.00	100,000.00	Repurchase Agreement
5,200.00	4½	do.	54	5,252.00	5,252.00	
				345,612.00	350,477.00	
		PUBLIC UTILITIES.				
110,000.00	5	Louisville G. & E.	37	104,500.00	109,450.00	Repur. Agr. (Stewart Dry Goods Co.)
7,800.00	5	Louisville Home Tel.	35	7,000.00	6,860.00	
850,000.00	6	Louisville, Ky. Railway (Coll. Trust)	30	850,000.00	854,000.00	Secure Trust Deposits
95,000.00	5	Louisville, Ky. Ry.	30	87,308.80	80,750.00	
259,000.00	5	do. do. Gen'l. Mortgage	30	196,944.68	119,140.00	$179M Repur. Agr. (Stewart D. G. Co.)
100,000.00	5	Buffalo Rwys.	51	95,550.00	84,000.00	Repur. Agr.
100,000.00	5	Greentown Str. Ry.	32	86,520.00	86,250.00	do. do.
				917,307.18	838,450.00	
		FOREIGN				
5,000.00	4	Porto Rico	32	4,950.00	4,950.00	
		RAILROADS				
500.00	5	Chi. Indpls. & Lou.	66	461.25	460.00	
2,400.00	5	Internat'l. Rwys. Ref.	62	1,560.00	1,800.00	
170,287.50	4½	Ky. & Ind. Term.	61	143,263.74	142,075.10	Repur. Agr.
				145,284.99	144,335.10	
		MISCELLANEOUS				
400.00	7½	Associated Motor Ind. Inc. 1st Mtge.	32	358.63	358.63	See Loan Schedule
			TOTAL.	SEE EXTRA SHEET		

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1428, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, state amount of the original indebtedness.

Exhibit 18

Form 1556
TREASURY DEPARTMENT
Office of Comptroller of the Currency
Examining Division

No. of Bank 8812 *Date of Report* December 30, 1929.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes		Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
		MISCELLANEOUS - Cont'd.			
5,000.00	6	Bankers Mtge. Co. 31	5,000.00	5,000.00	
4,500.00	6	J. H. Bickell 1st Mtge. Real Estate Notes	4,500.00	4,500.00	
265,000.00	6	Note signed Rogers Caldwell and others secured by $296,000.00 Murray Rubber Co. bonds due 44 Note due 3 yr. from 4-18-29	265,000.00	265,000.00	See loan schedules
188.95		Claim Badger Aluminum Co.	188.95	-0-	Loss
15,000.00	6	Columbia Phosphate Min.	15,000.00	15,000.00	Due 1936.
25,000.00	6½	Detroit & Canada Tunnel 42	24,187.50	22,250.00	
616.50	6	Graphite Prods. Corp. of Del. 1 Yr.	616.50	616.50	Slow.
55,840.16		Notes Industrial Ownership Corp. secured by: 800 shs. Van Camp Pkg.Co. par $55.00. 6395½ shs. Van Camp Pkg. Co. common.	53,840.16	86,445.75	Due 1926 - Slow
107,817.14		Kentucky Wagon Co.	107,817.14	107,817.14	See loan schedules
55,000.00		A. E. Latta	55,000.00	55,000.00	
94,000.00		Liberty-Washington Cedar St. Corp.	94,000.00	94,000.00	
2,000.00	6	Louisville Title Co. 32	2,000.00	2,000.00	
580,000.00	6	Murray Rubber Co. 32	580,000.00	580,000.00	See loan schedules
12,455.25		Claim vs. Peoples Bank, Springfield, Tenn. Closed	12,455.25	12,455.25	Slow
1,388.17		Bal. of J. & Nell S. Straus Real Estate loan	1,388.17	-0-	Loss
5,370.86		Carlisle County Warrants	5,370.86	5,370.86	Repur. Agr.
1,207,820.45		Ky. State Warrants	1,207,819.89	1,207,819.89	$1,069,903.40 Repur. Agr.
11,580 shs.		Van Camp Pkg. Co.	254,100.00	156,925.00	Repur. Agr.
200	"	Natl. Candy Co. (com)	3,750.00	4,800.00	
52	"	Louisville Ry. 'Com'	1,716.00	780.00	DPC Stella Van Dyke
385	"	Internatl. Planters Corp.Pfd.	)		Repurchase Agr.
2785	"	Com. Int. Planters Corp.	)		
900	"	Louisville Ry.	)		
5	"	L. H. & St. L. 'Pfd'	)		
7200	"	Rich Patch Land Co.	)		Probably loss $500
500	"	Indust. Ownership Corp.Pfd. Par $100.00	)115,000.	65,000.00	
48.78		Unmatured Coupons	48.78	48.78	
			2,789,135.85	2,670,163.80	
		RECAPIU			
		Municipals	345,312.00	350,477.00	
		Public Utilities	917,367.18	658,480.00	
		Foreign	4,950.00	4,950.00	
		Railroads	148,284.99	145,356.10	
		Miscellaneous	2,789,135.85	2,670,163.80	
			4,202,380.00	4,009,395.90	
		RECAPITULATION			
		Slow	99,493.50		
		Doubtful	50,000.00		
		Loss	1,579.13		

TOTAL

EXTRA SHEET PAGE 7-1

To the Comptroller of the Currency, Washington, D.C.

Examiner

Exhibit 18

Form 1425.—Page 8
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8518

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate taken for debts previously contracted, Acquired for establishment of branch office	11,749.98	11,749.98
2. Aggregate amount acquired in violation of law,		
TOTAL,	11,749.98-	11,749.98

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease on property located at 4th & Guthrie Sts. Louisville, acquired for establishment of branch office - later opened branch elsewhere	11,749.98		11,749.98			1,200.	1-1-25
TOTAL,	11,749.98		11,749.98				

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation? Banking house leased. Improvements at branch office carried at cost, $147,380.67. No reduction has been made in carrying value.
2. Is banking house suitable and convenient? Main office crowded — Free of incumbrance and adequately insured? Yes
3. Are vault and safe secure? Modern vault at Branch Main office vault lightly constructed but protected by wire system. — Are contents adequately insured? Yes — Is banking room used by any other banking institution? Yes

RESERVE

1. Was reserve with Federal Reserve Bank sufficient on date of examination? Yes — If not, give the deficiency in dollars.
2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid?
6 penalties - $2,084.00.

NOTE.—The directors should be advised of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is intact.

BANK ACCOUNTS

1. State rate of interest received on open accounts.
2 - 8%
2. State rate of interest paid on open accounts.
3%

OVERDRAFTS

1. State whether habitually granted.
Yes - especially for small amounts at the Branch Office
What amount is unsecured? $44,800.23 Secured? $14,541.01
2. Did you verify amount at date of examination?
Yes
3. Did you compare amount stated in last report of condition with amount shown by the books for same date?
Yes
4. Is overdraft account shown on the general ledger?
Yes
5. Does bank keep detailed daily record of overdrafts? Yes — Did you instruct?
6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

SEE EXTRA SHEET

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.
Mrs. J. R. Akers - 1.83 Wife - Vice President Akers.
Phillip B. Waters 9.24 Employee
Herald Post Pay Roll 8,793.26 President Brown interested.

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Yes — Did you instruct?

Describe any irregular items	Itemize losses estimated
SEE EXTRA SHEET	

Exhibit 18

Form 1430—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* December 30, 1929.

OVERDRAFTS SIX MONTHS OLD OR OVER AND OTHER ESTIMATED DOUBTFUL OR LOSS.

J. Dolfinger & Co.	(Main Office)	1-14-29	$11,502.79	See loan	schedule
do. do.	(4th St.Office)	9-20-29	129.89	do.	do.
Kentucky Wagon Mfg. Co.		11-1-29	39,544.95	do.	do.
Knadler & Lucas		8-19-29	4,659.98	do.	do.
John Lemke	(4th St. Office)	4-19-29	40.55	Loss	

The Fourth Street Branch at the date of the examination was carrying 188 overdrafts, most of which were for small amounts.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 8-1

Examiner.

Exhibit 18

Form 1489—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* December 20, 1929.

IRREGULAR CASH ITEMS.

*	$1,000.00	Check J. Dolfinger & Co. to John Klein dated 8-8-28
*	1,000.00	" " " " " " " " 9-8-28
*	1,000.00	" " " " " " " " 10-10-28
*	1,000.00	" " " " " " " " 11-13-28
*	8,780.23	"Debit ticket" marked "Expense a/c, sale E. H. Woods farm to Trigg National, Glasgow, Ky.
	180.00	Debit Ticket dated 11-6-29 - James B. Brown.

* Estimated also $18,780.23

LOSSES EXTRACTED IN " CASH ITEMS "

	72.58	Check of H. W. Overby
	9.00	Check C. W. White
	2.00	" Premmir Mfg. Co.
	40.06	" Frank A. Brauner
	114.60	Forgery - Sam Warren
	80.00	Lost deposit of Wm. E. Banks
	268.16	Estimated loss.

To the Comptroller of the Currency,
Washington, D. C.

BA SHEET PAGE 8-8

Examiner.

Exhibit 18

Form 1425.—Page 9
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept and amount outstanding stock does not agree, give particulars.

2. If bank owns any shares of its own stock, so state and advise how and when acquired.

3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.

4. Is stock registered by outside registrar?

5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?

Note.—Examiner should note and report if surrendered certificates are not properly assigned, cancelled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Give (1) Date of declaration of last dividend. 8-2-29 Payable 10-1-29 Annual dividend rate is 16 %

(2) Amount of last dividend, $ 160,000.00 (3) State when reported. 8-12-29

1. Was last report of earnings and dividends correct? _____ If not, give details.
Apparently correct

2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses (items 2b and 2c) as required.
Yes

3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books.
None found

4. Is itemized expense account kept, and did you inspect that account and interest-paid account to date of previous examination?
Kept inspected

5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Do the minutes record such action?
Yes-examined annually by public accountants
Yes

6. Did you inspect all earnings accounts from date of last examination?
Superficially

7. State amount of losses charged off since last examination on loans, $ 100.00 Bonds, $ None Other, $ 4.68

8. State amount recovered on charged-off assets since last examination. L. & D. $2,118.57 Other $420.00
SEE EXTRA SHEET

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. 1-3% Certificates of deposit. 3%

2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose.
Yes

3. Does bank retain all canceled certified checks or take receipts for any delivered?
Retains them or takes receipts

4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited.
Verified at each transaction - 3% semi-annually - Last credited 1-1-30

5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for.
Yes - 30 days

6. Give total of dormant ledgers. 4th - $9,809.34 How are withdrawals safeguarded?
Main - $1,445.78 O'd by auditing department

7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing.
Yes

8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination.
Yes - except the individual ledgers at main office where auditors supervise

9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination. proof of same
Yes

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list.
None disclosed

2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere.
Yes - From both sources

3. Average borrowings since last examination. Bills Payable $4,12[illegible] Approx. $11,95[illegible]

List outstanding liabilities for money borrowed whether on bills payable, rediscounts, open acceptances, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Reserve bank:							
War Finance Corporation:	SEE EXTRA SHEET						
TOTAL,							
Other:							
TOTAL,							
GRAND TOTAL,							

9—1425

Exhibit 18

Form 1488.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY.

No. of Bank 8512 *Date of Report* December 30, 1929.

LOSSES AND RECOVERIES

LOSSES

	Notes	Bonds	Others
Mary Schwiller			2.33
Joe Datillo (attorney fee)	100.00		
Farmers Bank, Milton, Ky. (Protest fee on Coler Cannon)			1.35
Error in (Expense charge)			1.00
	100.00		4.68

RECOVERIES

Lillian C. S. Killman	17.00		
Earl Grabfelder	150.00		
Lampton, Crane and Money	345.09		
S. C. Hallman (O/D)			300.00
Anna B. Thompson and Farley M. Caldwell	30.00		
W. E. Grant and Louisville College of Dentistry	1,144.00		
W. E. Grant	347.00		
Shelby Schuster	17.50		
Oscar Furcht	59.42		
D. S. Sesmer	54.68		
Shelby Schuster	35.00		
Will L. Dunsford	40.38		
Chicago & Alton Rwy. (Chs.)			180.00
	2,118.97		480.00

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 9-1

Examiner.

Exhibit 19

Form 1.—Series
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8613 *Date of Report* April 26, 1930.

OFFICERS AND EMPLOYEES.

		Direct	Indirect	Bond	Other occupation
President	Brown, Jas. B.	158,158.90	400,042.86		Newspaper
Vice President	Angermeier, H. J.	45,800.00	97,866.00		None
"	Crosby, H. D.	--	4,860.00		"
"	Hayes, J. J.	12,800.00	—		"
"	Hogan, Frank I.	1,480.00	—		"
"	Robertson, E. B.	—	5,706.00		"
"	Thiemann, Henry	162,000.00	280.00		"
"	Akers, J. S.	—	—		"
"	Fontaine, L. L.	98,500.00	—		"
"	Jones, Chas. F.	152,000.00	—		"
Cashier	Zurcheneke, W. T.	97,500.00	—		"
Asst. Cashier	Ramser, A. P.	80,000.00	—		"
"	Black, C. A.	28,700.00	—		"
	Grey D. W.	—	—		"
	Green, Thos.	—	—		"
	Lee, Edward E.	89,000.00	480.00		"
	Grant, H. R.	84,600.00	—		"
	Moseley, F. L.	17,800.00	—		"
Other employees (100)		159,011.64	80.00		"

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 2-6

Exhibit 18

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 Date of Report December 30, 1929.

SCHEDULE OF BORROWINGS

Bank	Amount	Date	Due	Rate	Collateral	Form of borrowing
Federal Reserve, Louisville, Ky.	1,800,000.00	12-30	1-14	5%	5,385,200.66 B/R	B/P
Total Federal	1,800,000.00					
Chemical Bank & Trust Co. N. Y.	779,000.30	10-31	2-39	6%	1,066,860.50 B/R	B/P
Guaranty Trust NY	410,000.00	11-20	1-15	6%	785,327.50 B/R	B/P
do. do.	800,000.00	12-20	2-18	5½%	855,754.41 B/R	B/P
Bank of America New York	1,000,000.00	10-25-29	2-14	5½%	City of Louisville Warrants - Sold under Repurchase Agr.	
do. do.	1,059,858.69	12-14-29	2-12	5%	State Warrants sold under Repurchase Agreement.	
Stewart Dry Goods Co., Louisville	200,000.00	7-3-29	6-30	4 85/100%	Bonds sold under Rep. Agree. $173M Louisville Ry. 5-30 $110M do. Gas. & El. 6-57	
Total Elsewhere	4,248,858.69					
Grand Total	5,748,858.69					

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 8-8

Exhibit 19

Form 1496.—Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 9613

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?

Banks, brokers, tobacco interests, wholesale and retail merchants, manufacturers, and investors on collateral basis.

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?

No. See Large Lines described on pages supplemental to Page 6. Especial attention is called to the large amounts loaned on BuncoKentucky; the line of the Kentucky Wagon Co., and to the line of the Murray Rubber Co.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.

Listed and unlisted stocks and bonds, B/R's, warehouse receipts. Register maintained.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.

SEE EXTRA SHEET

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reason.

SEE EXTRA SHEETS

6. State whether all paper claimed by the bank as its property, including collateral, appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.

A few minor exceptions called to the attention of the officers.

7. Give highest, lowest and average rate of interest obtained.

6 - 8 - 8.9

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.) Bank has sold a large number of loans from its note case to country correspondents (See Sold Loans.) No legal liability appears to attach, but it has to take them up at maturity or when requested. As a practical proposition they are Bills Payable. See Extra Sheets for list of Sold Loans subject to criticism.

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through indorsement of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for bank's benefit exists, describe fully.

Probably no legal liability. See above.

10. Do they take loans to accommodate other banks, and to what extent?

Yes. Loans are taken for accommodation of country correspondent banks.

11. Does sending bank appear to be in any way liable? (See No. 10.)
List liabilities of National Banks.

SEE EXTRA SHEET

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)

Your examiner feels that credit department might further develop its usefulness.

Exhibit 18

Form 1488—Page 10
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5512

BOOKS AND ACCOUNTS

GENERAL LEDGER.

1. Is satisfactory general ledger kept? Yes. By whom kept? Mr. William. Is daily statement taken? Yes
2. Are accounts with correspondent banks reconciled at least monthly? Yes By whom? Auditing Department
3. Are reconcilements verified? No By whom? Is reconcilement book kept? Yes
4. Are the general and control accounts carried on the general ledger? Yes If not, give full explanation.
5. Are loans and discounts proved at least monthly? Yes Does custodian verify? Proved by auditing department
6. Are certificates of deposit proved frequently by listing outstanding items? Yes
7. Does the employee verifying them issue the certificates? No

INDIVIDUAL AND SAVINGS LEDGERS.

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers. Yes
2. Is satisfactory individual ledger kept. Yes
3. State whether bank verifies balances with depositors periodically. Statement system
4. State form of individual and savings ledgers. Machine posted
5. State how often individual or savings ledgers are proved. Weekly on individuals - Semi-monthly on savings.
6. Whether by some one other than clerk keeping same. Proved by auditing department
7. In balancing of pass book or statement noted on the ledger? In what manner? New statements headed
8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? Yes State name. Catherine Boggus
9. Are officers and employees required to take annual vacations? No
10. Is interest properly credited every six months on savings accounts? Yes

IN GENERAL.

1. Are paid and canceled drafts filed satisfactorily? Yes
2. Are proper entries made in Redemption Fund and Circulation Accounts? If not, were instructions given? Yes
3. Are the books so kept that the examiner can readily make a thorough and complete examination? Yes
4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection. Satisfactory
5. Is all business for each calendar day included in proper account for that date? Yes
6. Are erasures, made of entries on books by the use of acid or otherwise? If so, did you give proper instructions? None observed
7. Does the bank keep a liability ledger? Yes How often balanced? Every two weeks Is it a practicable book? Yes, but no record of indirect liabilities
8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions? Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held. Weekly - Friday
2. In what manner do they authorize or approve loans or discount? Serially - All loans over $5,000.00 read to board
3. State whether they have an active discount committee. Are their meetings and actions properly recorded?
4. State whether they have an active examining committee. Is complete and satisfactory report on file? No - examined annually by public accountants Yes
5. Give date of last committee examination. Do minutes record report? Are active officers only on committee? 12-12-29
6. State whether loans and discounts to their firms and corporations are specially acted upon by the board. No
7. Are the by-laws adequate? Are their provisions regularly observed by the officers and directors? Yes Apparently so
8. Was copy of report of last examination by examiner considered by directors and noted on minutes? Yes - 2-25-30
9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes? Not noted in minutes

Exhibit 18

Exhibit 18

Form 1-035—Page 11
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 9813

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

Affiliated with Louisville Trust Co. through unification of stock

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

Yes

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

Individually

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

Yes

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state.

All directors are directors in the Louisville Trust Co.

ITEMS FOR SAFE KEEPING

Is a proper record kept of securities left for safe-keeping? Yes

Were securities checked against such records? Yes

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
Parent bank	5,264,032.60	628,488.89	288,016.17	
All loans and discounts,	147,908.68	18,972.48	1,488.84	
Overdrafts,			40.38	
Premium on U. S. Bonds,				
Bonds, securities, etc.,	99,488.80	80,000.00	1,877.12	
Banking house,				
Furniture and fixtures,				
Other real estate,				
Cash items,	12,780.25		888.16	
Shortages,				
Judgments,				
Unpaid bills,				
TOTAL,	5,643,780.01	728,501.72	296,351.16	

Were estimated losses charged off during examination?

List items requiring attention and note any corrections made or promised during examination.

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	2,000,000.00
Net undivided profits,	886,868.80
All reserve accounts,	886,486.19
TOTAL,	2,972,354.79

SEE EXTRA SHEET

Russell E. Mooney
Examiner.

Per: John S. Wood
Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 8.

E. J. Wolff
Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 18

Form 1220—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* December 30, 1933.

ITEMS REQUIRING ATTENTION

(1) Excessive Loans

The borrowing matter of discussion at each examination for past several years. Bank should take immediate steps to reduce debt to legal limit, and take care to observe the provisions of the law with respect to limit of loans.

(2) Slow and Doubtful Assets.

The total of these undesirable and sub-standard assets is disproportionate to the size of the bank. Management must give these items aggressive but constructive attention, or your examiner is of the opinion that further substantial losses will develop.

(3) Other Loans Especially Mentioned.

To receive attention.

(4) Large Lines.

Attention is invited to the three large lines of credit set out elsewhere in this report. Undoubtedly the volume is unwarranted. These schedules were discussed at length with management.

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 11-1

Examiner.

TREASURY DEPARTMENT
Office of Comptroller of the Currency
Form 1466 D

Exhibit 18 Assistant's time - 24 hours.

National Bank of Kentucky, Louisville, Ky.
(Title and location of bank)

Examined by Russell E. Mooney Date December 30,1929 No. of Fed. Res. Dist. -8-

Examination made by Assistant J. D. Coons No. of Bank 5312

BALANCE SHEET OF ACTIVITIES IN TRUST DEPARTMENT

ASSETS				LIABILITIES			
1. Investments (other than No. 2)	2,681	760	86	1. Private Trust Accounts	1,608	884	66
2. Deposits in Savings Banks @ %				2. " " " Income	15	254	92
3. Deposits in other Banks @ %				3. Court Trusts (Executor, Administrator, etc.)	1,111	888	98
4. Deposits in Commercial or Savings Dept. of own Bank @ %	136	883	04	4. " " Income	90	769	84
5. Cash on hand (Held in Trust Dept.)				5. Profits due Bank			
6. Advances to Trusts	10	626	99	6. Other Liabilities (List)			
7. Other Assets (List)				Checks outstanding			
				28307 154.94			
Accrued interest		900	97	96 2.50			
				4307 28.50			
				9 160.00			
				22 670.00			
				45 28.40			
				46 25.50			
Difference - unlocated		2	00	7 .24	2	997	81
				32 2,006.43			
TOTAL	2,823	697	46	2,997.81 TOTAL	2,823	697	46

CORPORATE TRUSTS

1. Total amount of collateral trust bonds outstanding where bank acts as trustee $10,880,000.00
   (a) Ledger value of securities deposited in Trust Department to secure same $11,028,464.72
2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee $1,720,000.00
3. Ledger value of securities held for account of sinking funds ..... None
4. Total amount of sinking funds uninvested (Include in 2, 3, 4, or 5) 19,880.54
5. Face amount of unissued bonds held: (a) Certified $19,000.00
   (b) Uncertified $70,000.00
6. Face amount of canceled bonds held $2,618,000.00
   (a) Are receipts filed for all canceled bonds delivered?
   Yes
   (b) Are certificates filed for all cremated bonds?
   None cremated

IN GENERAL

No. of individual trusts 91 No. of corporate trusts 17

1. What trust powers have been granted to bank?
   Full powers
2. What trust powers is bank now exercising? Escrow, Trustee, Depositary, Executor, Co-executor, Administrator, Agent, Agent for Trustee, Committee and Guardian
3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors?
   Yes
4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
   Yes
5. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another?
   Yes

Exhibit 18

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
FORM: 1425 B

No. of Bank 8818

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

(a) Do bonds of officers and other employees of trust department now in force specifically cover their duties as such?
Yes

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Reports on file - Should be certified as to approval

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
No

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department? Yes List securities pledged.

NAME	PAR VALUE	MARKET VALUE
Louisville Ry. Equip. Trust 6% due 8-20-20	$20,000.00	$20,000.00
Total,	$20,000.00	$20,000.00

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?
No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes

12. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Authorized and approved by trust committee and recorded in minute book

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.

No

20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.
Three notes - namely - Nora E. Semple for $8,000.00; E. E. Hall for $1,800.00; and D. W. Gray, Jr. for $803.00 were purchased from the banking department since the last examination.

21. What audit or examination of trust department books and securities is made by or for the directors?
Annual audit by certified public accountant

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes

23. List criticisms, if any.

Exhibit 19

Form 7235
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

State whether special or regular examination REGULAR

A copy of this report of examination is furnished to the Board of Directors of the examined bank for their information and consideration. The information contained therein is derived upon the records and books of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources considered to be reliable, and pronounced by the Examiner to be correct.

Much of the information in regard to the affairs of the bank is of such a character as to make it necessary for the Examiner to rely upon the good faith and assurances of the officials, and while the Examiner regards the statements so accepted by him as correct, he is, necessarily, not in a position to guarantee the accuracy of such part of the information as may not have been obtained at first hand.

Name of Examiner, John S. Wood No. of Bank, 7512 Fed. Res. Dist. No., 4

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kentucky, Louisville, (City) Jefferson, (County) Kentucky (State)

Examination commenced at 1:15 o'clock P M., on April 28, 1930

Examination closed at 5:30 o'clock P M., on May 9, 1930 (Also in bank May 16, and May 17)

James B. Brown, President. W. T. Turpenhenke, Cashier.

Resources	Amount	Liabilities		Amount
1. Loans and Discounts,	31,295,602.41	1. Capital Stock Paid in,		4,000,000.00
2. Overdrafts,	135,584.77	2. Surplus Fund,		3,000,000.00
3. Interest earned not collected,	210,223.50	3. All other Undivided Profits, Less expenses, etc.	565,124.71 / 75,947.54	289,177.17
4. Customers' liability account of "Acceptances,"		4. Reserved for Depreciation and Losses,		202,588.89
5. U. S. bonds to secure circulation,	2,500,000.00	5. Reserved for Interest, Taxes, etc.,		282,254.72
6. U. S. Bonds and certificates pledged,	75,000.00	6. Interest collected, not earned,		177,251.21
7. U. S. Bonds and certificates not pledged,		7. Due to Federal Reserve Bank,		
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,		7,851,265.16
9. War Savings Stamps,		9. Certified Checks,		145,088.68
10. Bonds, Securities, etc. (pledged and unpledged),	5,856,348.69	10. Cashier's Checks Outstanding,		84,253.02
11. Federal Reserve Bank Stock,	180,000.00	11. Dividends Unpaid,	1,081.00	
12. Banking House, Furniture and fixtures	35,000.00 / 147,580.07 — 182,580.07	12. Demand Deposits: Ind. Dep. subject to check, (including those subject to notice of less than 30 days)	18,956,412.71	
13. Other Real Estate Owned,	11,316.60	Ctfs. of Dep. due in 30 days or less,		18,967,443.71
14. Due from Federal Reserve Bank,	2,530,108.72	13. Time Deposits: A. Savings Deposits (due after or subject to notice of, 30 or more days): 1. Evidenced by pass book,	2,515,552.00	
15. Due from Federal Reserve Bank Transit Account,	2,715,548.48	2. Evidenced by Certificates of Deposits,	5,552,400.34	
16. Due from Trust Companies, Banks, and Bankers, Transit A/C	2,181,488.66 / 313,316.37	B. Other Deposits subject to 30 or more days' notice,		
17. Exchanges for Clearing House,	312,908.19	C. Postal Savings,	51,487.33	8,097,439.69
18. Checks on other Banks in same place,		14. United States Deposits, (including U. S. Disbursing Officer)		
19. Cash,	207,742.74	15. Circulation rec'd,	2,500,000.00	
20. Cash Items,	57,229.26	Less on hand and returned.	34,560.00	2,465,440.00
21. Cash Short,		16. Bonds Borrowed,		
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	17. Bills Payable with Federal Reserve Bank,		2,000,000.00
23. Other Funds with Treasurer U. S.,		18. Other Bills Payable,		
24. Other Assets (describe),		19. Notes and Bills Rediscounted with Federal Reserve Bank,		
After hour debits	15,491.57	Bonds sold under R/P Agree.		200,000.00
Interest paid in advance	821.95	20. Other Notes and Bills rediscounted,		
		21. Bills of exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown,		
		22. Accepted Bills of exchange payable abroad,		581,909.13
		23. Cash Letters of Credit and Travelers' Checks Outstanding,		
		24. Acceptances Executed to Furnish Dollar Exchange,		
		25. Acceptances Executed for Customers,		
		26. Time Drafts Issued,		
		27. Cash Over,		6,899.00
		28. Other Liabilities (describe),		
		After hour credits		6,537.19
TOTAL,	47,284,722.57	TOTAL,		47,284,722.57

CONTINGENT LIABILITIES

Unused letters of credit outstanding, $ 6,575.00

Future contracts to buy and sell exchange, $

9-1200

Exhibit 19

Form No. 2100—Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 2213

DIRECTORS (Use Form 1430, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 5.

Par value of shares owned	Name	Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
	SEE EXTRA SHEET				
		Total,			
		Less duplications,			
		Net total,			
Loans to officers (not directors) and employees (omit duplications),		Total,			

How many board meetings since last examination?

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	361,138.90	1,888,779.97
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	1,808,897.41	21,000.00

OFFICERS AND EMPLOYEES

	Name	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President,					
Vice President,					
Cashier,	SEE EXTRA SHEET				
Assistant Cashier,					
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety.

Are bonds in force? Surety

In whose custody? Yes

Does record show directors have approved bonds? Auditing Dept.

No recent approval

Are officers and employees adequately bonded? Yes

Were they inspected? Yes

s-ins

2

Exhibit 19

Form 1460—Reporting
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8612 *Date of Report* April 28, 1930.

D I R E C T O R S.

Par value of shs. owned.	Name		Post-office address	Liability as maker	Liability as endorser or guarantor	Occupation
1,000.00	Ahern, J. S.	14	Louisville, Ky.	—	—	Vice President
1,000.00	Angenmeier, H. J.	16	do.	48,900.00	97,846.00	do.
1,000.00	Brown, J. B.	11	do.	155,128.90	400,048.86	President
1,000.00	Callahan, R. L.	15	do.	—	895,000.00	Pres. Callahan & Son
1,000.00	Carroll, A. J.	14	do.	—	—	Attorney
1,000.00	Clark, C. M.	16	do.	198,000.00	97,680.00	Pres. Ohio Falls Iron Co.
1,000.00	Coons, S. W.	9	do.	17,000.00	—	Pres. Standard Oil of Kentucky.
1,000.00	Duncan, S. E.	15	do.	139,197.80	10,800.00	Pres. Peerless Caulbert Co.
1,000.00	Durham, J. H.	7	do.	—	—	V. Pres. Amer. Creosoting Co.
1,000.00	Hayes, J. J.	16	do.	12,800.00	—	Vice President
1,000.00	Hickman, Baylor C.	11	do.	80,072.80	894.15	Pres. Rould Iron Co.
1,000.00	Jones, C. F.	12	do.	188,000.00	—	Vice President
1,000.00	Jones, Saunders P.	14	do.	76,500.00	187,600.00	Pres. Jones Dabney Co.
1,000.00	Mengel, C. C.	14	do.	—	—	President, Mengel Co.
1,000.00	Minary, T. J.	16	do.	—	—	Chairman, Louisville Rys.
1,000.00	O'Brien, E. J. Jr.	11	do.	169,758.85	194,426.67	Tobacco buyer
1,000.00	Ormsby, H. D.	8	do.	—	4,840.00	Vice President
1,000.00	Speed, W. S.	7	do.	28,000.00	—	Pres. Louisville Cement Co.
1,000.00	Vogt, Henry	11	do.	—	—	Pres. Henry Vogt Machine Works.
				1,344,657.25	1,807,369.08	
	Less duplications			—	—	
				1,344,657.25	1,807,369.08	
	Loans to officers and employees			589,261.64	6,605.00	
				1,933,918.89	1,813,974.08	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 2-1

Exhibit 19

Form 1488—Report
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8313 *Date of Report* April 26, 1930.

LOANS TO CORPORATIONS IN WHICH DIRECTORS ARE LARGELY INTERESTED.

Name	Direct	Indirect
Callahan and Sons Director Callahan interested and endorses.	98,000.00	
Electric Refrigerator Co. Director Augermeier interested and endorses.	23,000.00	11,771.23
Hart Manufacturing Co. Endorsed Paul E. Thompson and H. W. Krieger. Vice President Ahern interested.	90,000.00	60,061.86
Herald Post Co.	295,000.00	5,451.54
do. Overdraft	2,584.91	
President Brown interested and endorses direct note	297,584.91	5,451.54
Hoffman Heater Co. Director Ormsby interested.	27,500.00	
Indiana Cotton Mills Co. Director Ormsby interested.	75,000.00	
Kentucky and Indiana Terminal Director Ormsby interested.	66,452.80	
Lincoln Fields Jockey Club Director Brown interested.	80,000.00	
Ohio Falls Iron Co. Director Clark interested and guarantees direct note.	90,000.00	1,481.25
Penalee Gaulbert Co. Director Duncan interested.	25,000.00	
Hyman Pickle Co. Director Ormsby is director.	25,400.00	50.00
Dawson Day Light Coal Co. Director Ormsby interested and guarantees $2,500.00.	39,500.00	
Jones Dabney Co. Collateral: $31M C/D Director S. P. Jones interested and endorses.	186,000.00	4,741.78
Washington Park Jockey Club Director Brown interested.	150,000.00	
	1,383,387.43	87,517.39

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 3-1

Examiner.

Exhibit 19

Form 1006—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9842 *Date of Report* April 26, 1930.

LOANS TO DIRECTORS, OFFICERS, AND EMPLOYEES.

	Direct	Indirect
Aggermeier, H. J.	45,500.00	
Collateral: 600 Van Camp Packing Co. Com.		
1,000 BancoKentucky		
50 Chas. Rosenheim Co., Louisville, Ky.		
150 Electric Refrigerating Co. " "		
200 Louisville Railway, Com.		
200 Mixler Electric Co.		
As endorser - H. A. Obermeier		1,000.00
" " Geo. Rauff		5,566.00
" " Electric Refrigerator Co.		35,000.00
	45,500.00	37,566.00
Brown, Jas. B. - Cash item	150.00	
As co-maker, J. W. M. Stewart et al	152,988.90	
Collateral: $MM C/D.		
As endorser, C. S. Schlesinger		499.95
" " C. N. Lewis		4,542.81
" " Herald Post Co.		395,000.00
	153,138.90	400,042.81
Callahan, E. L.		
As endorser, Callahan and Sons		395,000.00
		395,000.00
Clark, Geo. M.	75,000.00	
Collateral: 2,000 shs. BancoKentucky		
2,000 " American Turf		
40 " Second National Bank, New Albany, Ind.		
As co-maker, Jas. T. and C. M. Clark	118,000.00	
As endorser, Lucie Clark Bayce		7,000.00
" " Ohio Falls Iron Co.		90,000.00
	193,000.00	97,000.00
Cosma, S. W.	17,000.00	
Collateral: 800 shs. Corn Products Refining Com.		
	17,000.00	-
Duncan, S. E.	139,187.50	
Collateral: 748 shs. United Corp. Com.		
100 " Standard Oil of Ind.		
2,975 " S. O. of Ky.		
1,300 " American Superpower Com.		
As endorser Wm. G. Duncan		10,000.00
As guarantor Cale Francis		50.00
	139,187.50	10,050.00
Hayes, J. J.	12,500.00	
Collateral: 700 shs. BancoKentucky		
	12,500.00	
Hickman, Bayler O.	80,072.50	
Collateral: 2700 shs. BancoKentucky		
220 " American Turf		
809 " Ewald Iron Co., Louisville, Ky.		
300 " U. S. Foil "B"		
200 " Reynolds Investing Com.		
As endorser T. L. Sayser		294.15
	80,072.50	294.15

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

SUPRA SHEET PAGE 5-B

Exhibit 19

TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* April 28, 1930.

	Direct	Indirect
Jones, C. F. Collateral: 2,340 shs. BancoKentucky.	122,000.00	
	122,000.00	
Jones, Saunders P. Collateral: 5,200 shs. Jones Dabney Varnish Co., $20.00 par $15,000.00 C/D	75,200.00	
As endorser, Jones Dabney Varnish Co.		106,000.00
As endorser, Vertner D. Smith		1,000.00
	75,200.00	107,000.00
O'Brien, E.J. Jr. Collateral: 2,000 shs. BancoKentucky $18,000.00 C/D.	68,726.25	
As partner, E. J. O'Brien and Co.	100,000.00	
As endorser Mary Malone O'Brien		104,426.67
	168,726.25	104,426.67
Crosby, H. D. - As guarantor Dawson Day Light Coal Co.		2,500.00
As endorser Webster House		89.00
As endorser St. Mary's Church		1,000.00
As endorser H. V. Sanders, Jr.		1,010.00
		4,599.00
Speed, W. S. Collateral: 900 shs. A. T. and S. F. Ry. Co m. 400 " L. & N. R. R. 450 " I. C. R. R. Com. 2000 " BancoKentucky	280,000.00	
	280,000.00	
Block, O. A. Collateral: 1,280 shs. BancoKentucky 1,000.00 Amer. Furniture Mart Bldg. 6-46	25,760.00	
	25,760.00	
Dugan, Frank I. Collateral: 800 shs. BancoKentucky	1,480.00	
	1,480.00	
Fontaine, L. L. Collateral: 3,340 shs. BancoKentucky	98,300.00	
	98,300.00	
Grant, H. R. Collateral: 1,200 shs. BancoKentucky	24,000.00	
	24,000.00	
Lee, Edward R. Collateral: 1,600 shs. BancoKentucky	28,000.00	
As endorser George Lee		200.00
" " - Anna May O'Brien		70.00
As endorser Margaret Weber		218.00
	28,000.00	488.00
Moseley, T. L. Collateral: 700 shs. BancoKentucky 400 " Commonwealth and Southern Corp.	17,500.00	
	17,500.00	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

SECRA SHEET PAGE 3-6

Exhibit 19

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8813 *Date of Report* April 28, 1930.

	Direct	Indirect
Banner, A.P. Collateral: 1,500 shs. BanneKentucky	30,000.00	
	30,000.00	
Robertson, E. B. As endorser H. L. Armstrong " " J. H. Chandler " guarantor Crescent Hill Baptist Church		813.00 488.00 1,000.00
		1,988.00
Thiemann, Henry Collateral: 10,000 shs. BanneKentucky As endorser, Leo Thiemann	182,000.00	500.00
	182,000.00	500.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-4

Exhibit 19

Form 148a—Report
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* April 24, 1930.

SOLD LOANS

SHEET OF MARCH

S. B. Arterburn — $3,425.00
Sold to Breckenridge Bank, Cloverport, Ky.
Collateral: $1M Belgium 7- 31
300 shs. Reynolds Inv. Com.
18 " Louisville G. & E. 6% Prd.
5 " Ratcliffe Co. Pfd.
Total value of collateral $5,688.00.

L. S. Curum — $3,500.00
Sold to First National Bank, Central City, Ky.
Collateral: $1M Interboro Rpd. Transit 5 - 66;
184 shs. Louisville Ry. Com;
2 " B. & O. Com.;
4 " B. & O. Pfd.
5 " Union Pacific;
11 " Southern Pacific Company;
5 " Ky. Util. Pfd.
Total value of collateral $5,847.00.

J. Kemp.Goodloe — $3,000.00
Sold to Bank of Whitesville, Ky.
Collateral: 50 shs. Pickrell Motors Pfd.
Collateral not desirable.

S. L. Guthrie — $3,000.00
Sold to Farmers Bank, Centertown, Ky.
Collateral: 15 shs. Farmers Bank & Trust Co., Bardstown, Ky. Par $100.
10 " Nelson County Bldg. & Loan Assn. Bardstown, Par 100.
Collateral not desirable.

O. M. Hoskins — $3,000.00
Sold to Breckenridge Bank, Cloverport, Ky.
Collateral: 100 shs. Harlan Ice & Refrig. Co., Par $100.00.
Collateral not desirable.

Harry M. Heath — $2,500.00
Sold to First National Bank, Buffalo, Ky.
Collateral: 20 shs. L. & N. Ry. Value $2,680.00.

R. W. Johnson — $3,000.00
Sold to Peoples National Bank, Gallatin, Tenn.
Collateral: 35½ shs. Continental Hotel Co., par $100.00.
Collateral not desirable.

A. W. Krumm — $2,576.25
Sold to Crab Orchard (Ky.) Banking Company.
Collateral: 82 shs. American Radiator & Standard Sanitary com.
Value of collateral $2,870.00.

W. W. Lewis — 10,000.00
Sold to Farmers Deposit Bank, Bradenburg, Ky.
Collateral: 200 shs. Cornett-Lewis Coal Co., Par $100.00.
Collateral not desirable.

W. W. Lewis — 10,000.00
Sold to First Peoples National Bank, Gallatin, Tenn.
Collateral: 35 shs. First State Bank, Harlan, Ky.
100 shs. Cornett-Lewis Coal Co., par $100.00
Collateral not desirable.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 5-6

Exhibit 19

Form 1430.—Report
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5212 *Date of Report* April 26, 1930.

Alexander Sand Sold to Peoples Bank, Gravel Switch, Ky. Collateral: 320 Reynolds Investing Common, value $5,520.00 Assignment of $5,000.00 life insurance policy in the Sun Life Assurance Company of Canada. This policy is not on file. Only an assignment of the policy was in collateral, from which the cash value was undeterminable.	5,200.00
Alexander Sand Sold to Peoples Exchange Bank, Beattyville, Ky. Collateral: 585 shs. Reynolds Inv. common; 200 " U. S. Foi Common B. Total value of collateral $10,885.00.	16,600.00
Tony Sadekum Sold to National Bank, Middlesboro, Ky. Collateral: 280 Union Planters National Bank, Memphis 50 Crescent Amusement Co., on which no price is obtainable. Collateral is undesirable.	15,000.00
A. J. Young Sold to Washington Bank, Springfield, Ky. Collateral: 15 shs. Louisville Tin & Stove Co. Collateral is undesirable.	1,200.00

Loans insufficiently margined should not be sold to country correspondent banks. In the examination of the country banks, examiners are duty bound to criticise such loans. This is an embarrassment both to the examiner and to the management of the city bank selling the loans.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXHIBIT PAGE 5-6

Exhibit 19

Form 1430.—Report.
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 6312 *Date of Report* April 26, 1930.

LOANS MADE DIRECT BY COUNTRY CORRESPONDENT BANKS TO CUSTOMERS OF THE NATIONAL BANK OF KENTUCKY AND NEGOTIATED BY THEM WHICH ARE SHORT OF MARGIN

Elizabeth E. Clark $7,000.00
To Breckenridge Bank, Cloverport, Ky.
Collateral: 50 shs. International Shares Corp. com.
150 rights Ky. Rock Asphalt for common stock;
20 shs. Pennroad Corporation;
84 " Continental Shares, common;
3 " Continental Shares, Pfd;
45 " Anaconda Copper.
Total value of collateral $6,056.00.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-7

Exhibit 19

Form 1436.—Report.—
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* April 26, 1930.

LIABILITIES OF NATIONAL BANKS.

National Bank of Cynthiana, Kentucky	20,000.00
Collateral: $1000.00 Assoc. G. & E. 4½ - 65;	
2,000.00 Chile Copper 5 - 47;	
3,000.00 Natl. Union Mtg. 5½ - 37;	
2,000.00 Kingsport Press 6½ - 39	
3,000.00 Hearst Magazines 6 -34	
2,000.00 Federated Utilities 5½ - 57	
5,000.00 Houston Gulf Gas 6½ - 43	
2,000.00 Australia 5 - 57	
3,000.00 L.& L. R. R. 5 - 69	
Citizens National Bank, Lebanon, Ky.	10,000.00
Collateral: $4,150.00 L. L. Bonds;	
5,000.00 Lexington & Eastern Ry.	
2,000.00 Chicago, Ind. & Louisville R R	
Lincoln County National Bank, Standford, Ky.	20,000.00
Collateral: 5,000.00 Standard Oil N Y 4½ - 51	
5,000.00 Ill. Central 4½ - 63	
10,000.00 Southern Pacific 4½ - 77	
5,000.00 Canadian National 4½ - 57	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-8

Exhibit 19

Form 1438—Page 4
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, [illegible]

LOANS AND DISCOUNTS—Continued

The loans and discounts and other securities must be carefully verified and every discrepancy noted. Parent bank $187.40 long

Total loans and discounts, $ 21,295,603.41

OVERDUE PAPER

A. Total bad debts, as defined by Section 5204, U. S. R. S.,		$ 2,296,581.12
Of which there are carried in loans and discounts,	$ 2,296,581.12	
*Carried elsewhere,		
B. Other overdue paper,		997,810.57
Total overdue paper (including all bad debts),		$ 3,293,561.69

Examiner should advise bank interest on demand or time loans should be collected at least every six months, and that mere payment of interest is not considered a renewal of the loan unless formal extension agreement is signed by all parties or the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6. Give maturity dates of "bad debts."

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$975.00 Geo. R. Adams Collateral: 90 shs. W. W. Hite & Co. Stock has no collateral value. Maker is said to be paying $50.00 at each maturity. Is trying to sell his home: if so, he will be able to pay this debt. Loan began 10-9-26 as $1,250.00.			975.00	750.00	225.00 pl
$882.02 Advance Battery Co. - draft accepted by Shores Brothers, Denver, Colorado. Your examiner was advised that the money to pay this acceptance was attached by another creditor. If the suit is decided favorably, the draft will be paid by funds under attachment; if it is decided unfavorably, the Advance Battery Company will pay.		882.02	882.02	Same	
$45,000.00 Louis Appel Co. Endorsed Joseph, Walter G. and Sidney G. Appel. Statement dated 1-31-30 shows Current Assets $192,000.00; Current Liabilities $128,000.00; Other Assets $186,000.00; Net Worth $214,000.00. The company is a haberdashery. Statement shows that company lost $27,169.00, a large portion of which is said to have been caused by improvements.			45,000.00	42,000.00	2,005 pl
$2,000.00 Loan $8,706.80 Discounts Alemite Company of Kentucky No statement available. Company does not seem to be progressing. Direct loan reduced $1,000.00 since last examination. Further reductions are recommended.			706.80 7,706.80		569.33 pl
TOTAL		SEE	EXTRA	SHEETS	

Use Form 1415-c for continuation of list.

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER
FORM 1456 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$4,800.00 Armstrong Reynolds Co. Endorsed E. L. Henderson, J. F. Armstrong and Luther C. Reynolds. The loan has been here four or five years. Henderson seems to be the only endorser who has any financial responsibility. Apparently this real estate company is not making any progress.			4,800.00	3675	1125
$6,500.00 Associates Company, endorser for Deluxe Hat Shoppe and Henry W. Johnson Mr. Johnson is said to have large real estate equities, but is thought to be in a somewhat extended condition. It is recommended that the loan be reduced.			6,500.00	6000	500
$15,000.00 carried at $5,000.00 Badger Aluminum Co. The payment of this loan is contingent on the sale of 412 acres in Johnston County, Okla. near Tishomingo.	5,000.00		2,500.00	2,500.00	Bal. 5000
$26,150.00 David Baird & Son The company is being liquidated. Settlement was made with merchandise creditors at 35 1/2%. Liquidation will be slow. $10,000.00 was charged to Profit and Loss during this examination.		26,150.00	16,150.00	Bal.	loss. get off 10,000.00
$101,000.00 Bankers Trust Company Coll: $158,500.00 Bankers Trust Co. First Mortgage Bonds. Loan reduced $50,000.00 since last examination, and further reductions are recommended.			101,000.00	91500	pd 3500
$1,080.00 D. A. Bates, Endorsed Temple Theatre Corp. Coll: 10 shs. Temple Theatre Association; Cashier's check for $742.55; Sundry notes said to be of sufficient value to protect the loan.	1,080.00		1,080.00		
$575.00 Thomas M. Bibb Coll: 20 shs. Alemite Lubricator of Kentucky, Inc. Collateral is regarded as of doubtful value. Loan reduced $100.00 since last examination and further reductions are recommended.			575.00		
TOTAL					

EXTRA SHEET PAGE 4-1

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$6,000.00 Bingham Hewett Grain Co. Endorsed Leonard A. Hewett. Statement dated 12-31-29 shows Current Assets $34,674.00; Current Liabilities $25,460.00; Net Worth $9,609.00. Statement shows a loss in 1929 in the sum of $38,089.00. The statement indicates a doubtful state of solvency. Your examiner was advised that the endorsement protects the bank against loss. It is understood that the company is to be liquidated. The loan should be collected.					
$5,075.00 A. S. Blunk Heating Co. The note is in the hands of bank's attorney for settlement. Arrangements are said to have been made to trustee the following parcels of real estate to protect the loan of the National Bank of Kentucky: Three parcels of vacant property, valued at $11,000.00, subject to a prior lien of $3,600.00; A residence valued at $5,500.00, subject to a prior lien of $2,300.00; A duplex valued at $7,500.00 subject to a prior lien of $4,000.00. The maker has agreed to pay $200.00 per month on the loan. It is a "work-out" proposition.		4,000.00	5,075.00	1071.00	1604.00 pd
$800.00 O. C. Boston (Baltimore) Collateral: 80 shs. Alemite Lubricator Co. Collateral is of doubtful value. Loan reduced $50.00 since last examination and further reductions are recommended.			800.00	750.00	50.00 pd
$1,250.00 E. R. Boyd Endorsed A. H. Hargis. Collateral: $365.00 Cashier's check, dated 2-24-30. It is claimed that at this time a judgment against Hargis is good and collectible. It is stated, however, that he has contingent liabilities that may render collectibility doubtful. In view of this fact the management of bank should take immediate steps to reduce the loan to judgment. Your examiner was unable.		1,250.00	250.00	1,000.00	Same
TOTAL					

EXTRA SHEET PAGE 4-2

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
to get any definite information with respect to Boyd.					
$69,649.69 F. G. Brealin Collateral: 20 shs. General Motors, Com. 8,000.00 note of Romeo Brealin, due 2-20-24; Sundry City of Louisville warrants, aggregating about $40,000.00. Maker is a contractor. The loan appears to be undesirable. Reduced only $2,282.80 since last examination. Its collection is recommended. The maker also had an overdraft of $5,534.11 at time of examination.			69,649.69	665/078	306491 pd
$150.00 C. H. H. and Henry Buschmeyer Collection is regarded as doubtful.		150.00		150.00	same
$1,900.00 Joe A. Busoth Collateral: 40 shs. Alemite Co. of Kentucky. Collateral is of doubtful value. No reduction since last examination. It is recommended that substantial reductions be made.			1,900.00		same
$47,802.91 Wm. D. Campbell Collateral: $50,000.00 Murray Rubber Co. 7% debentures. (See comments on line of Murray Rubber Co.) This is a part of the Campbell line that has been a source of so much trouble and anxiety to the bank. The Murray Rubber Company is regarded as of doubtful solvency and at this time no value is attached to the collateral. This is a part of the Murray Line that is to be taken out by September 1, 1930, per agreement made at meeting with directors May 16, 1930.	47,802.91			47,802.91	same
$47,802.91 W. M. Pepper Collateral: $50,000.00 Murray Rubber Co. 7% debentures. Same criticism as that with respect to the loan of Wm.D.Campbell applies to the Pepper	47,802.91			47,802.91	same
TOTAL					

EXTRA SHEET PAGE 4-3

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
loan. This is also a part of the Murray Line that is to be taken out in accordance with agreement made at meeting with directors May 16.					
$110,555.87 Carter Guaranty Company The overdue note is jointly secured with a note of even amount held by the Liberty Bank & Trust Company, Louisville, Ky. Security consists of a second lien on property located on the west side of Fifth Street between Walnut and Liberty Streets; also some adjoining property improved by a repair garage. The two parcels are valued at $180,000.00, with prior liens of $68,000.00. Efforts are still being made to sell the Fifth Street property to the Commonwealth Life Insurance Company for $135,000.00, but thus far no results have been obtained. Bank holds $69,800.00 Rudolph and Bauer 6% bonds. The bonds are secured by a first lien on industrial property which was purchased for $95,000.00. The bank also held $10,000.00 International Bolt Company bonds. The property securing the bonds was sold and purchased by the Carter Guaranty Company, the deed being taken in the name of said company. It appears that the $10,000.00 bonds were canceled and no proceeds received by the bank. It would appear that bank should be given a deed to the property. No reduction since last examination.	97,973.37	12,568.80	110,555.87	111394 1/2	86607 Insured
$11,291.98 Kilerbe W. Carter $2,000.00 endorsed E. L. Taylor, and Owsley Brown; $6,597.80 endorsed by E. L. Taylor. Endorsers are regarded as good. Collateral: 164 shs. Carter Guaranty, Com. 33 " Carter Guaranty, Pfd. $2,400.00 note, secured by 65 acres in Virginia. The loan is regarded as highly undesirable.			11,291.98	1233 36	10585 6 paid
TOTAL					

EXTRA SHEET PAGE 4-4

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Carried at $1,325.45 Central Paint & Roofing Co. Rediscounts $4,800.00 has already been charged to Profit and Loss. The company has been operated for a number of years by a receiver. It is claimed that the receivership will be terminated on August 1, 1930. If the company has not been sold by that time, the assets will be disposed of and the proceeds distributed to creditors.	1,325.45		✓	1,325.45	same
$5,575.00 John H. Chandler Charles Hermeyer is endorser on $1,680.00; J. P. Ferguson is endorser on $675.00; Hugh B. Fleece is endorser on $1,155.00; the portion endorsed by Fleece is classed as doubtful. Collateral: $10,000.00 life insurance policy with a cash surrender value indicated of $5,280.00. No reference is made to any prior liens on the policy.			2,420.00	1,155.00	450.33 bal. 475.33 Interest
$88,775.11 Chess Wyman Co. The company is being liquidated. The payment of the loan in full is contingent on the sale of the fixed assets of the company. The plant in Louisville is valuable from a replacement standpoint, but industrial property is very slow sale at this time and it may take years to work out much value from this source. The company also owns some timber land, which is also very difficult to move. Bank will be fortunate to escape loss on this loan.			40,000.00	18,775.11	Balance 48775.11 Note cancelled no actual payment made
$90.00 Chester B. Clark Charged off during this examination.	90.00				Charged off 90.00
$90.50 Raymond G. Clark It is said that funds of maker in another bank have been attached.		90.50		90.50	
$1,350.00 Colony Illuminating Co. This is a "work-out" of long standing and should be collected.			1,350.00	1150.00	100.00 paid
TOTAL			EXTRA SHEET PAGE 4-5		

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1455 C

No. of Bank, 9512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$15,225.00 Columbia Phosphate Mining Co. Bank is secured by a second lien on 600 acres of phosphate near Columbia, Tenn. It is under lease to the Armour Fertilizer Company on a royalty basis for the purpose of mining phosphate. Correspondence with the Armour Fertilizer Company indicates that operations will increase progressively within the next few months. This loan should work out without loss, but will probably require considerable time. Bank also has a claim vs. Columbia Phosphate Mining Co. for $15,000. Carried under Judgments & Claims.			15,225.00	15 v 3 v 50	
$2,381.22 J. Parker Conn, C. Cheens Conn, R. F. Conn and M. H. Johnson .. Collateral: $5,000.00 note of Alice Cheens Conn and C. D. Conn, secured by a third interest in some Louisville real estate subject to a P/L of $6,500.00. The property is also subject to the life estate of a lady above 80 years old. Apparently nothing can be done toward collection until the mother dies. The bank can, however, foreclose and obtain title to the remainder interest, and carry it in the account, Other Real Estate. It is believed that the loan will eventually be paid, but might have to be carried along in this way for ten years.	2,381.22		2,381.22	Same	
$262,150.00 Consolidated Realty Company Coll: Sundry bills receivable secured by unimproved property, aggregating 205,787.92; Sundry bills receivable, secured by improved property 38,694.14; Unsecured notes 8,006.10; Gold bonds, Consolidated Realty Co. 1,500.00; Bond Baptist Church, Barbourville, Ky. 1,000.00; Note of H. K. Haselip:	97,000.00	165,150.00	262,150.00	50,000.00	
TOTAL					

EXTRA SHEET PAGE 6-6

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1496 C

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
secured by 190 shs. Consolidated Realty Co. Com. - - 18,000.00					
Total collateral 364,956.83.					
An investigation by the Auditing Department of the collateral disclosed the fact that company has in various ways credited the collateral in total sum of $30,674.83 and that the bank has not been paid that amount.					
$9,598.00. Consolidated Realty Co. endorser for H. J. Scheirich This is said to be in reality an obligation of the Consolidated Realty Company.				9,598.00	Same
$130,650.00 General Realty Corporation Endorsed H. J. Scheirich and C. C. Hiestt. Secured by a first lien on Jefferson Avenue property located between Fourth and Fifth Streets, occupied by an indoor golf school, valued at $268,000.00. Mr. Scheirich advised that he hopes to re-finance this note and pay the bank. This loan has been due since 1-16-29.	130,650.00		130,650.00		Same
$12,883.33 Gardens Communities Corporation Endorsed C. C. Hiestt. It is promised that the loan will be paid May 15. Pending that date, the loan is merely classed as doubtful.		12,883.33		12,883.33	Same
$25,550.00 C. C. Hiestt Coll: Note, Gardens Communities Corp. $12,500.00, due 11-15-29; Note, Gardens Communities Corp. $10,000.00 due 11-15-29; 100 shs. Consolidated Realty Company, Com . One of maker's notes was due in February, 1929, and the other two were due in May , 1929. It is inconceivable that obligations should be so utterly disregarded as have these obligations.	25,550.00			25,550.00	Same
TOTAL.					

EXTRA SHEET PAGE 4-7

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 9513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$12,000.00 H. J. Scheirich and C. C. Hieatt Collateral: 187½ shs. Consolidated Realty Co., Com. This loan has been past due since 6-4-29.	12,000.00			12,000.00	same ✓
$100,000.00 H. J. Scheirich Collateral: $100,000.00 Certificate of deposit of this bank. Loan has been past due since 7-6-29.	100,000.00		100,000.00		same ✓
$10,280.01 A. V. Thomson and C. C. Hieatt Collateral: 12,280 shs. Fidelity Oil Corp. $1,000.00 Second Church of Christ; 5 shs. Weatherly MacKenzie Co. 2,125 shs. Bank Sterling Savings & Building Association; $10,010.00 real estate notes, of which $3,700. are past due. Reduced $1,440.81 since last examination. The line of the Consolidated Realty Company is in an exceedingly unsatisfactory condition. The assets of the company appear to be "frozen" and when one of them is sold no money seems to be available for the general creditors of the company. Mr. Hieatt was called in during the examination and your examiner was present at a conference between Mr. Hieatt and the officers of the bank. Apparently the hope of liquidation lies through collection of installments on notes secured by unimproved property, or through some fortunate deal that the company may make. If, at the time of the next examination, substantial progress has not been made in the affairs of the company, some of the notes should be charged to Profit and Loss.			10,280.01	7,197.50	3082.51 ✓
$3,600.00 Sarah Pace Culter Endorsed W. M. Culter. Secured by a $4,000.00 note, secured in turn by a mortgage on property valued at $80,000.00, subject to a prior lien of $60,000.00.			3,600.00	Paid	
TOTAL					

EXTRA SHEET PAGE 4-B

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1495 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$4,500.00 A. R. Cummings Collateral: 60 shs. Hopkins County Bank, Madisonville, Ky. Loan began 1-30-28 as $5,500.00. Further reductions are recommended.			4,500.00	V 100.00	Paid 400.00
$4,500.00 Cunning and Brotzge Endorsed T. J. Cunning and Charles F. Brotzge. Loan began 6-29-27 as $6,000.00 and has not been paid out. Company is not making much progress. Loan reduced $500.00 since last examination.			4,500.00	V 000.00	Paid 500.00
$1,100.00 Ida M. Cunningham Collateral: 32½ shs. Graham Stove and Heating Co. The company is in liquidated and appears to be working out very slowly. Loan has been reduced only $100.00 since last examination.			1,100.00	960.72	Paid 130.28
$5,000.00 R. Haynes Davis Collateral: $5,000.00 lien note, Robert M. Stumsk, due 9-29-28. It is claimed that Davis is good, but the loan has been in the bank a long time and should be collected.			5,000.00	Same	
$39,500.00 Dawson Daylight Coal Co. Collateral: $40,000.00 Dawson Daylight Coal Co. 7% bonds. Loan reduced $4,000.00 since last examination. The reduction is said to have been accomplished through the sale of some bonds. The operations of the company in 1928 are said to have been profitable. If the company can continue to operate at a profit, it is probable that its affairs will eventually get in more acceptable shape.			39,500.00	35500.00	paid 4000.00
$10,859.30 L. J. Dittmer Collateral: 100 shs. Majestic Theatre Co. $10,000.00 Color Cinema 7% bonds. Reduced $362.85 since last examination. Estimated loss was charged off during this examination.			7,500.00	7049.72 Paid 40.30	3,359.30 Legal
TOTAL					

EXTRA SHEET PAGE 4-9

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
FORM 1488 C

No. of Bank, 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$11,391.37 J. T. Dorsey Endorsed Kentucky Lumber Mill Works Company. Loan began in January, 1927, as $6,709.08; increased to $9,709.08 on 8-1-27. The company is slow.		11,391.37	11,391.37		
$22,458.00 James R. Duffin Elwood Hamilton is endorser on $3,250.00. Coll: Assignment of judgments aggregating $10,250.00. It is recommended that the loan be put in more satisfactory condition.			10,000.00	12,458.00	
$1,950.00 C. C., J. M., and E. C. Whlen Secured by an assignment of notes pledged to secure the indebtedness of the Standard Mortgage Company. After the company loan has been paid, the balance will be applied to the payment of the above loan.	1,950.00		1,950.00		
$900.00 J. E. Etherton Collateral: 50 shs. Rowe-Fawcett Co. Pfd. The loan is of long standing. It is claimed that the maker is paying $100.00 per month.			900.00		
$20,000.00 carried at $7,000.00. Eureka Products Co., Inc. Endorsed J. H. Wilkes. Coll: Assignment of a life insurance policy for $10M subject to a prior lien of unknown amount. The equity in the policy is said to be about $1,000. The premiums on the policy are paid by the maker obtaining funds from the insurance company; thus the equity is in a diminishing ratio each year. In the opinion of your examiner, the loss is soundly estimated. Same was charged to Profit and Loss during this examination.			3,000.00		4,000.00
$600.00 Falls City Transfer Company Endorsed Geo. T. Smith and H. T. Larimore. Statement dated 11-1-29 shows Current Assets $1,841.00; Current			600.00		

Total.

SHEET P.OF 4-10

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security. Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Liabilities $2,165.00; Trucks $3,500.00; Net Worth $3,175.00. The statement of the company indicates a doubtful degree of solvency. The endorsement is said to protect the loan. Loan began 10-19-26 as $1,650.00 and has not been paid out.					
$1,575.55 Lee T. Fath Collateral: 50 shs. BancoKentucky; 100 " Atlantic Bank & Trust Co., Daytona Beach, Fla. The collateral is inadequate. Estimated loss charged off during this examination.			1,100.00	$1114.00	475.55
$2,500.00 Frank Fehr, Trustee Collateral: 40 shs. Stewart Warner. The unsecured portion should be paid or properly collateraled.		2,500.00	1,100.00	1,400.00	None
$6,900.00 Fields & Gaines Secured by a chattel mortgage on 80 dairy cows and 250 sheep. Attention is called to the fact that the chattel mortgage was in 1928. It is suggested that a new chattel mortgage be given covering stock now on hand.			6,900.00	$6000.00	paid 500.00 Slight 1,000.00
$8,000.00 Dora and H. J. Fields Charged off during this examination.					
$7,550.00 carried at $5,000.00 Alice G. Fisher Endorsed George H. Fisher. Collateral: $5,000.00 Kentucky Title Co. bonds. A woman is disputing the title to the bonds, claiming that they were held by Fisher in trust for her. They have, however, been pledged to this bank for several years. It is believed that bank's claim can be maintained.	5,000.00		5,000.00	None	
$3,075.00 E. H. Flanagan Collateral: 81 shs. Citizens Bank, Drakesboro, Ky. Loan began 1-20-27 as $1,700.00. Reduced $175.00 since last examination, and further reductions are recommended.			3,075.00	paid	
TOTAL					

EXTRA SHEET PAGE 4-11

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1480 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$2,725.00 Hugh B. Fleece There are endorsers on $2,025.00 of the loan. The unsecured part is classed as doubtful.		700.00	2,025.00	700.00	Ld 350.00
$178,250.00 Foreign and Domestic Veneer Co. Guaranteed by Sam C. and James T. Mangal. Statement dated 12-31-29 shows Current Assets $221,509.00; Current Liabilities $603,174.00, Fixed Assets, $231,800.00; Net Worth $436,460.00. The company shows a lack of working capital. Operations for 1929 show a profit of $22,038.00. Your examiner was advised that an effort is being made at Nashville, Tenn., to underwrite $400,000.00 bonds of this concern. If this is done the debt to this bank will be retired.			178,250.00	169500.00	8750.00 Jack
$340.00 J. G. Gallagher	340.00			340.00	Same
$1,052.00 J. G. and C. L. Gallagher J. G. Gallagher is dead. Your examiner was advised that the deceased and C. L. Gallagher inherited some real estate from their mother. It is claimed that both notes will be paid in full.	1,052.00		1,052.00		Same
$6,000.00 Gibraltar Coal Mining Co. Endorsed by R. L. Brown. Collateral: 560 shs. Brown Coal Co. belonging to endorser. The collateral was held by bank to secure the note of R. L. Brown. This note was paid and the collateral is being held to secure the endorsement.		6,000.00	6,000.00		Same
$4,500.00 Gibraltar Coal Mining Co., endorser for Mercer Coal Co. During examination, your examiner was advised by a party connected with the management of the maker company that arrangements are being made to pay 20% of indebtedness to creditors other than bank creditors. It is said that suits against the company have been filed at Central City, Ky. in a sum aggregating about $30,000.00. If 20% is			4,500.00	3500.00	Jan 1000.00
TOTAL					

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

.No. of Bank, 5513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
paid as planned, the suits will be withdrawn. This is to be done, provided bank creditors agree to extend in full their loans to the company. The loan is very undesirable and should be collected; however, the management of the bank deserves credit for having obtained such large reductions in these loans. The loan of the Gibraltar Coal Mining Company was originally $50,000.00; the loan of the Mercer Coal Company was originally $25,000.00.					
$6,090.00 W. C. Miles Collateral: 100 shs. Monarch Equipment Co; 95 ½ shs. Monarch Auto Co. Collateral is regarded as of uncertain value.			6,090.00	7000.00	6000.00 paid
$100.00 Gleckhaeaner Motors Co. Party has reduced to this balance from a loan exceeding $50,000.00. Officer in charge is hopeful of collecting balance. If not reduced by next examination, it should be charged off.		100.00		100.00	2.nd C
$13,500.00 carried at $6,500.00 F. S. Graham and N. A. Perry Coll: 100 shs. Atlantic Bank & Trust Co., Daytona Beach, Fla. The makers are without financial responsibility. The Atlantic Bank and Trust Company has failed. It appears that prior to the failure a representative of the National Bank of Kentucky arranged to sell the stock held as collateral for $12,500.00, but the Atlantic Bank and Trust Company declined to transfer the stock, thereby blocking the sale. It appears probable that the National Bank of Kentucky will obtain a judgment against the failed bank for $12,500.00. The value of such a claim, however, is problematical. It will be a general and not a preferred claim. The loan is probably almost a total loss, but this information was not received until after meeting, hence loan was not included in list of losses presented to directors. It should be charged off at next examination, if it has not been charged off prior to that time.				6,500.00	Same
TOTAL					

EXTRA SHEET PAGE 4-15

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY--EXAMINING
Form 1488 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$2,043.00 H. L. Grooms, et al This represents the balance due on account of the failed State bank at Fountain Run, Ky. Bank holds a s collateral , first mortgage note for $1,000.00, being foreclosed and considered good; also a note for $600.00, on which payments of $100.00 are being made quarterly. Bank also owns a drug store and Post Office in Fountain Run, Kentucky. A bad "work-out" proposition.	2,043.00		2,043.00	1943.00	100.00 paid
$65.00 A. V. and Grace Haag In the hands of an attorney. It is claimed that it will be collected.		65.00	65.00	Same	
$7,085.67 R. J. Henry Endorsed C. J. Meriwether. Secured by a deed to a residence, said to be worth about the amount of the loan. Bank also holds cashier's checks aggregating $1,519.05, applicable to the payment of this note.	7,085.67		7,085.67	Same	
$40,398.55 carried at $39,398.55 Harlan Coal Company Endorsed K. U. Maguire and Karl Jungbluth. Collateral: 365 shs. Blackhawk Coal Co; 280 shs. Dawson Daylight Coal Co., Pfd. A first lien on 55/100 interest in 250 acres in Letcher County, Kentucky. It is hoped that some value can be worked out of the Dawson Daylight Coal Company stock. Loan is a bad "work out" proposition.			39,398.55	10,000.00	bal. 3442.05
$635.00 Mrs. F. R. Hodapp Collateral: 60 shs. Color Cinema Co. Com; 80 shs. " " Co. Pfd. $1,500.00 Color Cinema Co. debentures. Assignment of equity due from Builders Finance Company.			635.00	000	3/5 paid Daylight
$100.00 R. R. Hodapp Estimated as a loss and charged off during this examination.	100.00				100.00
TOTAL					

EXTRA SHEET PAGE 4-14

Exhibit 19

SUPPLEMENTAL SHEET

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$11,000.00 Joseph Hubbuck, Sr. & Sons. Endorsed Seb O. Hubbuck. The company is in financial difficulties.			11,000.00		
$27,734.74 Lewis C. Humphrey Collateral: 765 shs. Herald-Post,Com. Maker is dead. The loans are long past due and no steps have been taken to foreclose the collateral. The value of the collateral is problematical. Apparently the market is President Brown. Your examiner has discussed the matter with President Brown for several years. About a year and a half ago, President Brown agreed that he would get the loan out of the bank by the next examination, but the loan remains unchanged. It seems that the widow of the deceased holds some stock of the company other than the stock pledged as collateral on this loan. President Brown desires to buy all of the stock, and is delaying buying the collateral stock for that reason. Your examiner believes that matter has already been delayed much too long, and that steps should be taken for bank to acquire the collateral. It can then be offered for sale. Since writing the above, President Brown has agreed to take the loan out of the bank by September 1, 1930, unless it has been collected by that time.	27,734.74			27,734.74	
$69,400.00 carried at $29,400.00 Hyman Pickle Co. $1,194.42 H. D. Ormsby, Agent for Hyman Pickle Company- Statement dated 12-31-29 shows Current Assets $135,684.00; Fixed Assets $80,817.00; Current Liabilities $178,041.00; Net worth $43,302.00. At this time, the company would probably liquidate for enough to cover the amount at which this loan is carried.			29,400.00 1,194.42		
$11,500.00 Louis P. Hyman Co. Endorsed Louis P. Hyman. Maker is in bankruptcy. It is claimed that the	11,500.00		5,000.00		6,500.00
TOTAL					

EXTRA SHEET PAGE 4-15

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
bankrupt estate will pay about 80% provided certain assets are restored to the estate. Charged off during examination.					
$40,000.00 Indian Hills Development Co. Company promoted a sub-division. Loan began 1-30-27 at $70,000.00. No reduction since last examination.			40,000.00		
$42,374.33 Walter F. Jacobs & Co. Endorsed Walter H. Jacobs and J. Matt Chilton. Coll: 500 shs. Bancofentucky. Statement dated 1-1-30 shows Current Assets $34,826.00; Current Liabilities $87,999.00; Real Estate $87,774.00; Mortgage Debt $37,748.00; Net Worth $28,299.00. Statement, of course, is very poor, showing a debt of $95,648.00 and a net worth of only $28,299.00. During examination, Mr. Jacobs discussed the matter with your examiner and pledged additional collateral with an estimated value of about $9,000.00. He has promised to pledge more collateral.			42,374.33		
$500.00 Thomas Jefferson Memorial Fund Charged off during this examination.	500.00				500.00
$2,900.00 U. W. Jenkins Collateral: $4,500.00 real estate mortgage note of Cutter, secured by 778 acres of coal and farm land, and a second mortgage on 405 acres of farm land in Muhlenberg Co., Ky. Loan has been overdue since January 3, 1930. A strenuous effort has been made to collect the loan, but thus far without success.		2,900.00		2,900.00	
$2,284.64 Laura and Frank James Endorsed David Baird & Sons. Said to be secured by a first lien on a residence in Berea, Kentucky. It is claimed that the property is worth several time the amount of the loan.		2284.64	2,284.64		
TOTAL.					

EXTRA SHEET PAGE 4-16

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELLSWORTH
FORM 1489 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$50.00 H. F. Jutz Charged off during this examination.	50.00				50.00
$2,040.00 D. A. Keller Estate Coll: 54 shs. Audubon Park Realty Co. 30 shs. Star Wood Products Co. The National Bank of Kentucky is executor of the estate. The estate owns the building in which the bank is located, very little, if any, equity. The Audubon Park Realty Company consists of apartment buildings and lots in Audubon Park. A "work-out" proposition. Reduced $360.00 last year.			2,040.00		
$10,150.00 Anna L. Kellner Collateral: 100 shs. Studebaker Corp. Com. 4,000.00 Metropolitan Realty Co., 6's due '36; $1,000.00 C/D. The collateral is estimated as worth $8,800.00. During examination a bond of $1,000.00 was pledged as additional collateral.			9,800.00	350.00	
$1,800.00 Edward C. Kelly Co. Endorsed Edward C. Kelly. A bill poster advertising company. Loan is being reduced very slowly, only $100.00 having been paid since last examination.			1,800.00		
$35,000.00 Kentucky Public Elevator Co. Statement dated 6-30-29 shows Current Assets $14,638.00; Fixed Assets $838,600.00; Current Liabilities $37,000.00; Net Worth $506,238.00. No operating details, but statement shows a loss to net worth of $32,047.00. The preferred stock of the company is owned by six railroads. Loan reduced $22,000.00 since last examination. Further reductions recommended.			35,000.00		
$85,000.00 Kentucky Refrigerating Co. Statement dated 3-31-30 shows Current Assets $74,394.00; Current Liabilities $252,164.00; Fixed Assets $1,161,665.00;				85,000.00	
TOTAL					

EXTRA SHEET PAGE 4-19

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 5318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Deferred Charges $11,[illegible]; Mortgage Indebtedness $640,[illegible].00; Net Worth $385,649.00. Statement shows an operating loss of $8,219.00. It further shows a reduction in working capital of $52,688.00 with a corresponding reduction in current liabilities of only $24,879.00. The continuing losses in operations, and the gradual reduction of the working capital, used partly to pay maturing bonds, have gotten the company in such condition that the unsecured debt of the company to the bank would appear to be a loss. Representatives of the bondholders of the company in Chicago held a meeting May 13, 1930, which was attended by the directors of the maker company. It seems that $10,000.00 bonds of the company maturing in April defaulted. The bondholders made a tentative suggestion that if shareholders of company would put new capital into the company and would refinance it that the bondholders would take 75% of the par value of the bonds in settlement. A meeting of shareholders was held May 16, at which meeting a committee was appointed with instructions to work out a plan for refinancing company and report same at an early date. If enough money is paid into the business the unsecured creditors should be able to escape loss. If bonds are foreclosed the unsecured creditors will probably suffer a total loss. At present the loss appears to be very doubtful.					
$1,276,569.67 Kentucky Wagon Manufacturing Co. (See Page 6 - for description of line). The consolidated balance sheet of 3-31-30 shows:		1,444,549.60		800,000.00	800,000.00	476,569.67
(SEE EXTRA SHEET Page 6-1b)						
TOTAL						

EXTRA SHEET PAGE 6-1a

Exhibit 19

Form 1120.—Reported
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5818 *Date of Report* April 26, 1930.

CONSOLIDATED BALANCE SHEET OF

THE KENTUCKY WAGON MFG. CO.

AS OF MARCH 31, 1930.

ASSETS

Notes Receivable	9,809.97	
Customers Accounts Receivable	128,009.97	
Sundry Accounts Receivable	5,043.91	
Finished Stock & Work in Process	1,180,952.63	
Raw Materials and Supplies	786,969.80	
Total Current Assets		2,050,786.28
Investments -		
Liberty Bonds	100.00	
Stock Continental Car Company	504,100.00	504,200.00
Fixed Assets -		
Plant and Equipment		5,189,809.29
Deferred Charges -		
Prepaid Insurance	5,063.83	
Financial Expenses	30,153.45	
Deferred Overhead	58,887.49	
Other Deferred Items	178.00	92,282.77
First Mortgage Bonds of the Company		2,000,000.00
Goodwill, Patents and Trade Names		1,252,510.25
TOTAL -		$ 9,089,388.59

LIABILITIES.

Notes Payable and Trade Acceptances to Customers -	25,071.90	
Due to the National Bank of Kentucky	2,640,889.89	
Due to Others	192,157.47	
Accounts Payable - Purchases	46,547.88	
Accrued Expenses - Wages, etc.	8,065.31	
Total Current Liabilities		2,912,682.45
Bonded Indebtedness - (Pledged to secure debt to National Bank of Kentucky)		2,000,000.00
Preferred Stock 7% Cumulative par value $100.00 per share (Continental)		404,100.00
Common Stock no par		100,000.00
Surplus		3,672,586.14
TOTAL		$ 9,089,388.59

The above balance sheet discloses all liabilities except the current contingent liabilities on discounts at National Bank of Kentucky.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 4-19

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1436 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Ky. Wagon Mfg. Co. - Cont'd.					
On the basis of the figures in the statement, the company would appear to be reasonably good, but the figures evidently do not represent sound values. The fixed assets have been discussed repeatedly heretofore. They consist of thirty-two acres of ground, adjoining two railroads, with a number of factory buildings. The value is problematical as the bank has never had a firm bid for the property.					
The statement shows under Current Assets, Finished Stock and Work in Process $1,180,932.63, Raw Materials and Supplies $786,969.80, making a total inventory of $1,907,902.43. Operating figures were not given as of 3-31-30, but on July 31, 1929, the figures shown by the books of the company are: Finished Stock and Work in Process 1,087,347.00 Raw Materials and Supplies 742,580.00 Total 1,829,907.00					
The operating details show total gross sales $946,250.04. These figures will not "stand up." That the inventory should be approximately twice the amount of the annual sales is an operating abnormality that cannot be explained. It is true that a portion of raw material consists of old parts inherited from the two predecessor companies, but the finished product and work in process cannot be explained away on this basis. It is noted that this item alone, is sharply in excess of the annual sales.					
It does not require an analysis of the statement of the company, however, to reveal the deplorable condition that exists. On 11-7-28, the line amounted to $1,164,894.88. Since that time, $700,000.00 has been charged to Profit and Loss on account of this line. In spite of this fact, however, the line has increased to $1,576,569.87. In other words, after charging $700,000.00 to Profit and Loss the line is $411,672.82 greater than it was at the time the first charge off was made.					
TOTAL					

EXTRA SHEET PAGE 4-30

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
This shows a total increase of $1,111,672.82. This increase cannot be accounted for on any reasonable basis. The company is habitually overdrawn. The following figures may be illuminating. There have been overdrafts of the company that have been periodically covered by notes as follows:					
12-31-28 $91,000.00					
6-29-29 $99,000.00					
10-2-29 $85,000.00					
12-31-29 $5,122.00					
The management of the company continues to increase the amount which this bank is advancing to the enterprise, and apparently the management of the bank is unable to restrict these advances. The result has been a real tragedy to the bank, which has found expression in the $700,000.00 already charged off and the additional loss that at this time appears to be resident in the asset.					
Twice in recent years, it has appeared that the bank had a chance to dispose of the property on a basis that would result in substantial recovery. No doubt, if the company could find an enterprise whose operations could be so adjusted as to use the fixed assets of the company, the property could be disposed of at a good price. No prospect is in evidence at this time.					
At a meeting with the board of directors, May 16, 1930, it was agreed that the entire line will be taken out of the bank by September 1, 1930.					
In view of this agreement no action was requested at this time with respect to charging off the loss estimated on the line.					
$4,400.00 Henry B. Kiefer and Harry C. Hibbs Loan began 8-1-28 as $5,000.00. Paying $100.00 per month.			4,400.00	3400	500 pd
$4,400.00 Harry C. Hibbs and Henry B. Kiefer Loan began 8-1-28 as $5,000.00. Paying $100.00 per month.			4,400.00	39	5 pd
TOTAL					

EXTRA SHEET PAGE 6-31

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ESTABLISHED
Form 1458 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$10,000.00 direct 7,551.85 discounts Hibbs-Kiefer Hat Co. Endorsed by H. C. Hibbs and H. B. Keifer. For fiscal year ending 10-1-29, the operating profits are shown as $3,000.00. Loan reduced $2,000.00 since last examination, and your examiner was advised that the company will be required to pay out this year.			17,551.85	11,750.00	801.53 pd
$149,225.00 Loan 11,124.98 Overdraft 5860-3 Chadler and Lucas Endorsed W. R. McNeil and James R. Duffin. Statement dated 12-31-29 shows Current Assets $99,746.00; Current Liabilities $265,648.00; Fixed Assets $34,175.00; Stanford, Alabama, Account $9,317.00; Deficit in Net Worth $125,726.00. Coll: 492 shs. City Realty Co. It is claimed that the collateral carries title with it to twenty-five pieces of real estate valued at between $75,000.00 and $80,000.00. An effort is being made by management of bank to arrange a composition agreement with the company. Unless this can be done, continued losses will probably be encountered.			90,349.98	45,000.00	25,000.00
$8,800.00 Larimore Auto Co. Endorsed J. G. Larimore. Statement dated 6-30-29 shows Current Assets $106,967.00; Current Liabilities $75,484.00; Net Worth $31,766.00. It is a "work-out" proposition. Company is being liquidated, and the endorser will have to take up the balance of the loan. Reduced $1,400.00 since last examination.			8,800.00	1,491.00	Same
$4,542.51 Charles N. Lewis Endorsed James B. Brown, President of bank. Collateral: 121 shs. Continental Oil Co. of Delaware. The interest on the note has not been paid since 6-30-29. Maker is a trainer of horses.	4,542.51		4,542.51	Same	
Total.					

EXTRA SHEET PAGE 4-22

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$28,250.00 Dennis H. Long Coll: 10,630 shs. Fourth Avenue Amusement Co. 205 shs. Swiss Cleaners & Dyers.			28,250.00	7750.00	750
$52,500.00 Fourth Avenue Amusement Co. Statement dated 12-31-29 shows Current Assets $65,609.00, Current Liabilities $199,045.00; Fixed Assets $260,164.00; Investments $87,866.00; Investment in Western Theatre Company $275,000.00; Other Bills and Accounts $110,725.00; Deferred Charges $60,004.00; Mortgage Indebtedness $93,568.00; Net Worth $995,287.00. Statement shows profits in operation $284,937.00. While the company is making money, it has expended its operations too much.			52,500.00	450 =	7500.00 =
$26,750.00 Interstate Coal Company Endorsed Dennis H. Long Loan reduced $250.00 since last examination.		6,750.00	26,750.00	Same	
$28,314.00 Swiss Cleaners & Dyers Co. Endorsed D. H. Long. Coll: $5,000.00 Union County Mining Co. 6's, in default; Note of H. E. Moehling, $5,000.00, collateraled by 180 shs. Swiss Cleaners & Dyers. The Maker is paying $200.00 every few months. Loan reduced $208.00 since last examination.			28,314.00	7407.77	406.23 pd
Heretofore, criticisms of the Dennis H. Long line have been mild on account of the large value of the stock of the Fourth Avenue Amusement Company. However, the affairs of the amusement company have become so extended that the value of the stock is more or less problematical. An effort is being made to sell the holdings of the amusement company to Warner Brothers. Thus far, no deal has been consummated. Your examiner believes that this line is getting too large, especially in view of the extended condition of the amusement company.					
TOTAL.		EXTRA SHEET PAGE 4-23			

B-11247

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1488 C

No. of Bank, ...

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$325,000.00 Louisville Cotton Mills Statement dated 12-31-29 shows Current Assets $599,741.00; Current Liabilities $411,746.00; Fixed Assets $1,405,759.00; Net Worth $990,754.00. Operations for the first quarter of 1930 shows a loss of $56,152.00. Reduced $16,368.00 since last examination.			325,000.00	Paid	
$10,500.00 Louisville Textile Co. Statement dated 12-31-29 shows Current Assets $48,310.00; Current Liabilities $54,168.00; Fixed Assets $154,638.00; Mortgage Indebtedness $39,800.00; Net Worth $77,115.00. Profits for 1929 are shown as $1,222.00. Your examiner was advised that the Louisville Cotton Mills will take over the Louisville Textile Company, and that the stockholders of the Louisville Cotton Co. are endeavoring to arrange to pay in $300,000.00 preferred stock. The assets of the Louisville Textile Company to be taken over include everything except fixed assets. Payment will be made by the Louisville Cotton Mills by issuing common stock. The statements of the two companies are not good.			10,500.00	Paid Check $ 8,000.00	
$117,886.80 Louisville Ice & Storage Co. Coll: Sundry bills receivable aggregating $221,065.70. These are installment notes dated 9-25-26. There do not appear to have been any credits on the notes. Loan reduced $11,176.90 since last examination, and further reductions are recommended.			119,886.80	100533.33	19353.17 pd
$6,000.00 Louisville Mortgage & Finance Co. Collateral: Sundry bills receivable The company is in liquidation. Loan has been reduced $2,000.00 since last examination.			6,000.00	Same	
$97,325.00 Louisville Provision Co. All of the loan is secured, in a manner, except $20,950.00. The company appears to have made $4,897.00 for four months period. It looks like bank will sustain loss.			97,325.00	5685.00 20,000.00	bal 4750.00 pd

EXTRA SHEET PAGE 4-24

Exhibit 19

TREASURY DEPARTMENT
Comptroller of the Currency—Bankers
Form 1489 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
same loss on this line. No loss was estimated at this examination in the hope that increased earnings may result from operations for 1930.					
$27,500.00 Robert H. Lucas Coll: 200 shs. Parke Utah Mining Co. Com. 100 shs. Selected Industries, Com., 80 shs. Foil "B", Com. 400 shs. Louisville Ry.Co. Com. 175 shs. Reynolds Metal,Pfd. 200 shs. Standard Oil of Ky. $5,000.00 C/D. The collateral is estimated to be worth about $23,000.00. The balance was regarded as a loss. At meeting with directors, May 16, 1929, President Brown promised that monthly payments of $250.00 on this loan.			23,000.00	4,500.00	same
$1,091.00 Mr. Lynch Coll: 25 shs. Louisville Ry. $1,000.00 Louisville Ry. 5% due July, 1930. Loan is amply secured. After the maturity of the bond, the debt will probably be cleaned up.	1,091.00		1,091.00	10[illegible]	[illegible]
$100.00 W. L. McGaffin and W. O. Hall Loan was renewed with a payment of $25.00 during this examination.		100.00	100.00	paid	
$5,100.00 L. E. Major Endorsed Annie F. Ferguson. Collateral: 144 shs. Block, Fetter & Trost, who are in liquidation. $5,000.00 Seelback Hotel Co.bonds. It is claimed there will be a sufficient liquidating dividend to retire the debt. Loan reduced $1,400.00 since last examination.			5,100.00	170.00	1400.00
$7,500.00 Mann Insurance Agency Endorsed Owen R. Mann and Louis Grossman. The agency has been sold to Grant and Harris for $25,000.00. The purchase price is to be paid when, if, and as collected from commissions of the business held of the		7,500.00	7,500.00	1-13.00	6% paid
TOTAL			EXTRA SHEET PAGE 4-25		

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8218

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Mann Insurance Agency. The endorsers are working on a salary for the new company. They have agreed to trustee with the Louisville Trust Company for the benefit of this bank and the Liberty Bank & Trust Company, another creditor, four residences worth $80,000.00, subject to a prior lien of $5,400.00. This is a "work-out" proposition which will likely take some time.					
$4,050.00 Barrett & Miller Endorsed J. S. Miller. Reduced $450.00 since last examination and further reductions are recommended.			4,050.00	3 yo 50	85 00
$33,455.00 M. Marschak- Coll: 1,500 shs. Bancokentucky Party has left town. Loan inadequately secured. Vice President Jones advised your examiner that a payment of $800.00 will be made immediately and monthly payments of $500.00 will be made thereafter.		33,455.00	29,600.00	3,855.00	
$30.61 Mr. and Mrs. R. R. Maxwell Charged off during this examination.		30.61			30.61
$152.25 Sam B. Metcalfe Charged off during this examination.				Interest collected.	152.25
$300.00 Mrs. H. L. Middleton Charged off during this examination.		300.00			300.00
$5,916.96 George D. Morrison Endorsed L. M. Bender, R. V. Beard, W. E. Massey and James R. Duffin. Bender is an officer of the Fidelity & Columbia Trust Co. His financial responsibility not ascertained. Financial condition of others uncertain. The note arose in connection with the development of Mammoth Cave. The loan is very undesirable and should be charged off at next examination unless collected or secured.				Int. 34.74 5,916.96	
TOTAL					

EXTRA SHEET PAGE 4-28

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$384,680.29 Loan 580,000.00 Bonds 68,146.93 Trade Acceptances Murray Rubber Company Statement of company dated 3-31-30 shows Current Assets $1,028,585.00; Current Liabilities $918,664.00; Fixed Assets $1,699,280.00; Deficit $145,234.00; First Mortgage Bonds $800,000.00; Fifteen Year Debentures $1,150,000.00; Net Worth $514,624.00. According to the statement, if all of the assets of the company, including deferred charges, were worth 100%, the company would show a debt of $2,568,664.00, against a net worth of only $514,624.00. Information received, however, indicates that the value of the plant is subject to very heavy depreciation. Apparently, there is enough loss on the fixed assets alone to entirely wipe out the net worth, shown by the books, and leave instead a deficit of from $800,000.00 to $900,000.00. The record of the company for the period from June, 1929, to March 31, 1930, shows an operating loss of $326,002.34 - total loss $490,002.80. The record of operating loss has been maintained up to March 31, 1930. Your examiner was advised that the operations for April are expected to show a small profit. It is hard to conceive of the company continuing to make money from operations unless additional working capital is supplied. As the matter now stands, the company is apparently insolvent. Even if the earnings of the company progressively improve, it is absolutely imperative that a substantial amount of new capital shall be placed in the company. In its present condition, your examiner cannot do other than estimate a substantial loss in this line, but no "charge off" was requested now as an agreement was made at meeting of your examiner with directors, May 16, 1930, that entire line will be taken out of bank by September 1, 1930.	580000 - 106491.78		1101508.52 Est.	memo of 994.1495	500,000.00
$3,180.00 C. W. Napier, B. P. Wooton, J. I. Dempsey and W. I. Pursifull	3,180.00		3,180.00	Oans	
TOTAL					

EXTRA SHEET PAGE 4-27

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINERS
Form 1458 C

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount.	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$24,500.00 C. W. Napier, B. P. Hooton, J. I. Dempsey, W. I. Furnifull, M. C. Faulkner, J. P. Brenner and E. C. Wootan. Coll: Cashier's check for $578.00. This represents a joint effort on the part of the makers to save a bank at Hazard, Ky. The makers will have to pay. Mr. Furnifull has endeavored to obtain an agreement whereby he can pay his ratable part and be released from liability on the loan. The management of the bank is unwilling to do this. It is the present plan of the bank to sell this loan to an affiliated bank in Cincinnati in order that suit may be brought in the Federal Court. The loan is believed to be good, but it will probably be necessary to bring suit before the loan can be collected.	24,500.00		24,500.00	Dawk	
$100.00 Mrs. Norma Shantley Newhouse and George R. Newhouse Charged off during this examination.		100.00			100.00
$3,920.00 George R. Newman Collateral: 120 shs. American Turf. Maker is a newspaper man. Loan due 8-19-29. No interest has been paid. The unsecured portion of loan estimated as a loss.	3,920.00		3,240.00		680.00
$650.00 Albert Nisbet Endorsed, Carl O. Zahn, and Mrs. Emma Kessler.	650.00		650.00	Demand	
$100.00 Albert Nisbet Endorsed O. H. Rouch.	100.00		100.00	Demand	
$525.00 Albert Nisbet Endorsed A. K. Wright.			525.00	Demand	
$1,125.00 Albert Nisbet Endorsed Mrs. Emma Kessler. These notes are long past due. They should be charged off at the time of the next examination			1,125.00	Demand	
TOTAL			EXTRA SHEET PAGE 4-28		

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1480 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
unless they all have been collected or have been put in secure form.					
$17,000.00 Norman Kiln Drying Co. Endorsed A. E., Jr., J. V. and E. B. Norman. Statement dated 12-31-29 shows Current Assets, $14,308.00; Current Liabilities $70,780.00; Fixed Assets $161,078.00; Net Worth $85,112.00. The statement of the company is very poor, the lack of working capital being unusually pronounced. The action of the company in declaring a dividend is criticisable. No further dividends should be declared until the current position of the company has been made acceptable, either by addition of earnings or by the introduction of new capital. In 1929, the company made $10,383.00. At this rate of earning, it would take the company quite a few years to put its affairs on an acceptable commercial basis.			17,000.00	2nd	
$50,000.00 Norman Lumber Company $31,875.75 Norman Lumber Company, endorser for Norman Kiln Drying Co. Statement dated 12-31-29 shows Current Assets $75,981.00; Current Liabilities $51,889.00; Investments $46,000.00; net worth $85,013.00. The statement of the company shows an operating loss of $6,883.00. The indirect liability of the company consists of a note from the Norman Kiln Drying Company for $31,875.75. The investments of the Norman Lumber Company consist of the following: Stock, E. B. Norman & Co. $25,000.00 Stock, Norman Kiln Drying Co. 15,000.00 Stock, Norman Realty Co. 6,000.00 46,000.00 If the investments were sold, the company would be in sufficient funds to place its financial statement on a commercial basis. The rediscount of			50,000.00 31,875.75	2nd 3187.5	
TOTAL					

EXTRA SHEET PAGE 4-29

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and security	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Amount					
the Norman Kiln Drying Company does not enter into the statement of the Norman Lumber Company. If it were included in the statement, a still more unattractive exhibit would be disclosed.					
$576,647.25				6Pw 36 YS	
E. B. Norman & Co.			476,647.25	100,000.00	
Coll: Note of R. L. Bailey, $16,000.00 secured by a lien on stumpage; Invoices aggregating $130,597.25. These are not accepted by consignees, but are collected by company. Proceeds are, however, said to be paid to the bank by the company.					
Bank has a lien on the inventory of the company, but as this was dated 10-1-28, the lien probably has no particular value at this time.					
Your examiner was advised that the maker company still owes the Texas Company about $15,000.00 on account of the contract for Tupelo lumber.					
Statement of the company dated 1-1-30 shows:					
Cash 15,994.00					
Accounts Rec. 144,382.00					
Inventory 227,277.00					
Total current assets 387,653.00					
Real Estate 458,922.00					
Machinery & Plant 384,879.00					
Other bills & A/c's 23,774.00					
Deferred Charges 18,446.00					
Current Liabilities 775,945.00					
Mortgage Debt 75,153.00					
Net Worth 424,776.00					
As is disclosed by the statement, the affairs of the company are in a badly extended condition. As a practical proposition, the National Bank of Kentucky owns a saw-mill and lumber concern which is operated for it by Messrs. Norman.					
At the time of the examination May, 1930, your examiner was advised that the contract with the Texas Company would soon be paid. It was discovered, however, that the deferred payments in the contract drew					
TOTAL					

NCBA SHEET PAGE 4-30

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELIMINATE
FORM 1488 C

No. of Bank, 8812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
interest. As a result, the E. B. Norman Company has had to pay about $85,000.00 interest. This has delayed liquidation of the loan to the bank and has, to that extent, reduced the value of the security. The depressed condition of the lumber industry at this time has served to accentuate the difficulty of the problem of the management of the bank in collecting this loan.					
$4,000.00 A. E. Norman, Jr. Collateral: 98 shs. Norman Lumber Co. Loan reduced $800.00 since last examination.			4,000.00	3500.00	500.00 paid
$4,200.00 E. B. Norman Coll: 218 shs. E. B. Norman Co. No reduction since last examination. Maker also has a $200,000.00 loan secured by a C/D of bank for $200,000.00. The certificate is supposed to represent the compensating balance for E. B. Norman & Co.			4,200.00	4200.00	900.00 same
$1,200.00 E. B. Norman, Jr. Collateral: 45 shs. E. B. Norman & Co. Loan is of long standing and collateral is of doubtful value.			1,200.00	1050.00	150.00 paid
$1,000.00 J. Colgan Norman Endorsed E. B. Norman. Coll; 80 shs. E. B. Norman Co. Reduced $150.00 since last examination.			1,000.00	850.00	150.00 pd
$34,954.97 Parkway Lumber & Construction Co. Endorsed E. H. Ortner and Lewis Rosenberg. Coll: 1,122 shs. Standard Mortgage Company 10 shs. Paducah Waterworks Co. Pfd. 5 shs. Louisville G. & E. $2,000.00 East Rim Bldg. Corp. 1st 6½ $1,000.00 Huntington Apartments, End 6 - due 1929; $20.00 Capital View Apartments, 1st 7's; Sundry bills		34,954.97	34,954.97	33000.00	1954.00
TOTAL.					

EXTRA SHEET PAGE 4-SS

Exhibit 19

SUPPLEMENTAL SHEET 4

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1433 C

No. of Bank, 8518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
receivable in Collection Department, aggregating $54,863.86. Company is in liquidation. Loan has been reduced $546.00 since last examination. It was hoped that collection could be made out of the collateral, but this seems to be a very slow process. The notes held as collateral must be of doubtful solvency, or the collections would have been larger.					
$250.00 Morris T. and A. V. Paine It is claimed that A. V. Paine is good. If so, he should be called on to pay.	250.00		250.00	250.00	
$30,000.00 Loan $17,304.24 Discounts Pickrell Motor Co. Statement dated 12-31-29 shows Current Assets $62,709.00; Current Liabilities $31,863.00; Machinery and Fixtures $4,722.00; Other Bills and Accounts $1,258.00; Accounts Receivable $11,868.00; Franchise $84,100.00; Net Worth $59,048.00. After deducting the intangible assets of the company, the net worth is $34,940.00. Of the current assets $17,868.00 consists of bills receivable. Of this amount $13,690.00 is due from the Diamond Taxi Company. The lack of distribution in the receivables is unfavorable. It is also noted that of the inventory, $12,597.00 consists of used cars. The statement is not at all attractive.			47,304.24		
$5,850.00 G. N. Poore Coll: 78 shs. Louisville Textile Company; 61 shs. Louisville Cotton Mills. The maker is an officer of the Louisville Cotton Mills Co. No information is available with respect to his outside worth. Under the circumstances, the loan is classed as doubtful. Reduced $225.00 since last examination.				5700- 5,850.00	
TOTAL					

EXTRA SHEET PAGE 4-S8

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$900.00 R. B. Porter Collateral: 10 shs. Bank of Caneyville, Ky. Loan began 3-15-27 as $1,000.00. Periodical reductions are recommended.			900.00	same	
$4,750.00 A. Rama Secured by a second lien on city real estate, north side of Main, between Sixth and Seventh Streets. The mortgage is dated 10-1-27. The property is said to have been purchased at that time for $22,000.00, and is subject to a first lien.			4,750.00	1425.00	50% paid
$39,981.00 Reed and Reed Coll: $1,000.00 note, M. M. Sizemore. The makers are general agents for the John Hancock Mutual Life Insurance Company. No information is available to show that the makers have outside worth. Apparently the financial strength of the makers does not justify an open line of credit.			39,981.00	11980.00	
$1,200.00 carried at $600.00 Edwin A. Reid Collateral: 60 shs. Reynolds Investment Co. Maker is reported to be an absconding cashier who returned and is in the custody of the state authorities. At the time of the last examination the loan was charged down to the then value of the collateral. The value now is a trifle short.	600.00		540.00	60.00	60.00 same
$1,500.00 W. E. Reader Coll: 100 shs. Livermore, Ky. Chair Co., Com. Stock is of uncertain value. Loan reduced $300.00 since last examination.			1,500.00	good	
$82.50 S. G. Rosenfeld Charged off during examination.	82.50				82.50
$176,758.49 Rydall Investments, Inc. Coll: 75,804½ shs. Cadet Hosiery Co. Com;		176,758.49	176,758.49	bal.	17676.25
TOTAL					

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY - EXAMINING
Form 1475 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
1,000 shs. Marita Knitting Co. Pfd. 1,500 shs. Marita Knitting Co. Com. The maker company holds a majority interest in the Cadet Hosiery Company, and all stock of the Marita Knitting Company. This loan was formerly the loan of White and Associates. While it is in much better shape than it was at that time, still the collateral is of an unliquid type and uncertain value. Loan should be secured by collateral of ascertainable market value if it is to be carried.					
$250.00 Evan E. Settle Collateral: $3,414.89 note of J. T. Walker, Jr. secured by real estate due 3-1-25. Loan began 12-20-20 as $250.00.			250.00	50.00	100.00
$41.52 Shapin Manufacturing Co. Charged off during examination.	41.52				41.52
$34,200.00 John H. Shine and Harold McCollough Coll: 495 shs. Parkdale Land Co. 85 shs. New Albany (Ind.) National Bank 5 shs. Second National Bank, New Albany, Ind. 10 shs. First National Bank, Charlestown, Ind. 70 shs. BancoKentucky The stock of the Parkdale Land Company is of unknown value. The management of the bank has indicated its intention of taking a mortgage on some real estate as additional security.			34,200.00		
$600.00 Simpson Realty Co. Endorsed W. E. Simpson. Charged off during this examination.		600.00			600.00
$3,000.00 Frank F. Snead and wife The wife is said to be good.		3,000.00	3,000.00	3,000.00	
$2,953.79 G. A. Singer Estimated as loss and charged off during this examination.	2,953.79				2,953.79
TOTAL					

EXPR. SHEET PAGE 4-34

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1435 C

No. of Bank 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$600.00 R. H. Snyder Coll: 5 shs. Bank of LaGrange, Kentucky. Loan began 7-16-28 as $750.00.			600.00		
$69,250.00 Standard Mortgage Company Endorsed Mrs L. Simons. The company specializes in second mortgages. Reduced $6,000.00 since last examination.			69,250.00		
$51,500.00 Standard Printing Company. Endorsed D. B. G. Rose and Edward Gottschalk. Statement dated 12-31-29 shows Current Assets $220,000.00; Current Liabilities $188,900.00; Plant $418,700.00; Stocks $140,100.00; Other Receivables $16,200.00; Mortgage Debt $105,000.00; Net Worth $513,100. Loan reduced $4,000.00 since last examination and further reductions are recommended.			51,500.00		
$807.42 carried at $500.00 E. C. and J. W. Stoll It is said that the estate will be settled in a short time. The opinion was expressed that the estate will pay out its indebtedness.			500.00		
$4,750.00 J. L. Strickland Coll: Assignment of $5,000.00 life insurance policy in the Pan-American Life Insurance Co. of New Orleans. The maker is an agent for the Sun Life Insurance Company. Loan began 1-1-30 with the agreement that the maker was to pay $250.00 per month. Thus far, he has made only one payment. He should be required to pay as per agreement. Maker does not claim to have any assets. He used the proceeds of the loan to "clean up" his indebtedness to various persons.			4,750.00		
$31,580.00 Summers-Hermann Endorsed Turner Summers and L. J. Hermann. Coll: Warehouse receipts for			31,580.00		
TOTAL					

EXTRA SHEET PAGE 4-35

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
Form 1488 C

No. of Bank, 8512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
three Ford cars; Life Insurance policies for $20,000.00 - cash surrender value $2,460.00. Statement dated 12-31-28 shows Current Assets $122,500.00; Current Liabilities $97,900.00; Plant Investment $128,600.00; Mortgage Indebtedness $22,500.00; Net Worth $143,000.00. Of the inventory, $30,600.00 consists of used cars. Statement is not attractive.					
$250.00 E. M. Swain Coll: 10 shs. Smithfield (Ky.) Bank. Loan began 5-5-28 as $550.00. Further reductions are recommended.			250.00	100.00	50.00 pd
$36,482.62 W. V. Thraves Secured by lien on 220 acres near Lexington, Ky., valued at $150,000.00, subject to a prior lien of $80,000.00 to the Joint Stock Land Bank. Your examiner was advised that an effort is being made to arrange to subdivide the land and sell the lots.	36,482.62		36,482.62	Same	
$12,000.00 Thomas and Emmart Endorsed E. P. Thomas. It is said that the affairs of Thomas will be put in the hands of a creditors' committee. Will try to get Mr. Emmart to secure the debt. If this cannot be done, the loan should be charged off at the next examination.		12,000.00		12,000.00	Paid
$18,746.51 Estate of A. V. Thomson Endorsed Simonin Goodman Company and Consolidated Realty Company. Executors made settlement in July, 1929, showing that the estate held $25,000.00 personal property and three parcels of real estate. Debts aggregate about $80,000.00. Loan is "working out" slowly.			18,746.51	Same	
$8,904.80 E. R. Thomson Coll: 200 shs. U. S. Foil Company, $3" Com; 100 shs. Southern Corp. Com. $1,500.00 C/D. The value of the			6,900.00	Balance	6 Legal 2,004.80
		EXTRA SHEET PAGE 4-28			

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELLSWORTH
FORM 1488 C

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
collateral is $6,000.00. The unsecured portion is estimated as a loss.					
$500.00 C. T. Trent Collateral: 10 shs. City Bank, Cynthiana, Ky. Loan began 1-22-27 as $1,000.00. Apparently, reduction has been accomplished by sale and release of a portion of the collateral.			500.00	part	
$74,518.71 Trumbo-Schupp & Schmidt	74,518.71		74,518.71	same	
$11,302.79 Overdraft of J. Dolfinger Co.	11,302.79		11,302.79	11534 31	
$21,841.98 J. Dolfinger Co. Collateral: Assignment of fifteen year lease from John W. Cline on property at 648 South Fourth Avenue. No reduction since last examination.			21,841.98	Same	
Collateral: 888 4/7 shs. Buck Stove & Range Co. Com. 315 4/7 shs. Buck Stove & Range Co. Pfd. $500.00 second mortgage real estate bonds, due 9-15-30; Second lien on thirteen acres in Cherokee Park, valued at $125,000.00, subject to a prior lien of $6,000.00. The condition of this loan has been very much improved within the past year. It now seems that bank should eventually escape loss. Sub-division property is believed to possess potential value, but it is likely to be very slow in being realized upon.					
$1,480.00 J. C. Utterback Coll: 40 shs. Palmer Hotel Paducah, Kentucky. Loan began 10-28-26 as $1,950. Reduced $80.00 since last examination.			1,480.00	1350 00	
TOTAL					

EXTRA SHEET PAGE 4-37

Exhibit 19

TREASURY DEPARTMENT
Comptroller of the Currency—Examiners
Form 1488 C

No. of Bank, 3312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$29,000.00 carried at $29,000.00 H. Verhoeff Company Endorsed John L. Green and R. M. Hartwell. It is claimed that the value of the current assets of the company, plus certain assets held by the Trust Department in the Hartwell estate, will enable this bank to escape further loss. $30,000.00 has already been charged to Profit and Loss.	29,000.00		29,000.00	1000 ~~29,000~~	1000 paid
$68.93 Wm. Walker Endorsed James Norton, Sr. The maker is of doubtful financial strength. He paid $20.00 during examination. The endorser is dead. Loan should be collected or charged off.	68.93			48.93 68.93	20.00 paid
$6,500.00 E. K. Warden Coll: 100 shs. Consolidated Realty Company, Com. The maker is of doubtful financial strength and the collateral is of doubtful value. Loan should really have been charged off during this examination, but was classed as doubtful in the remote possibility that maker might be able to sell some of his collateral, or borrow some additional collateral from a kinsman. If loan is not paid or secured by next examination it should be charged off.		6,500.00		6,500.00	None
$238.80 Alvin Wells Charged off during this examination.	238.80				Charged off 238.80
$29,000.00 Wheeler Realty Company Endorsed, Blakemore and W. C. Wheeler. Statement of the company shows an indebtedness of $82,000.00 and only claims a net worth of $46,145.66. Your examiner was advised that the endorsement protects the bank against loss on the loan. Reduced $11,000.00 since last examination and further reductions are recommended.			29,000.00	None	
Total.					

EXTRA SHEET PAGE 4-38

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON
Form 1488 C

No. of Bank, 8312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$736.12 Oscar and Edward Wilder Collateral: $4,000.00 life insurance policy - cash surrender value $1,500.00. The policy, however, is subject to a prior lien of unknown amount, borrowed from the insurance company. The maker has some property in trust with a local trust company. Unless an assignment can be obtained, whereby bank will receive a part of the monthly income from the trust, the loan should be charged to Profit and Loss.		736.12		736.12	
$6,400.00 W. N. Willis Coll: 128 shs. Chess Wymond, Coal $500.00 Certificate of Deposit; $6,100.00 second mortgage bonds, secured by a lien on a house in Audubon Park, valued at $12,500.00, prior lien $6,000.00. This is a "work-out" proposition.			6,400.00		
$181.07 W. C. Wright Charged off during this examination.	181.07				181.07
$10,800.00 T. L. Young Coll: 555 shs. Crummies Creek Coal Company. This is an old loan and was formerly carried as the Watkins Creek Coal Company. It is a "work-out" proposition and is very slow in being paid.			10,800.00		
$2,800.00 W. C. Young During examination bank received $520.00 payment. The balance is estimated as a loss.	2,800.00		520.00		1,660.00
$250,000.00 S. Zorn & Company Endorsed Harry A. Vale. The statement of the company indicates that all advances of credit to it should be secured. Your examiner does not believe that company is entitled to an unsecured line.			87,000.00		
Total.					

EXTRA SHEET PAGE 4-59

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$108,000.00 S. Zorn & Company, endorser for Gold Proof Milling Co. Coll: $140,000.00 bonds of the company. The statement of the company is very unattractive. The loan is of long standing and bank will be fortunate to escape trouble if the loan is permitted to run indefinitely.			108,000.00	Paid	
$21,269.02 Planters Bank, Clarksdale, Miss. Recently, the creditors of the above bank have obtained a large judgment against W. P. Holland and his wife. If the judgments can be collected in full, this bank will be able to collect the full amount at which the claim is carried and can also recover a part already charged off. The loan is merely classed as doubtful until the next examination. In the meantime, something definite will probably be determined with respect to the value of the loan.	21,269.02			21,269.02	1768.95 pd
$1,882.94 J. M. Carson Banking Company, Morgantown, Ky. Bank is closed. The loan should be charged off at the time of the next examination, unless collection can be made in the interval.				1,882.94	564.95 pd
$37,698.88 Hargis Bank & Trust Co., Jackson, Ky. Bank is closed. Your examiner was advised by an officer of the National bank that the collateral possesses sufficient value to protect the loan.		37,698.88	37,698.88	33,150.00	4548.16
$16,570.57 Grayson County State Bank, Leitchfield, Ky. Bank is closed. Your examiner was advised that the collateral is adequate to protect the loan.		16,570.57	16,570.57	Paid	
$58,000.00 Peoples Bank, Mt. Vernon, Ky. The bank is closed. It is claimed that there is sufficient value in the collateral to protect the bank against loss.			58,000.00	46,129.05	11,870.95
TOTAL		EXTRA SHEET PAGE 4-40			

Exhibit 19

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING
FORM 1488 C

No. of Bank, 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$76.68 Loan					
$600.50 Overdraft Peoples Bank, Springfield, Tenn. (The bank also is carrying in Judgments & Claims a claim vs. the Peoples Bank, Springfield, Tenn. for $12,485.28). The bank has been closed for a number of years. The obligations of the closed bank to this bank have been reduced in carrying value by charge offs at several intervals. Litigation was pending, which, if favorably determined, would have enabled this bank to collect at least a substantial part of the amount at which the asset is carried. This litigation was decided unfavorably to this bank. Prior to the trial of the case, bank was offered a compromise settlement for $8,000.00. This was rejected by the bank. After the settlement, bank endeavored to effect the compromise for $8,000.00, but thus far has failed. Under all the circumstances, it would appear that entire asset is a loss. Charged off during this examination.	676.18				676.18
	2,296,561.12	586,114.00	5,060,085.28	1,101,965.92	1,048,388.84

EXTRA SHEET PAGE 4-41

Form No. 1430 — Page 5
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY — EXAMINING

Exhibit 19

No. of Bank, 8518

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.

Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility, under Section 5239, U. S. R. S., for all loans sustained on excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	319,189.71
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	———
3. Aggregate amount on which real estate security has been taken in violation of law,	———
TOTAL,	319,189.71

* These loans need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
SEE EXTRA SHEET							
TOTAL,							

Are properly executed certificates (Forms 1415, 1416, 1416a) attached to loans?

No

5

Form 2068—AM Rev.
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

Exhibit 19

No. of Bank, 8512

LIST OF REAL ESTATE LOANS

1 Name of borrower	2 Amount of loan	3 Prior lien	4 Estimated value of property	5 Date mortgage taken	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
No. 1.							
Olaf Andersen	5,025.19		300,000.	12-13-26	6-13-30	+31	Yes
Badger Aluminum Co. 15,000.00 carried at	5,000.00	-		12-31-26	1-27-27	212 A. Johnston Co. Okla.	No
Carter Guaranty Co.	12,500.00	(1st lien on one piece $50M and $18M on other pieces)	135,000.	6-29-28	6-29-29		
Elberbe W. Carter	2,400.00	-0-	3,250.00	10-18-29	2-18-30	Imp. Farm	No
General Realty Co.	130,650.00	-	288,000.	7-5-27	1-18-29	" City	Yes
Mrs. Laura and Frank Jones	2,884.64	-0-	2,300.	8-29-29	2-28-30		
Hannah Pace Carter	3,600.06	60M	80,000.	3-14-29	12-13-30	Imp. City	"
A. Hamm	4,750.00	8,000.	22,000.	2-28-30	5-31-30		"
Edwin Ritter	3,355.63	-0-		7-2-27	6-2-30		"
W. V. Threves	34,699.38	60,000.	15,000.	3-4-25	3-2-30	Imp. Farm	"
Hugh B. Fleese 180,000.00 carried at	92,925.29	-0-				"	"
Sundry signers representing purchase of portion E. H. Woods	22,000.58	-0-				"	"
TOTAL	319,189.71						

Form 1488—Part 6
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY

Exhibit 19

No. of Bank, [redacted]

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
[redacted]		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

[redacted]		

Exhibit 19

Form 1456—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* April 26, 1930.

PARENT BANK - - LOANS COLLATERALED ENTIRELY BY BANCOKENTUCKY

		Amount	No. shs.	
Adams, Sarah Byrd		120.00	10	75
Allin, Bush W.		4,060.00	200	
Allgier, F. H.		2,000.00	100	same
Ament, Mary B.		280.00	16	200
Ament, Nelle C.		4,000.00	200	same
Anderson, W. Sherman		24,000.00	1400	23000 -
Antoni, Catherine		115.00	5	105 -
Arteburn, S. B.	•	2,500.00	100	same
Bader, Frank		480.00	20.	340 -
Ballard, Joseph L.		40,000.00	2200	same
Bannon, P.		408.20	20	207 -
Bannon, Rose M.		9,000.00	500	8500 -
Bannon, Wm. P.		18,000.00	1000	17000 -
Barry, J. J.		900.00	20	23 -
Bartley, Ellen C.		900.00	20	850 -
Bauschery, John F.		65.00	5	30 -
Beard, John T.		2,040.35	100	2040 67 105 shs
Beck, Anna F.	•	2,650.00	200	mile old
Belsheff, Richard C.		500.00	100	same
Bernsden, Mary A.		675.00	20	same
Beyer, Henry C.		3,000.00	200	same
Bishop, Kate B.		10,000.00	400	same
Blackford, W. F.		12,687.50	500	same
Bleeh, Geo A.		25,700.00	1280	25000 -
Beard, Robt.V.		34,000.00	1900	same
Boden, Samuel D.	•	4,845.80	240	4845 80
Borgman, Angelo J.		205.00	20	Bank
Bourlier, Emile	•	9,000.00	400	same
Bovard, Ray T.		200.00	10	Bank
Bowling, Allie A.		700.00	20	600 -
Bradley, Harry A.		800.00	20	same
Bradsby, Frank W.	•	25,000.00	1000	same
Brown, Arthur F.		5,800.00	200	3000 -
Brown, Burt A.		22,500.00	1,060	same
Brown, Frank E.		5,870.58	200	2561 -
Brown, Harry J.		480.00	25	430 -
Brown, J. E.		40,000.00	2,000	same
Brown, Tim C.		500.00	25	same
Bruner, Daniel		180.00	10	160 -
Buchman, Sarah Jane		240.00	10	same
Budde, Anna B.		350.00	100	325 -
Buechel, Geo.	•	6,200.00	250	same
Burch, H. L.	•	5,100.83	200	5075 83
Burdoff, Fred G.		20,000.00	1000	same
Business Enterprise Co.		14,250.00	750	13750 -
Calvesrd, S. R.		3,400.00	200	3400 -
Carney, H. G.		900.00	50	Bank
Caren, L. S.		4g000.00	200	same
Carsen, A. M.		1,400.00	100	1300 -
Carter, Allen R.	•	5,978.68	300	3897 33
Childress, Christopher C.		2,000.00	200	1500 -
Christian, C.A.		8,168.67	400	same
Clark, Geo. M.	•	20,000.00	2000	same
Condy, Louis D.	•	525.00 -	30	405 -
Cunningay, Carl E.		6,089.25	400	5391 32
Cosmer, Jas.		2,450.00	100	same

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-1

Exhibit 19

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9512 *Date of Report* April 26, 1930.

		Amount	No shs.	
Corcoran, Martin P.		4,080.67	200	note sold
Cotton, Francis R.		800.00	40	same
Crabb, Frank		115.00	5	100 -
Craig, Mary Catherine		35.00	5	same
Crutcher, Gertrude		480.00	20	same
Curry Lee		2,000.00	100	same
Dant, J. P. Sr.		26,500.00	1900	same
Davis, Harry V. Sr.		700.00	40	35 -
Davis, Harry V. Jr.		436.52	25	paid
Davis, Margaret C.		300.00	21	paid
De Gran, Jess		200.00	20	175 -
Dosse, Theo. J.		600.00	30	550 -
Dodd, C. P.		16,500.00	1300	same
Doetch, Nat F.		1,800.00	100	paid
Doster, H. H.		27,405.00	1400	1375 -
Dreslig, W. E.		200.00	8	190 -
Droppelman, R. J.		190.00	10	190 -
Duffy, Martin J. Jr.		300.00	20	275 -
Dugan, Frank		1,480.00	200	paid
Dugan, W. E.	•	11,000.00	500	10500 - and
Durail, C. H.		2,000.00	100	same
Eaken, C. W.		5,500.00	250	same
Ekenroth, Paulina		4,000.00	200	same
Edwards, Rothwell		1,005.00	50	paid
Elvin, Christine		115.00	5	same
Emmert, J. M.	•	19,000.00	800	1400 -
Epping, John G.	•	17,500.00	1000	16500 -
Erdman, Jas. H.		165.00	12	150 -
Ewing, Charles		100.00	25	same
Fahey, Julia H.		10,080.15	400	same
Farnsley, E. H.	•	58,000.00	2700	same
Fath, Leo T.	•	1,100.00	50	same
Feiler, Harry	•	7,500.00	400	5900 -
Feiler, Geo. G. Jr.	•	25,000.00	1000	same
Foley, A. J.		100.00	10	paid
Fontana, Chas. E.		780.00	100	500 -
Fontaine, L. L.		92,500.00	3560	same
Fontana, Marjorie		125.00	5	75 -
Franke, L. F.		915.50	50	same
Fuehs, Hilda		700.00	40	same
Gaines, Margaretta, Jr.		220.00	10	same
Galvin, Maurice L.	•	80,000.00	3,200	same
Garnett, Jas.		780.00	100	paid
Gathof, Mrs. J.		200.00	10	same
Gamble, Frank B.		535.00	30	500 -
Gilligan, Thos. J.		400.00	20	30 -
Glass, V. C.	•	2,500.00	100	same
Goering, Wm. H. Jr.		35.00	5	paid
Grant, H. R.		34,600.00	1300	same
Grey, R. C.	•	25,000.00	1000	same
Green, Mrs		65.00	5	30 -
Green, C. Denton		1,500.00	100	same
Greene, Breezy, D.		380.00	15	same
Griffin, Jas. T.	•	1,500.00	100	1500 -
Grinstead, B. and Co.	•	15,000.00	600	same
Gunther, C. P.		700.00	50	paid

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXHIBIT SHEET PAGE 6-8

Exhibit 19

Form 1426—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8813 *Date of Report* April 26, 1930.

		Amount	No. shs.
Haag, Robt. H.		1,250.00	50.
Hagedon, Isabella		244.00	10
Haggan, Catherine		125.00	5
Hamblet, Wm. V.		1,250.00	100
Hamilton, A. C.		2,500.00	100
Hamilton, C. L.		12,250.00	490
Hammill, W. B.		250.00	50
Haney, Robt. C.		500.00	20
Hannon, Mary		55.02	20
Harrod, Thomas		125.00	5
Hayes, J. J.		12,500.00	500
Heap, E. E.		165.00	20
Hendricks, Lee		125.00	10
Herbert, Preston		10,000.00	1000
Hess, John H.		220.00	10
Heath, Harry M.		10,150.00	500
Hibbitt, R. F.	•	250.00	50
Hickman, Bayler O.	•	12,500.00	2500
Hillerich, Carl		120.00	5
Hollekamp, Mary		1,020.17	60
Hornemann, W. A.	•	11,270.00	500
Huette, Elizabeth		290.00	17
Hughes, Harry H.		2,400.00	300
Hummel, Emanjan,Y.		125.00	10
Ilg, Robt. C.	•	20,000.00	1000
Jacoby, Zach		5,000.00	200
Jarecke,, Margaret V.		1,400.00	100
Jefferson, J. Wm.		205,178.08	9000
Jefferson, Hal T.		65,946.25	2600
Jenkins, I. S.	•	4,220.50	200
Jones, C. F.		182,000.00	9340
Joyce, Preston P.	•	2,250.00	100
Johnsons, Market	•	5,000.00	200
Kalcher, R. G.		500.00	50
Kanisberg, Olivia		250.00	10
Kardos, Louise		95.00	5
Kobosh, Chas. E.		557.06	25
Kelley, Milburn P.		2,500.00	100
Kerr, Robt, M.		500.00	50
Kiley, Katherine		48.00	2
Kinarney, Geo. T.		40,795.75	2500
Kinarney, James M.		43,705.00	5000
Kirwan, James G.	•	25,000.00	1000
Klapheke, J. W.		9,181.50	550
Klapheke, Louis A.		1,275.21	50
Klapheke, Robt. H.		1,275.21	50
Klapheke, Rudolph W.		459.07	50
Klapheke, Vincent		1,275.21	50
Klein, John T.		204.03	10
Knight, R. V.		12,687.50	1000
Kneesheimen, A. W.		450.00	30
Koehler, Raymond L.		250.00	10
Kosse, Louis C.		750.00	40
Kramer, A. W.	•	10,000.00	400
Langen, Richard D.		1,938.65	100

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-3

Exhibit 19

Form 1136—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8812 *Date of Report* April 26, 1930.

	Amount	No. shs.	
Larsen, Nema Co.	1,500.00	100	1000 -
Later, Chester	475.00	21	205 -
Leamy, Margaret	406.06	20	357 17
Leshleiter, Frank J.	450.00	20	275 -
Leshleiter, Robt. E.	1,000.00	50	
Lee, Edward E.	29,000.00	1800	
Levi, Max	459.07	25	
Lincoln, Walter E.	200.00	10	
Livingston, C. E.	4,080.87	200	Same
Luskett, C. H.	15,000.00	1000	Same
Lynch, Mrs. W. C.	1,000.00	100	
McBride, Grace C.	400.00	20	
McBride, H. S.	1,100.00	100	
McCreth, M. W.	285.00	25	
McKown, Clyde D.	800.00	20	
McNulty, Wm. E.	375.00	15	Same
Mahaney, Minnie	125.00	5	
Malone, Mary C.	5,000.00	500	Same
Maloney, Thomas J.	190.00	10	
Marshall, Cecil T.	125.00	5	Same
Marks, Charles E.	2,000.00	100	Same
Marshak, M.	30,456.00	1200	
Marshall, Burrell K.	155.06	100	Paid
Mattingly, Elizabeth	115.00	5	
Mattingly, Louis J.	290.00	20	
Maglemery, W. A.	4,000.00	200	Same
Mangel, Edwin Porter	9,997.62	400	Same
Mangel, Joseph T.	22,987.50	1000	Same
Mangel, S. C.	22,987.50	1000	Same
Miller, C. M.	275.00	15	Same
Minreth, Chas. W.	250.00	50	
Manfried, L.	250.00	30	
Mangan, Stephen F.	180.00	10	
Moore, George W.	3,060.80	200	
Morrison, John H.	1,800.00	100	Paid
Morrow, C. H.	6,356.00	400	
Mortin, Elmer C.	338.00	25	
Moseman, Irene	45.00	5	Paid
Morgan, Stewart	900.00	50	
Milligan, F. A.	100.00	5	Paid
Murphy, Mrs. D. J.	400.00	25	
Murphy, Peter J.	1,250.00	50	Same
Nelligan, Joseph	700.00	40	
Newhouse, Wilbur I.	4,000.00	200	Same
Newman, J. L.	10,000.00	500	
Netzken, Elmer J.	250.00	50	
Noe, A. L.	4,950.00	250	
Noe, Hattie Lee	4,900.00	250	Same
O'Carr, Grace	375.00	25	
O'Brien, E. J. Jr.	88,758.83	3600	
Pilson, J.	250.00	10	
Praetorius, H. C.	1,000.00	115	Same
Putnam, Lawrence	110.00	5	
Queen, J. R.-	150.00	10	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-4

Exhibit 19

Form 1436—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 Date of Report April 26, 1920.

	Amount	No. shs.	
Ramser, A. P.	$2,000.00	1500	same
Ramser, George	5,250.00	200	1700
Raqua, E. J.	1,050.00	50	750
Reed, Stanley	[illegible]	1000	same
Reese, C. H. Jr.	650.00	100	Paid
Revenaugh, C. L.	250.00	10	750
Reynolds, Jas. S.	1,150.00	62	same
Riman, W. S.	550.00	25	525
Robinson, J. M.	1,900.00	100	1100
Roby, Clem	98.00	5	90
Rogers Bros.	$1,200.00	1000	16000
Rommell, Daniel	$2,000.00	1150	same
Rommell, Edward D.	$2,000.00	1150	same
Ruffner, Geo. Jr.	116.00	5	109
Ryan, Chas. J.	1,100.00	60	same
Samuels, Theodore O. H.	250.00	30	Paid
Scanlon, Susan M.	1,060.00	45	995
Scharfenberger, Wm. F.	400.00	20	375
Schlenk, W. A.	150.00	20	100
Schneider, Earle	90.00	5	65
Schneller, J. A.	950.00	50	Paid
Schapp, W. J.	750.00	50	same
Schuberth, Ada L.	145.00	10	105
Schulman, William	500.00	25	450
Schulz, Loraine C.	175.00	10	100
Scott, Curtis O.	60.00	5	Paid
Selligman, Alfred	5,060.30	150	5508.40
Selligman, Jennie K.	5,870.35	200	5337.80
Semonin-Goodman	2,000.00	100	same
Seymour, Charles	2,040.87	100	same
Simpson, W. G.	12,000.00	600	12000
Sisleff, L. F.	1,500.00	50	Paid
Smith, Newton C.	708.12	60	510 75
Spaulding, H. T.	100.00	25	Paid
Speckman, Ernest J.	284.25	40	276 75 30 old
Steele, Condit	125.00	5	same
Stetenpahl, G. H.	250.00	10	same
Taber, J. D.	500.00	200	750
Talamini, Harry G.	20,000.00	1000	same
Tashgian, Herbert	25,000.00	1000	same 600 MLJ 400 Amer Exchange
Tayler, Major	4,000.00	150	3500
Theobold, Edward J.	25,204.17	1000	same
Thieman, Henry	152,000.00	10000	same
Thomas, John	1,250.00	50	1200
Thomsen, Mabel	85.00	5	65
Thompson, Paul H.	17,000.00	1000	same
Thompson, R. P.	7,200.00	300	same
Tinnell, Eugene H.	800.00	50	475
Trem, Fred	2,250.00	100	2050
Truman, Orville	1,250.00	50	1200
Tway, H. C.	51,006.25	2000	same
Van Natta, Frances	750.00	50	same
Veenaman, C. S.	918.15	75	842.77
Vendome Copper and Brass Co.	1,150.00	100	950
Veit, Alvin A. Jr.	800.00	50	750
Vela, Harry A. Jr.	975.00	25	550
Vanderhite, Charles	4,000.00	200	same
Vowery, Mrs. Mayme	250.00	10	same

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 8-8

Exhibit 19

Form 1422—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8812 *Date of Report* April 28, 1930.

		Amount	No. shs.	
Wagner, Geo.		3,600.00	200	3700
Walker, E. W.		3,075.00	300	Paid
Walsh, Misses		250.00	50	Same
Walter, Mary M.		190.00	15	105
Walter, John H.		408.07	20	206 13
Watson, Philip		4,500.00	300	Same
Weis, Outfitting Co.	•	7,000.00	500	10000
Weiss, Coleman G.	•	200.00	40	Same
Wells, Prince		11,731.91	500	11733 6
Welsh, Catherine N.		100.00	10	Same
Wiggenton, James L.	•	11,500.00	500	11000
Winn, M. J.		34,947.50	1400	Same
Woodward, Louis M.		1,220.00	50	1200
Woolfolk, Fanny Owen		37,256.10	1500	Same and cancelled
Wright, Louise		625.00	25	Same
Yeager, Lewis C.	•	1,900.00	100	Same
Zarachmedo, W. T.		37,800.00	1750	Same
		2,543,840.58	132,543	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-6

Exhibit 19

Form 1430.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* April 28, 1930.

PARENT BANK - - LOANS PARTIALLY COLLATERALED BY BANCOKENTUCKY

	Amount	Value of other collateral	No. shares.
Ades, M. W.	1,928.82	975.00	100
Ament, Allen	2,000.00	1,540.00	80
Angermeier, H. J.	25,560.00	2,100.00	1080
Artem, Edwin D.	13,000.00	11,200.00	1000
Artem, W. F.	25,000.00	13,290.00	2000
Boehl, A. H.	980.00	1,800.00	50
Bills, Lottie A.	5,100.00	5,800.00	300
Bogman, Eugene E.	2,350.00	1,204.00	70
Bosler, John M	525.00	480.00	24
Bosemeyer, Florence A.	3,440.00	265.00	150
Brown, Mary Ky.	882.90	650.00	25
Brown, Wm. E.	180.00	100.00	6
Bryan, V. H.	4,450.00	6,870.00	100
Budde, Edward G.	32,700.00	8,313.00	1600
Bullock, J. L.	2,400.00	261.00	120
Bunnell, H. E.	975.00	1,100.00	4
Caldwell, Marion H.	2,500.00	1,100.00	100
Clark, Wm. K.	3,000.00		100
Coleman, T. C. Jr.	13,000.00	10,080.00	500
Corcoran, Andrew J.	1,250.00	845.00	30
Corcoran, Miriam W.	1,250.00	920.00	50
Derryberry, L. T.	24,994.08		1000
Dodd, Allen P.	2,500.00	1,000.00	100
Dell, Clarissa	1,198.00	1,400.00	50
Duffy, Martin J. Sr.	1,500.00	1,779.00	80
Edens, W. M.	9,000.00	3,300.00	400
Farnsley, A. T.	25,000.00	4,280.00	1000
Feiler, Milton E.	1,500.00	1,180.00	100
Fleischmann, A. W.	2,580.41	1,000.00	100
Fleming, R. E.	24,000.00	9,400.00	1000
Fontaine, E. L.	13,752.03		800
Frazier, S. L.	27,000.00	10,016.00	1000
Gates, Jno. C.	2,500.00	3,500.00	100
Gaylord, Paul P	23,000.00	7,800.00	1000
Gilliford, Anna B.	800.00	280.00	50
Girdler, W. M.	100,000.00	28,200.00	5000
Glass, Clarence D.	11,500.00	1,080.00	500
Goodman, Harry W.	1,250.00		50
Grant, Margaret D.	2,048.86	2,160.00	100
Greenstein, S. J.	3,400.00	1,999.00	100
Guernsey, Gordon B.	1,250.00	1,750.00	50
Gustig, Nellie J.	3,620.00	1,035.00	150
Guiliana, Agnes	500.00	2,250.00	100
Guyn, C. H.	480.00	200.00	40
Hannan, Bessie	2,000.00	2,000.00	100
Hannan, Mary A.	8,250.82	1,540.00	540
Hardin, P. W.	1,250.00	1,089.00	50
Harris L. I.	156,000.00	188,795.00	100

To the Comptroller of the Currency,
Wash

EXTRA SHEET PAGE 6-7 *Examiner.*

Exhibit 19

Form 1430.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8819 *Date of Report* April 26, 1930.

	Amount	Value of other collateral	No. of shares
Hays, E. W. and Co.	25,000.00		75
Hellcraft, Rice	4,410.00	3,570.00	300
Humphrey, L. M.	29,000.00	1,170.00	1440
Humphrey, Mrs. Jno. R.	1,124.20	625.00	50
Hunter, Ray E.	1,600.00	900.00	100
Johnson, Dora G.	3,750.00	1,566.00	150
Jones, Wm. E.	2,200.00	1,004.00	100
Kentucky Book Mfg. Co.	1,250.00	550.00	50
Kimbel, J. J.	5,000.00		200
Koppelman, Wm. H. and Co.	4,500.00	6,300.00	100
Leibold, Lillian	750.00	570.00	30
Longbridge, Pearl M.	2,500.00	1,000.00	100
Mason, Malcolm	3,626.00	2,650.00	150
Mattingly, Alma	225.00	210.00	10
Menefee, James T.	2,000.00	600.00	100
Meroke, C. C.	5,100.85	1,010.00	200
Meroke, Geo.	10,291.67	2,060.00	400
Meroke, Stella E.	16,322.67		640
Merriman, M. L.	27,775.00	28,060.00	500
Miller, Viola MaK.	250.00	108.00	10
Mooney, Catherine D.	13,547.00	8,625.00	500
Moseley, F. L.	17,500.00	7,200.00	700
Newhouse, Wilbur I.	7,000.00	6,345.00	200
Obermeier, H. A.	10,384.70	6,200.00	200
Obermeier, Julia	2,060.00	1,980.00	40
O'Sullivan, Daniel E.	25,378.17	9,725.00	1000
Pelle, Florence E.	1,780.00	1,292.00	22
Pethuff, C. Potter	5,075.00	2,000.00	200
Ramser, Camille M.	662.25	251.00	25
Ranzu, W I.	1,250.00	1,650.00	50
Riley, W. M.	2,253.00	150.00	100
Sheff, George	3,366.00	3,240.00	40
Ryan, W. F.	2,050.00	1,550.00	100
Sand, Alexander	26,008.05	4,000.00	1000
Sanfley, S. M.	26,754.17		1000
Schiekli, Solomon	4,600.00	1,500.00	200
Seidenfaden, Amalia	7,500.00	2,150.00	300
Semple, Lottie D.	1,504.75	2,265.00	60
Shine, John H	24,200.00		70
Shinnick, Kate	6,421.26	3,005.00	300
Simcox, Sam H.	200.00	125.00	10
Simpson, Sam H.	54,200.00	25,200.00	2150
Simpson, W. O.	16,200.00	1,500.00	720
Speed, Wm.	29,000.00		200
Spillman, L. C.	10,160.75	7,120.00	180
Stokes, E. M.	11,500.00		400
Tinnell, Steard V.	275.00	200.00	5
Torlina, E. F.	850.00	500.00	40
Tuley, Philip S.	21,500.00		1000

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

SEE NEXT PAGE 8-8

Exhibit 19

Form 1469—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* April 26, 1930.

	Amount	Value of other collateral	No. of charge
Vaughn, Robt. F.	12,500.00		500
Vels, Harry A.	5,000.00		200
Walsh, M. W.	64,500.00	87,060.00	1500
Washer, Ben S.	156,248.00		1000
Wiley, Redman	5,000.00	1,500.00	200
Williams, Anna C.	8,000.00	1,600.00	400
Wurtsil, Ethel	2,287.50	250.00	100
Tenner, Geo. A.	2,000.00	2,000.00	100
Young, Stanley B.	18,000.00	18,648.00	50
	1,250,287.71		408.19

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-9

Exhibit 19

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* April 26, 1930.

FOURTH STREET BRANCH - - - LOANS COLLATERALED ENTIRELY BY BANCOKENTUCKY

Adamson, C. F.	208.10	10	Same
Angermeier, A. G.	5,000.00	200	Same
Appel, Robert R.	2,000.00	150	Same
Barnett, Robt. L.	98.98	5	7-27-29
Beard, Milton	2,500.00	200	1500.-
Behannon, C. W.	228.14	10	7-30-29
Brown, Elizabeth B.	5,312.50	200	Same
Brown, Wm.	250.00	10	Same
Bryan, Helen Floyd	1,270.00	100	1100.-
Bullitt, Thos. B.	5,651.25	300	5611.25
Burch, Roland B.	500.00	50	Paid
Burke, Mrs. Estella	500.00	50	100.-
Challiner, Mrs. Claire	80.00	5	Paid
Chambers, M. D.	100.00	10	Same
Chappell, Edwin H.	862.75	50	Same
Conrad, Adelia L.	1,750.00	100	Same
Cooke, Edwin Goff	610.00	50	600.-
Corcoran, L. Paul	198.88	10	10-7-29
Davis, Paul A.	2,215.00	100	7-25-29
Desse, Wm. L.	22.27	10	Paid
Dosker, Cornelius D.	1,875.21	150	Same
Frank, L. Wallace	2,400.00	100	7-7-00
Fugati and Enfield	1,500.00	200	900.-
Fulton, Gavin	25,000.00	1000	Same
Goering, L. C.	80.00	10	Same
Goetzin, Chas.	150.00	25	50.-
Gordon, Angus W.	116.82	10	1-7-29
Graf, Robert J.	57,500.00	2000	Same
Green, Allen L.	300.00	25	200.-
Greveling, C. C.	300.00	20	Paid
Hall, Wm. C.	12,500.00	500	Same
Hancock, J. Duffey	1,500.00	100	Same
Hawkins, Leon L.	225.00	25	Paid
Hermanny, Louis J.	4,500.00	250	Same
Higgins, Beth	2,500.00	200	1950.-
Higgins, John	2,400.00	400	2300
Howe, Thos. M.	1,428.25	100	Same
Humphrey, Herman	1,200.00	100	900.- 550.-
Kelley B. W.	650.00	50	
Kelley, Robt. L.	2,000.00	200	7-27-29
Kigel, J. W.	1,365.75	95	Same
Kinsley, Edward Wm.	1,994.75	200	Same
Koby Drug Co.	1,000.00	50	907.45
Kopplemann, Wm. H.	19,000.00	1000	Paid
Krancisco, Emma H.	500.00	25	Same
Kronagrill, Thelma	148.00	10	99.-
Lahman, Mrs. R. H.	500.00	100	300.-
Lanahan, C. H.	100.00	10	Paid
Lee, Gordon M.	1,500.00	75	1750.-
Lewis, Mrs. Emma B.	5,000.00	500	Same
McCarter, A. C.	984.00	50	Same
McKenna, J. J.	2,250.00	100	Same
Mayo, Wm. C.	12,500.00	500	Same
Meller, Geo. M.	12,500.00	500	Paid
Mitchell, Harold	492.50	20	467.50
Moeller, R. A.	609.00	25	Same
Montgomery, R.	5,200.00	650	Paid
Russbaum, Carl Jr.	275.00	50	Paid
Pearey, Chas. S.	5,000.00	200	Same
Pendleton, Anna F.	100.00	20	Paid

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-10

Exhibit 19

Form 1430.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8312 *Date of Report* April 28, 1930

Feaney, Anne	1,200.00	100	1750-
Firtle, Wm. B.	2,000.00	100	same
Quinn, Philip F.	400.00	20	750-
Riddell, J. H.	5,000.00	200	Consolidated with other loan
Sanders, C. F.	2,200.00	200	4000
Schmalz, Robt. C.	900.00	70	800-
Schnabel, Jacob J.	900.00	100	975-
Schwab, Paul E.	281.20	20	351 41
Smyson, R. H.	1,200.00	100	1050-
Smith, J. A.	245.00	20	270-
Spade, Susanna	325.00	20	Paid
Speed, W. S.	75,000.00	5000	same
Stansell, Wm.	120.00	10	same
Stone, Robin E.	440.00	20	400-
Summers, Turner A.	4,500.00	250	same
Thomberry, M. H.	2,200.00	200	same
Treager, George C.	442.21	20	400-
Tindoan, Harold B.	127.94	10	same
Waddy, Webb	150.00	40	975-
Warner, James H.	800.00	50	675-
White, W. M.	320.00	20	Paid
Williams, E. G.	1,900.00	100	1800-
Wolpert, Allen W.	2,900.00	200	2875-
Worcester, Millard C.	1,000.00	50	1075-
Yeaman, Stella Ann	925.00	65	900-
Zell, Mrs. Lucille	100.00	10	95-
	302,756.02	18291	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-11

Exhibit 19

Form 1430 - Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank - 5212

Date of Report April 28, 1930.

FOURTH STREET BRANCH - - - LOANS PARTIALLY COLLATERALED BY BANKSHARES

	Amount	Value other coll.	No. Shares
Adams, Walter M.	717.50	462.00	25
Appel, Walter G.	6,800.00	2,600.00	200
Armstrong, Geo. R.	16,289.41	18,770.00	200
Atkins, William R.	1,000.00	462.00	50
Avity, Sal[illegible] M.	1,675.00	2,662.00	100
Bauer, Wm. H.	3,150.00	3,206.00	25
Behrens, Clara L.	3,150.00	4,348.00	50
Behrens, Katherine L.	3,000.00	2,676.00	50
Bellman, J. H.	4,850.00	5,100.00	250
Bennell, J. Edgar	9,250.00	6,775.00	300
Bryan, Mrs. Lillie M.	6,000.00	6,802.00	40
Challiner, Adele	870.00	851.00	20
Detrichs, Edna M.	780.00	540.00	30
Dendas, A. B.	4,458.86	8,748.00	50
Dyer, Frank H.	2,720.16	1,956.00	100
Eldridge, Mary O	75.00	100.00	10
Elliott, David C.	175.00	500.00	10
Ebbs, Mary B.	2,500.00	1,025.00	100
Everbach, C. L.	6,000.00	65,000.00	1000
Finley, A. W.	2,209.00	1,152.00	250
Fitzpatrick, S.	1,650.00	1,540.00	50
Frank, Louis	26,500.00	37,090.00	500
Fugate, I. T.	25,000.00	27,210.00	500
Gates, Christine B.	580.00	470.00	40
Giles, J. H.	17,250.00	17,350.00	200
Gipperich, Emma D.	1,100.00	812.00	50
Gipperich, Lula Stafford	8,500.00	6,860.00	300
Gordon, Alice E.	4,490.00	5,587.00	100
Gordon, Helen, F.	14,800.00	17,488.00	200
Grey, J. E.	3,800.00		200
Griswald, Alex V.	7,245.50		100
Hamilton, H. M.	1,245.00	1,062.00	25
Hanks, Herbert G.	13,680.00	42,400.00	200
Hardaway, A. M.	6,100.00	10,994.00	100
Harrison, J. H.	12,980.00	8,700.00	500
Hastings, Anna B.	2,339.80	2,716.00	100
Hendon, C. E.	9,000.00	5,063.00	600
Hogan, Mary H.	4,500.00	5,070.00	100
Hogan, Michael J.	2,000.00	1,093.00	60
Holm, Ruloe B.	11,700.00	2,000.00	500
Hooth, Warren F.	1,725.98	1,870.00	30
Hower, Frank B.	1,700.00		50
Hutchison, J. Bernard	2,800.00		100
Hutchins, Mary J.	14,307.16	12,536.00	200
Jackson, Mrs. A.	280.00	280.00	20
Jansen, J. E.	3,857.65	850.00	140
Jett, Emily A.	13,000.00	14,087.00	500
Karrakay, C. W.	6,800.00	9,496.00	100
Kemper, R. L.	978.00	1,400.00	80
Kerns, Ira M.	21,658.79	21,260.00	800
Kinnel, Mrs. Elizabeth W.	2,850.00	2,800.00	100
Kuhn, Martin L.	9,870.00	17,799.00	100
Lockton, Bessie M.	1,028.00	1,214.00	25
McLean, Eleanor S.	1,448.00	422.00	75
Mac Cabe, Nora	2,000.00		10
Metz, Raymond L.	2,828.84	2,470.00	20
Miller, C. C.	1,350.00	2,516.00	50
Mock, Mary E.	850.00	1,100.00	25
Moore, Wickliffe B.	1,511.95	400.00	100
Morris, Jas. W.	24,849.00	24,240.00	1000

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-18

Exhibit 19

Form 1436.—Reserve
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8318 *Date of Report* April 28, 1930.

Morrow, Mildred	1,000.00	1,500.00	50
Murray, Henry H.	1,500.00	2,900.00	50
Onderdonk, W. A.	1,800.00	1,250.00	500
Pearl, F. J.	14,100.00	12,540.00	500
Petree, Neil	2,875.00	2,700.00	100
Pinnell, Charles A.	650.00	975.00	50
Priddy, J. E.	30,000.00	33,560.00	1000
Ramage, J. R.	2,200.00	1,560.00	100
Rossinier, Ferdinand W.	2,050.00	4,800.00	200
Richardson, Cleara	3,800.00	7,400.00	100
Richesson, H. H.	6,800.00	5,746.00	100
Ripley, Eleanor M.	1,475.00	1,519.60	40
Ripley, Robt. S.	518.29	1,074.00	40
Rodgers, J. T.	18,300.00	19,510.00	100
Roper, Margaret	5,545.00	6,465.00	100
Salomon, Sam L.	9,000.00	9,796.00	100
Samuel, F. W.	14,440.00	12,600.00	100
Sayler, J. L.	257.50	480.00	10
Schrieber, A. F.	5,250.00	5,700.00	50
Selligman, Joseph	14,500.00	11,100.00	600
Simpson, Virgil E.	3,500.00	2,520.00	150
Smith, Jno. R.	7,000.00	7,780.00	200
Spurling, R. G.	12,500.00	7,485.00	500
Starks, Mrs. B. M.	39,000.00	78,748.00	700
Sturgeon, Arthur F.	1,950.00	1,275.00	50
Tellman, Susie E.	3,000.00	2,329.00	100
Turpin, Miles	2,646.00	2,055.00	50
Van Arsdall, Alvira	2,400.00		100
Van Divier, D. P.	1,680.00	660.00	50
Vaughn, May L.	19,000.00	17,700.00	500
Vaughn, Sanford	11,475.00	10,250.00	150
Warren, C. G.	5,900.00	2,940.00	200
Watson, Mrs. Charlotte	4,750.00	2,838.00	100
Weaver, Daisy E.	400.00	100.00	25
Weber, G. A.	1,800.00	1,238.00	100
Wesley, E. P.	1,250.00	1,000.00	50
White, Edwin L.	875.00	138.00	50
Wilkerson, T. L.	2,257.50	465.00	100
Wilson, T. B.	174,000.00	228,000.00	2000
Wood, Edwin D.	9,300.00	11,700.00	100
Woodruff, Nate Lee	900.00	180.00	50
Yoe, R. F.	38,510.40		1020
	854,921.25		20,505

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

SHEET FOR 6-18

Exhibit 19

Form 1430.—Revised
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank . 5113 *Date of Report* . April 26, 1930.

KENTUCKY WAGON

R. C. Kinkead - End. Kentucky Wagon Co.		1,964.85
W. E. Massey	do.	7,500.00
Kentucky Wagon Co.		1,065,468.98
Natl. Motors Corp. End. Ky. Wagon Co.		85,900.11
Kentucky Wagon Mfg. Co. - End. Asso. Motors		3,631.42
National Motors Corp.		22,330.00
do.		211,576.47
Associated Motor		358.65
Ky. Wagon bonds		57,817.14
Ky. Wagon O/D		84,864.00
		1,829,413.60
F. W. Gigon c/o Ky. Wagon Co.		1,000.00
		1,830,413.60
Ky. Wagon Co.	Trade Acceptances	30,046.86
do.	Rediscounts - current	16,109.21
		1,876,569.67

MURRAY RUBBER CO.

W. D. Campbell ($50M Murray Rubber Bonds)		47,802.91
W. M. Pepper ($50M do.)		47,802.91
Murray Rubber Bonds		360,000.00
Note of Rogers Caldwell secured by $250M Murray Rubber Bonds		265,000.00 Also included in Caldwell Line
Cash item		1,799.47
Murray Rubber Co. - Direct		344,650.29
Trade Acceptances		68,144.95
		1,355,230.81

To the Comptroller of the Currency.
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-14

Exhibit 19

Form 1480.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* April 26, 1930.

SOLD LOANS - PARTIALLY COLLATERALED BY BANK KENTUCKY

	Amount	Value of other collateral	No. shs.	Name of bank and location
Cardwell, T. C.	10,000.00	22,200.00	200	Farmers National Bank, Madisonville, Ky.
Carroll, A. J.	24,000.00	10,585.00	1000	First Natl. Bk., Paducah, Ky
Chappell, James M.	5,100.88	1,754.00	200	Bank of Whitesville, Ky.
Coady, Mary K.	3,960.00	5,040.00	100	Bank of Wingo, Ky.
Connaughton, Sue G.	8,800.00	6,740.00	100	Natl. Bank of Middlebore, Ky
Dorman, J. C.	3,048.80	800.00	180	Crab Orchard (Ky.) Bkg. Co.
Glowgower, L. R.	19,000.00	27,300.00	100	Monticello (Ky.) Bkg. Co.
Gwen, A. C.	3,234.80	3,182.00	200	Greensburg (Ky.) Dep. Bank
Green, Thos.	6,800.00	9,587.00	200	Peo. Exch. Bank, Beattyville Ky.
Greer, J. M.	15,000.00	8,606.00	400	First National Bank, Greenville, Ky.
Greer, J. M.	25,000.00	21,097.00	600	Dep. Bk. of Pleasureville, Ky.
Harris, L. S.	5,000.00	6,022.00	100	Sebree (Ky.) Dep. Bank
Harris, L. S.	7,000.00	466.00	580	Farmers National Bank, Scottsville, Ky.
Harris, L. S.	10,000.00	3,980.00	360	Farmers & Peoples Bank, Campbellsville, Ky.
Hayes, J. J.	3,580.00	2,515.00	100	First National Bank, Charlestown, Ind.
Hayes, J. J.	17,300.00	8,000.00	500	First National Bank, Greenville, Ky.
Hayes, J. J.	5,000.00	8,400.00	200	Peo. Exchange Bank, Beattyville, Ky.
Herrington, L. B.	11,000.00	15,600.00	200	Greensburg (Ky.) Deposit Bank,
Hume, Wm. G.	2,000.00	975.00	100	Farmers Bank, Centertown, Ky
Johnson, J. M.	9,000.00	2,400.00	500	" Natl. Bank, Madisonville, Ky.
Kinnard, R. D.	10,000.00	9,750.00	200	Farmers Natl. Bank, Princeton, Ky.
Latta, A. E.	3,500.00	1,404.00	180	First Natl. Bank, Milltown, Ky.
Latta, A. E.	9,000.00	5,800.00	80	First Natl. Bank, Glasgow, Ky.
Latta, A. E.	7,000.00	4,880.00	200	Farmers Natl. Bank, Scottsville, Ky.
Latta, A. E.	10,000.00	12,190.00	150	Farmers Peo. Bank, Campbellsville, Ky.
Lyons, W. L. & Co.	119,950.00	205,500.00	700	Isaac White Trimble
McConigale, W. J.	1,500.00	7,440.00	100	Sebree (Ky.) Dep. Bank
Menefee, Jean W.	2,500.00	880.00	100	Green River Dep. Bank, Rochester, Ky.
Nuxal, Mrs. W. J.	5,000.00	2,000.00	200	Greensburg (Ky.) Dep. Bank
Rague, Emil J.	4,250.00	5,010.00	50	Peoples Bank, Grevel Switch, Ky.
Robertson, E. B.	15,000.00	1,800.00	840	Breckenridge Bank, Clevenport, Ky.
Robertson, E. B.	5,000.00	1,000.00	400	Peoples Exchange Bank, Beattyville, Ky.
Schwab, Joseph	12,344.00	14,650.00	200	First National Bank, Greenville, Ky.
Schwabenton, Alex.	2,100.00	2,840.00	100	Green River Dep. Bank, Rochester, Ky.

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	Amount	Value of other collateral	No. shs.	Name of bank and location
Schweitzer, Fannie G.	10,000.00	7,245.00	400	Farmers & Peoples Bank, Campbellsville, Ky.
Smith, Albert	2,000.00	2,250.00	100	Farmers Bank, Centertown, Ky
Spillman, L. C.	3,000.00	3,240.00	120	Citizens Bank, Waddy, Ky.
Stites, John	5,750.00	7,000.00	100	Mt. Sterling (Ky.) Natl.Bk.
Stone, Sam H.	35,000.00	37,877.00	2000	First State Bank, Pineville Ky.
Strong, Jesse F.	7,500.00	8,210.00	300	First Natl. Bank, Paducah, Ky.
Trusheart, C. F.	4,998.88	600.00	200	First Natl. Bank, Madison, Ind.
Wakefield, & Co.	5,000.00	2,281.00	200	Farmers Bank, Centertown, Ky.
Wakefield & Co.	10,000.00	681.00	660	Farmers National Bank, Somerset, Ky.
Wakefield & Co.	18,000.00	11,590.00	500	Peoples Exch. Bank, Beattyville, Ky.
Webb, Louis K.	8,500.00	10,500.00	100	Natl. Bank of Middlebore, Ky
Woodrum, Urey	15,000.00	24,250.00	300	Bank of Williamsburg, Ky.
	555,865.65		14,590	

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Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* April 26, 1930.

SOLD LOANS - COLLATERALED ENTIRELY BY BANK STOCK

	Amount	No. Shs.	Name of Bank & Location
Bethel, Payton B.	5,000.00	200	First National Bank, Livingston, Ky.
Bowman, T. W.	10,000.00	600	Farmers & Peoples Bank, Campbellsville, Ky.
Breseee, W. L. Jr.	2,250.00	200	First National Bank, Madison, Ind.
Clements, John W. S.	12,752.08	1,000	Farmers & Traders Bank, Shelbyville, Ky.
Greer, J. M.	5,000.00	300	Crete(Ky.) Deposit Bank
Harris, L. S.	5,000.00	340	Peoples Bank, Gravel Switch, Ky.
Hasson, Margaret M.	1,110.00	40	Bank of Whitesville, Ky.
Head, C. Bruce	5,000.00	300	Gradyville (Ky.) Bank
Hossfield, H. D.	2,200.00	110	Farmers Bank, Centertown, Ky.
Jacob, Walker F.	5,000.00	300	First National Bank, Pendeah, Ky.
Klapheke, John L.	2,580.41	200	Bank of Whitesville, Ky.
Leonhardt, Bruce	3,045.80	200	Gradyville (Ky.) State Bank
McGeodwin, Marie D.	4,000.00	640	Citizens Union Bank, Central City, Ky.
Means, J. A. Jr.	5,000.00	300	First National Bank, Madison, Ind.
Metz, Louis F.	15,000.00	800	First National Bank, Paducah, Ky.
Meellman, Theresa	7,000.00	400	Farmers Deposit Bank, Brandenburg, Ky.
Murphy, D. K.	10,201.67	1,020	Citizens Bank, Waddy, Ky.
Murphy, J. C.	1,550.25	210	First National Bank, Buffalo, Ky.
Neel, H. H.	1,200.00	200	First National Bank, Charlestown, Ind.
Crosby, H. D.	6,000.00	600	Breckenridge Bank, Cloverport, Ky.
Ponder, T. V.	9,000.00	500	First National Bank, Paducah, Ky.
Semple, Geo. C.	8,400.00	1,140	Farmers National Bank, Madisonville, Ky.
Smith, Vertner, D.	5,000.00	500	First National Bank, Paducah, Ky.
Taylor, Edith S.	4,000.00	150	Peoples Exchange Bank, Beattyville, Ky.
Taylor, E. Leland	12,000.00	1,200	Exchange Bank, Beattyville, Ky.
Vaughn, Robert F.	7,000.00	500	Greensburg (Ky.) Deposit Bank
Wash, A. M.	3,500.00	250	First National Bank, Madison, Ind.
Wedding, C. E.	7,700.00	500	Corydon (Ind.) State Bank
Yager, Estell Louis	2,700.00	180	First National Bank, Buffalo, Ky.
	175,139.21	15,250	

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Exhibit 19

Form 1488—Rep...8
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* April 26, 1930.

RECAPITULATION OF LOANS SECURED IN WHOLE OR IN PART BY STOCK OF BANCOKENTUCKY

		Amount	No. Shares
Loans collateraled entirely by BancoKentucky,	Parent bank	2,845,840.28	132,542
" " " " "	Fourth St. Branch	302,756.02	18,291
" " " " "	Sold Loans	175,139.91	13,290
" " partially by "	Parent Bank	1,399,987.71	40,319
" " " " "	Fourth St. Branch	834,221.25	20,505
" " " " "	Sold Loans	535,855.85	14,590
		5,791,795.92	239,477

Attention is called to this large concentration of credit. Of course, some of the makers of these loans have financial worth in addition to the collateral. In some cases, however, the makers of simable loans have limited financial worth aside from the collateral securing the loans. It is noted that a number of the loans are inadequately secured, and in some cases it is impossible to obtain additional collateral.

It is the opinion of your examiner that some of the officers and employees were induced to purchase more of the stock of BancoKentucky than they were able to successfully handle. Unless the stock increases substantially in price, it will be a real problem to keep up the interest charges and make any reductions on principal. The problem will be especially difficult in cases where the collateral is insufficient.

It is always an undesirable situation when too large an amount of the funds of a bank are placed where they are dependant on the success of any one enterprise.

In this case there may be some question as to the legality of loans secured by the stock of BancoKentucky. The largest asset of the company is the stock of the National Bank of Kentucky. The bank is in the position of having loaned money, at least indirectly, on its own stock as security.

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No. of Bank 3312 *Date of Report* April 26, 1930.

Caldwell & Co.

Rydal Investments, Inc.	176,758.49	
Note, Rogers Caldwell - secured by $295M bonds Murray Rubber	265,000.00	(Included in Murray Line)
Caldwell & Co. Ind. Jno. C. Lewis	56,659.17	
Caldwell & Co. " Herman Strauss	53,679.97	
Caldwell & Co.	525,254.17	
	1,077,351.80	
Kentucky Rock Asphalt - Direct	200,000.00	
Indirect	94,991.68	
Jno. C. Lewis Co.	50,000.00	
	344,991.68	
Grand Total	1,422,343.48	

Consolidated Realty Co.

Consolidated Realty Co.	262,150.00
H. J. Scheirich - Ind. Consol. Realty	9,595.00
General Realty Corp. Ind. H. J. Scheirich, C. C. Hiett	130,650.00
Garden Communities Corp.	12,883.33
C. C. Hiett	23,550.00
H. J. Scheirich - $100M C/D-	100,000.00
H. J. Scheirich, C. C. Hiett	12,000.00
E. K. Warden - 100 shs. Consol. Realty	6,500.00
C. D.	11.56
	557,319.89

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No. of Bank 8812 Date of Report April 26, 1930.

OTHER LOANS ESPECIALLY MENTIONED.

Aimee Shop — 1,750.00
Endorsed Amy D. and Ben S. Washer.
A ladies ready-to-wear shop that is making limited progress.
No recent statement on file. Ben S. Washer already owes the bank too much.

P. Beamon Pipe Company — 12,000.00
Collateral: Warehouse receipts for 500 tons sewer pipe;
Assignment of claim against City of Louisville, $5,803.02.
Statement dated 11-30-29 shows Current Assets $108,400.00; Current Liabilities $37,400.00; Plant $542,900.00; Mortg ge Indebtedness $135,800.00; Net Worth $481,100.00.
Statement shows that company lost $9,129.00 last fiscal year.
Company is reported as slow. Its condition is regarded as extended.

Henry C. Bedinger — 2,700.00
Endorsed Maria V. Bedinger.
Collateral: 5 shs, Bank of St. Helens, Shively, Ky.
Reduced $500.00 since last examination.

Lucie Clark Boyce — 7,600.00
Endorsed George M. Clark.
Maker has been a continuous borrower for about three and r half years. No reduction since last examination.

Horace G. Brooks and Company — 25,000.00
Endorsed Horace G. Brooks

Horace G. Brooks — 15,000.00
Collateral: 858 shs. Grocers Baking Co.

Statement dated 1-1-30 shows Current Assets $69,344.00; Current Liabilities $67,248.00; Fixed Assets $259,511.00; Investments $37,720.00; Mortgage Debt $84,000.00; Net Worth $216,350.00.
Annual sales of the company were $327,899.00, on which a profit was realized of only $5,252.00.
The company is badly in need of working capital. Some of the real estate should be sold in order to supply the deficiency in working capital.

George Buechel — 41,300.00
Collateral: 250 shs. Banc-Kentucky;
360 " American Turf;
19 " Cities Service, Com;
105 " Kroger, Com.
Loan is insufficiently collateraled.

Callahan & Sons — 95,000.00
Endorsed R. L. Callahan.
Statement dated 5-31-29 shows Current Assets $119,715.00; Current Liabilities $85,804.00; Building and Equipment $ 98,642.00; Investments $134,045.00; Net Worth $252,855.00.
The current ratio of the company is poor and limited progress appears to have been made recently.
Loan began 4-26-27 as $5,000.00 gradually increasing to $65,000.00 12-21-27. Increased to $15,000.00 1-6-28. Not below $60,000.00 since 7-31-29.

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No. of Bank 8518 *Date of Report* April 28, 1930.

Duffy Ice Company — 6,000.00
Endorsed Thomas J. Duffy.
Loan began 11-26-26 as $12,000.00 and has not been paid out.
Reduced $1,000.00 since last examination.

Gibbs-Inman Company — 75,000.00
Unaudited statement dated 12-31-29 shows Current Assets $70,674.00; Current Liabilities $415,779.00; Fixed Assets $788,740.00; Cafeteria Investment $30,495.00; Net Worth $467,869.00.
No operating details were available, but company has made limited progress since 1926.
No reduction since last examination.

Douglas Graham — 4,500.00
Collateral: 120 shs. Bank of Pembroke, Ky., Par $50.00.
Loan began 6-8-27 as $6,000.00 and has not been paid out.

Wm. C. Hall — 12,500.00
Collateral: 500 shs. BanseKentucky.
The loan is short of collateral. It is suggested that wife be asked to join in the note.

D. M. Haskin — 500 — 8,700.00
Collateral: 117 shs. Monarch Auto Co.
Collateral is unliquid. Loan reduced $300.00 since last examination.

C. T. Haydon — 12,000.00
Collateral: 315 shs. Kentucky Paper Box Co.
Loan reduced $1,000.00 since last examination.

Herald Post Company — Loan 395,000.00; Overdraft 2,534.91
During examination the overdraft increased on 5-8-30 to $32,503.76.
The company is an habitual overdrawer. Loan is regarded as good, but is of a capital character.

Otis Hidden Co. — 150,000.00
Statement dated 12-31-29 shows Current Assets $647,243.00; Current Liabilities $320,136.00; Fixed Assets $239,680.00; Investments $6,006.00; Other Bills and Accounts $7,248.00; Net Worth $519,996.00.
Current ratio of the company is all right, but only limited progress is being made. This concern seems to be suffering the experiences common to jobbers. The principal question relative to the current assets lies in the large inventory account.

W. W. Hite & Company — 6,450.00
Statement dated 9-30-29 shows Current Assets $46,500.00; Current Liabilities $20,800.00; Fixed Assets $9,700.00; Net Worth $38,200.00.
The capital stock of the company is impaired and the company is reported as losing money. Management of the bank is making every effort to collect. Reduced $700.00 since last examination.

W. J. Hughes & Sons Company — 40,000.00
Statement dated 12-31-29 shows Current Assets $338,475.00; Current Liabilities $80,000.00; Fixed Assets $339,532.00; Net Worth $453,063.00.
Company sustained an operating loss of $67,267.00. Nevertheless,

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dividends were distributed aggregating $74,212.00, making a total loss to net worth of $141,479.00.

Marie M. Hunt — 5,100.00
Endorsed S. P. Meyer.
No statement available. Endorser said to be good.
Loan has been continuous for some time without any reduction.

Leonard P. Hyatt — 3,040.67
Collateral: 61 shs. Inman Co., Com.
Loan began 4-4-27 as $5,714.80. No reduction since last examination.

Indiana Cotton Mills Co. — 75,000.00
Statement dated 12-31-29 shows Current Assets $219,337.00;
Current Liabilities $130,691.00; Fixed Assets $158,334.00;
Investments $100,000.00; Net Worth $310,502.00.
In 1928 the company sustained an operating loss of $66,712.00,
and in 1929 an operating loss of $35,641.00.
Current ratio of the company has declined from 11.24-1 in 1927
to 1.67-1 in 1929.

Harry C. Inman — 16,740.40
Collateral: 260 shs. Inman Co.
Loan began 6-13-27 as $19,866.44.
This has all the appearance of a slow loan. Reduced
$606.50 since last examination. In the opinion of your examiner,
the reduction of this loan should be accelerated.

Kentucky Lumber and Millwork Co. — 76,130.00
Statement dated 12-31-29 shows Current Assets $188,088.00;
Current Liabilities $107,542.00; Fixed Assets $128,488.00;
Net Worth $197,394.00.
The last audited statement, in 1928, shows a rather large
percentage of slow receivables. For the past three years
there has been a slight decrease in the net worth, a large
decrease in the current ratio, and a slight increase in the
fixed assets of the company. Your examiner has been advised
that the indebtedness of the company to stockholders will be
capitalized, after which the statement of the company will
show a current ratio of better than 2 - 1. This will improve
the condition of the statement very much for the time being,
but company will have to be restored to a basis of profitable
operation before its condition is on a satisfactory basis.

G. Fred Lalb — 4,000.00
Collateral: 150 shs. Reynolds Investment Co., Com.
10 " Louisville Fire & Marine Ins. Co.
500 " J. L. Mott, Inc. Com.
Loan is not fully covered by collateral.

W. W. Lewis, discount — F. F. Cawood — 3,000.00
Loan began 11-23-26 as $5,000.00 and has not been paid out.

Elizabeth J. Mengel — 11,184.93
Collateral: Sundry listed securities with an estimated market
value of $9,284.00
200 shs. Foreign & Domestic Veneer Co. "A" Com.
The value of the collateral does not appear to be adequate to
protect the loan.

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Form 1130—R6...
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 Date of Report April 26, 1930.

Ollie C. Lewis Miles — 33,500.00
Collateral: 500 shs. General Motors, Com;
100 " Cornett-Lewis Coal Co.
Loan was criticised in last report on account of the limited market of the Cornett-Lewis Coal Company stock.
Loan began in March, 1929, and has not been reduced.

L. H. Moise Company — 7,306.00
Endorsed L. H. Moise.
Company is in need of more working capital.
Loan reduced $5,408.35 since last examination.

Roy Martin, Norman Williams and J. F. Shepherd — 900.00
Collateral: 30 shs. Citizens State Bank, Orleans, Ind.
Loan began 12-23-26 as $2,650.00. Further reduction is recommended.

Wm. J. O'Conner — 1,000.00 Demd
Collateral: 22 shs. Louisville Cotton Mills Co.
The value of the collateral is problematical.

Ohio Falls Iron Company — 90,000.00 Demd
Endorsed George M. Clark
Statement dated 1-1-30 shows Current Assets $262,295.00;
Current Liabilities $259,117.00; Fixed Assets $748,489.00;
Net Worth $458,365.00;
The need of working capital is obvious. The net worth of the company 10-31-26 was $617,613.00; on 1-1-30 the Net worth had diminished to $458,365.00. In 1926 the current ratio was 2-1; in 1930 it had diminished to 1.01 - 1.

Henry Pilcher's Sons — 28,000.00
Guaranteed by W. K. Pilcher.
Collateral: Sundry notes aggregating $13,908.00.
Statement dated 12-31-29 shows Current Assets $310,355.00;
Current Liabilities $136,317.00; Fixed Assets $174,260.00;
Good Will $305,000.00; Collateral Trust Bonds $90,000.00;
Net Wort $528,596.00.
The profits of the company in operations are gradually decreasing. Loan reduced $50,000.00 since last examination.

Sidney Rosenblum — 10,017.50
Barnard and Herman Rosenblum are endorsers on $9,817.50.
N. Rosenblum is endorser on $200.00.
Reduced $1,205.54 since last examination.

Rowland Company — 10,000.00
Endorsed J. V. Rowland.
Statement dated 12-31-29 shows Current Assets $80,992.00;
Current Liabilities $53,081.00; Net Worth $81,855.00.
The annual sales of the company are shown as $338,743.00, on which a profit was realized of only $1,225.00.

Alexander Sand — 26,008.05
Collateral: 1,000 shs. BancoKentucky;
50 " Kentucky State Life Insurance Co.
The value of the collateral barely covers the loan.
Maker is agent for Sun Life Insurance Co. It is thought that the collateral represents the only strength behind the loan.

H. U. Shrader — 1,749.42
Collateral: Warehouse receipts covering one Hudson sedan and one Essex coupe. Both cars appear to be 1929 models.
Loan appears to be of a capital character.

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Form 1436 - Rev.
TREASURY DEPARTMENT
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No. of Bank 8512 *Date of Report* April 28, 1930.

H. L. Speyer — 20,000.00 Renew
Collateral: 85 shs. Audubon Park Realty Co;
50 " Federal Chemical Co. Com;
100 " New Phoenix Storage Co.;
$15,000.00 Audubon Country Club 6's;
13 shs. Federal Chemical Co. Pfd.
Most of the collateral is difficult to appraise and is regarded as rather unliquid. It is believed that the loan should be satisfactorily endorsed or collateraled.

Stewart Warner Sales Co. — 3700 — 5,000.00
Endorsed J. H. Morrison.
No new statement since last examination. Current ratio of the company is 1.07 - 1. Loan reduced $5,000.00 since last examination.

Stimpson Computing Scales Co. — 117,900 — 122,900.00
Statement dated 12-31-29 shows Current Assets $837,064.00; Current Liabilities $278,405.00; Fixed Assets $199,041.00; Mortgage Indebtedness $80,400.00; Net Worth $851,651.00. The operating loss of the company for 1929 was $33,935.00; dividends were distributed in the sum of $13,660.00; charged to profit and loss $155,906.00; total loss to net worth $182,501.00.

Mrs. Clara M. Turstegge — 14900 — 15,000.00
Sundry collateral with an estimated value of $16,955.00; Value of the collateral is barely adequate to cover the loan.

F. J. Walker — 7,400.00 paid
Endorsed T. O. West.
No statement is on file. Loan should be on a secured basis.

Ben S. Washer — Loan 150,348.00 renewed
Overdraft 9,295.15 paid
Collateral: 1,800 shs. American Turf
250 " Crescent Hotel Co;
2,625 " Standard Oil of Kentucky;
1,000 " BancoKentucky
200 " American Turf.
Value of stock, Crescent Hotel Co. is uncertain. Other collateral barely covers loan.

George H. Wilson — 1300 — 1,500.00
$800.00 endorsed W. L. Berry.
Collateral: 176 shs. Roberts Brothers Oil Co.
The company represents some filling stations in Louisville. Value of the stock is problematical. Maker is in marine insurance business and is said to be interested in a packet line at Paducah.

LaGrange Bank & Trust Co., LaGrange, Ky. — 18977 56 — 35,000.00
Collateral: Sundry bills receivable, aggregating $42,754.80.
Bank did not pay out its liability for borrowed money last year.

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Exhibit 19

Form 1428—Rev. 6
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9613 *Date of Report* April 24, 1930.

OTHER LOANS ESPECIALLY MENTIONED.

Loans on which the collateral is either insufficient or does not provide the customary margin.

Bush W. Allin	4,060.00
Collateral: 200 shs. BoneseKentucky valued at $4,600.00.	
Malte C. Amont	4,000.00
Collateral: 200 shs. BoneseKentucky valued at $4,600.00.	
Frank C. Angermeier	600.00
Collateral: 50 shs. Louisville Ry. Com. valued at $550.00.	
A. J. Angermeier	45,800.00
Collateral: 1080 shs. BoneseKentucky	
400 " Van Camp PackingCom.	
200 " Louisville Ry. Com.	
200 " Rider Elec. Com.	
20 " Chas. Rosenheim Co., Louisville, Ky.	
180 " Electric Refrigerating Co. " "	
The first three issues are valued at $32,680.00. The last two issues are not quoted.	
Catherine Antonini	115.00
Collateral: 5 shs. BoneseKentucky valued at $115.00.	
Frank Bader	460.00
Collateral: 20 shs. BoneseKentucky valued at $460.00.	
Martin A. Beck	1,800.00
Collat: 100 shs. Van Camp, Pfd.	
80 " Van Camp, Com.	
The collateral is valued at $1,880.00.	
Mary A. Bernsdem	675.00
Collat: 30 shs. BoneseKentucky valued at $690.00.	
E. L. Birch	6,000.00
Collat: 300 shs. BoneseKentucky	
50 " Kentucky Rock Asphalt Com.	
Collateral valued at $6,075.00.	
Kate B. Bishop	10,000.00
Collat: 400 shs. BoneseKentucky valued at $9,200.00.	
Samuel D. Boden	5,496.80
Collat: 240 shs. BoneseKentucky	
17 " Louisville (Ky.) Cotton Mills.	
The first issue is valued at $5,520.00. The second issue has no collateral value.	
C. W. Bohannan	228.14
Collateral: 10 shs. BoneseKentucky valued at $230.00.	
Florence A. Bosemeyer	5,448.00
Collat: 180 shs. BoneseKentucky	
10 " Util.& Industrial Pfd.	
Collateral is valued at $5,718.00.	
Burt A. Brown	23,800.00
Collat: 1960 shs. BoneseKentucky valued at $25,280.00.	

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Exhibit 19

Form 1420.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 . *Date of Report* April 26, 1930.

J. G. Brown Collat: 2,000 shs. BancoKentucky valued at $46,000.00.	40,000.00
Mr. Brown Collat: 10 shs. BancoKentucky, valued at $230.00.	230.00
Croydon C. Carpenter Collat: 10 shs. Congoleum Nayin Com., valued at $170.00.	165.00
John Brahanon Coll: 100 shs. Centrifugal Pipe 480 " American Turf 80 " L. & N. R. R. $9600.00 C/D 47 shs. Courier-Journal Job Prtg. Com., Louisville, Ky. The first four issues are appraised at $36,810.00. The last issue is not listed.	37,207.90
Sarah Jane Buckner Coll: 10 shs. BancoKentucky valued at $230.00.	240.00
Fred G. Burderff Coll: 1000 shs. BancoKentucky valued at $23,000.00.	20,000.00
Business Enterprise Co. Coll: 750 shs. BancoKentucky valued at $17,250.00.	14,250.00
H. St. G. Carmichael Collateral: 150 shs. Kentucky Rock Asphalt Com. valued at $2,250.00.	2,421.90
Allen R. Carter Collat: 200 shs. BancoKentucky $2,500.00 Big Springs Golf Club, 2nd 6 - 1934. The first issue is valued at $4,600.00. The last issue is of uncertain value.	4,972.65
J. J. Casey Coll: $750.00 C/D $1,000.00 Duesburg, Germany 7- 32 120 shs. American Turf 30 " Stein Bros. A Collateral is valued at $4,130.00.	3,450.00
J. Matt Chilton Collateral: 24,929 shs. American Turf valued at $573,067.00. No diversification.	$20,000.00
J. Morgan Chinn et al Collat: 71 shs. American Radiator & S. S. Com., valued at $2,627.00.	4,000.00
G. A. Christian Coll: 400 shs. BancoKentucky valued at $9,200.00.	8,162.67
Jas. T. Clark Collat: 1,125 shs. American Turf 20 " Majestic Theatre Co., Louisville, Ky. Collateral is valued at $31,956.00.	$21,000.00
Jas. Coomes Collateral: 100 shs. BancoKentucky valued at $2,300.00	2,450.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 8-26

Exhibit 19

Form 1436.--Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9513 *Date of Report* April 26, 1930.

Frank Grabb Coll: 5 shs. BancoKentucky valued at $115.00.	115.00
Mrs. J. Crowe Coll: 64 shs. Reynolds Investing Com., valued at $704.00.	1,780.00
Robert T. Crowe Collateral: 136 shs. " " " " $1,496.00.	1,500.00
Gertrude Crutcher Collateral: 20 shs. BancoKentucky valued at $460.00.	480.00
Lee Curry Collateral: 100 shs. BancoKentucky valued at $2,300.00.	2,000.00
Margaret C. Davis Collateral: 21 shs. BancoKentucky valued at $483.00.	500.00
Paul A. Davis Collateral: 100 shs. BancoKentucky valued at $2,300.00	2,215.00
L. T. Derryberry Collateral: 1,000 shs. BancoKentucky 250 " M. E. Derryberry Co., Nashville, Tenn. The first issue is valued at $23,000.00. The last issue is not listed.	25,294.08
Geo. R. Diefenbach Collateral: 92 shs. Reynolds Investing Com. 5 " Alleghany, Com. 24 " U. S. Foil B. Com. $50.00 C/D. The collateral is valued at $2,294.00.	2,150.00
W. E. Diesing Collateral: 8 shs. BancoKentucky valued at $184.00.	200.00
C. H. Durail Collateral: 100 shs. BancoKentucky valued at $2,300.00.	2,000.00
C. W. Erken Collateral: 250 shs. BancoKentucky valued at $5,750.00.	5,800.00
Pauline Eskenroth Collateral: 200 shs. BancoKentucky valued at $4,600.00.	4,000.00
Christine Kivin Collat: 5 shs. BancoKentucky valued at $115.00.	115.00
J. M. Exmart Collat: 800 shs. BancoKentucky 65 " Exmart Packing Com. 37 " " " Pfd. $25M C/D. Collateral is valued at $36,615.00.	37,500.00
Harold Estes Collateral: 157 shs. Cities Service Com. 30 " Associated G. & E. A. 20 " Cent. Pub. Corp. of Maryland $500.00 C/D Collateral is valued at $3,140.00.	2,750.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6 -27

Exhibit 19

Form 1420—Report
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* April 24, 1930.

A. T. Fennesley Collateral: 1000 shs. BancoKentucky 50 " Pennsylvania, Ry. Collateral is valued at $27,250.00.	25,000.00
B. H. Fennesley Collateral: 2700 shs. BancoKentucky $1M. C/D Collateral is valued at $66,100.00.	25,000.00
E. L. Fontaine Collateral: 800 shs. BancoKentucky 80 " Farmers Deposit Bank, Brandenburg, Ky. Par $80.00. The first issue is valued @ $11, 150.00. The second issue is not listed.	12,78 8.08
L. L. Fontaine Collateral: 3,560 shs. BancoKentucky Collateral is valued at $83,860.00.	92,500.00
Marjorie Fontana Collat: 5 shs. BancoKentucky Collateral is valued at $118.00.	-125.00
Margarette J. Gaines Collateral: 10 shs. BancoKentucky valued at $220.00.	220.00
Frank A. Garet Coll: 120 shs. American Turf 105 " Phillips Petroleum Collateral is valued at $7,545.00.	7,180.00
Clarence D. Glass Coll: 500 shs. BancoKentucky 10 " Southwestern Express. Collateral is valued at $11,050.00.	11,500.00
V. C. Glass Collateral: 100 shs. BancoKentucky 50 " V. C. Glass Carpet Co. The first issue is valued at $2,500.00. The second issue is unlisted.	3,200.00
H. R. Grant Collateral: 1,800 shs. BancoKentucky valued at $35,400.00.	34,600.00
Bransy D. Greene Collateral: 15 shs. BancoKentucky valued at $345.00.	350.00
Joe H. Greenstein Collateral: 120 shs. American Turf valued at $3,240.00.	3,037.66
L. W. Guise Collateral: 6 shs. U. S. Industrial Alcohol Com. valued at $534.00.	600.00
Robert H. Haag Coll: 50 shs. BancoKentucky valued at $1,450.00.	1,220.00
Isabella Hagedorn Collateral: 10 shs. BancoKentucky valued at $230.00.	244.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-28

Exhibit 19

Form 1420.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9613 *Date of Report* April 28,1930.

Catherine Haggan Collateral: 5 shs. BancoKentucky valued at $115.00.	115.00
A. C. Hamilton Collateral: 100 shs. BancoKentucky valued at $2,300.00.	2,300.00
S. L. Hamilton Collateral: 620 shs. BancoKentucky valued at $14,260.00.	12,250.00
Thomas Harred Collateral: 5 shs. BancoKentucky valued at $115.00.	115.00
J. H. Harrison Collateral: 100 shs. American Turf Co. 500 " BancoKentucky Collateral is valued at $14,200.00.	12,960.68
Harry M. Heath Collateral: 500 shs. BancoKentucky $1,000.00 C/D Collateral is valued at $13,500.00. In addition debtor owes an unsecured note of $4,000.00.	12,150.00
John H. Hess Collateral: 10 shs. BancoKentucky valued at $230.00.	220.00
Carl Hillrich Collateral: 5 shs. BancoKentucky valued at $115.00.	120.00
Ealee B. Hobs Coll: 500 shs. BancoKentucky $2,000.00 C/D. Collateral is valued at $15,500.00.	11,700.00
Warren F. Hoech Collateral: 20 shs. BancoKentucky 20 " Reynolds Investing Com. 50 " American Turf. Collateral is valued at $2,060.00.	1,725.78
L. M. Humphrey Coll: 1,440 shs. BancoKentucky 10 " Johns-Manville Com. Collateral is valued at $34,290.00.	29,000.00
J. Bernard Hutcheson Coll: 100 shs. BancoKentucky 15 " Curtiss Wright Com. Collateral is valued at $2,460.00.	2,450.00
Robert C. Ilgi Collateral: 1,000 shs. BancoKentucky 100 " Monsol Com. $3,008.75 Savings account. Collateral is valued at $27,505.00.	24,015.17
Zach Jacoby Collateral: 200 shs. BancoKentucky valued $4,600.00.	3,000.00
Hal T. Jefferson Collateral: 2,800 shs. BancoKentucky valued at $59,800.00	48,944.25
J. Wm. Jefferson Collateral: 9,000 shs. BancoKentucky valued at $207,000.00.	206,178.08

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-29

Exhibit 19

Form 1420.—Revised
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 3815 *Date of Report* April 26, 1930.

I. S. Jenkins Collateral: 800 shs. BancoKentucky 300 " Amer. Agri. Chem. A. 100 " International Chem. Com. $2,800.00 C/D. 95 shs. I. Sidney Jenkins, Inc., Louisville, Ky. The first four issues are valued at $10,100.00. The last issue is unlisted and of uncertain value.	13,220.80
C. F. Jones Collateral: 6,340 shs. BancoKentucky valued at $214,280.00.	188,000.00
Olivia Kansberg Collateral: 10 shs. BancoKentucky valued at $250.00.	250.00
Albert H. Kastner Collateral: 400 shs. Reynolds Investing Com. valued at $4,400.00.	5,000.00
Milburn P. Kelley Collateral: 100 shs. BancoKentucky valued at $2,500.00.	2,500.00
J. E. Kigal Collateral: 55 shs. BancoKentucky valued at $1,265.00.	1,363.75
Katherine Kiley Collateral: 2 shs. BancoKentucky valued at $46.00	48.00
J. J. Kimbel Collateral: 200 shs. BancoKentucky 60 " Tell City (Ind.) Desk Co. Par $50.00 The first issue is valued at $4,600.00. The last issue is not quoted, nor was its value ascertainable.	5,000.00
Louis A. Klapheke Collateral: 50 shs. BancoKentucky valued at $1,150.00.	1,275.21
Robt. H. Klapheke Collateral: 50 shs. BancoKentucky valued at $1,150.00.	1,275.21
Vincent Klapheke Collateral: 50 shs. BancoKentucky valued at $1,150.00.	1,275.21
John T. Klein Collateral: 10 shs. BancoKentucky valued at $230.00.	204.05
Koby Drug Co. Collateral: 50 shs. BancoKentucky valued at $1,150.00.	1,000.00
Raymond Koehler Collateral: 10 shs. BancoKentucky valued at $230.00.	250.00
D. Lampton Collateral: 100 shs. Fourth and First National Bank, Nashville, Tenn., valued at $12,000.00.	15,566.00
Chester Lauer Collateral: 21 shs. BancoKentucky valued at $483.00.	475.00
Margaret Leamy Collateral: 20 shs. BancoKentucky valued at $460.00.	408.06
Frank J. Leebleiter Collateral: 20 shs. BancoKentucky valued at $460.00.	450.00

To the Comptroller of the Currency,
Washington, D. C. *Examiner.*

EXTRA SHEET PAGE 6-30

Exhibit 19

Form 1488—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9513 *Date of Report* April 26, 1930.

Robert G. Lechleiter Collateral: 80 shs. BancoKentucky valued at $1120.00.	1,600.00
Walter E. Lincoln Collateral: 10 shs. BancoKentucky valued at $250.00.	200.00
C. E. Livingston Collateral: 200 shs. BancoKentucky valued at $4,000.00.	4,080.87
Wm. B. McNulty Collateral: 15 shs. BancoKentucky valued at $345.00.	375.00
Monica Mahoney Collateral: 5 shs. BancoKentucky valued at $115.00.	125.00
Cecil T. Marshall Collateral: 5 shs. BancoKentucky valued at $115.00.	125.00
Elizabeth Mattingly Collateral: 5 shs. BancoKentucky valued at $115.00.	115.00
W. A. Maglemiery Collateral: 200 shs. BancoKentucky valued at $4,600.00.	4,000.00
Joseph T. Mangel Collateral: 1,000 shs. BancoKentucky valued at $23,000.00.	22,987.50
S. C. Mangel Collateral: $50M C/D. 1,000 shs. BancoKentucky 1,200 " Foreign and Domestic Veneer Co., Par $25. The first two issues are valued at $75,000.00. The last named is not quoted.	89,420.17
C. M. Miller Collateral: 15 shs. BancoKentucky valued at $345.00.	375.00
Harold Mitchell Collateral: 20 shs. BancoKentucky valued at $460.00.	492.58
R. A. Moeller Collateral: 25 shs. BancoKentucky valued at $575.00.	309.00
C. H. and Edwin P. Morrow Collateral: 400 shs. BancoKentucky valued at $9,200.00.	8,356.00
Fg A. Mulligan Collateral: 5 shs. BancoKentucky valued at $115.00.	100.00
Peter J. Murphy Collateral: 50 shs. BancoKentucky valued at $1,150.00.	1,250.00
J. L. Newman Collateral: 500 shs. BancoKentucky valued at $11,500.00.	10,000.00
A. L. Noe Collateral: 250 shs. BancoKentucky 100 " Reynolds Investing Com. Collateral valued at $6,880.00.	6,400.00
Clara A. Obermeier Collateral: 412 shs. American Turf 100 " Indian Refining Com. Collateral is valued at $10,684.00.	11,460.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-31

Exhibit 19

Form 1120. Revised
TREASURY DEPARTMENT.
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 3312 *Date of Report* April 26, 1920.

H. A. Obermeier	19,388.65
Collateral: 200 shs. Indian Refining Com. 200 " BancoKentucky 300 " American Turf 360 " Louisville Ry. Com. Collateral is valued at $20,600.00. In addition Mr. Obermeier owes $1,000.00 endorsed by E. J. Angermeier.	
J. Pilcun	250.00
Collateral: 10 shs. BancoKentucky valued at $250.00.	
Wm. B. Pirtle	2,000.00
Collateral: 100 shs. BancoKentucky valued at $2,500.00.	
Magdaline B. Preis	1,000.00
Collateral: 5 shs. Louisville Ry. Com. 27 " " " Pfd.	
Hallie S. Priddy	24,970.00
Collateral: 1,000 shs. American Tarf.	
Lawrence Putnam	118.00
Collateral: 5 shs. BancoKentucky valued at $118.00.	
A. P. Ramser	30,000.00
Collateral: 1,500 shs. BancoKentucky valued at $34,500.00.	
Camille M. Ramser	668.25
Collateral: 25 shs. BancoKentucky 1 " Amer. Tel. & Tel. Collateral valued at $656.00.	
C. L. Revenaugh	250.00
Collateral: 10 shs. BancoKentucky valued at $250.00.	
W. M. Riley	2,288.00
Collateral: 100 shs. BancoKentucky 15 " Selected Industries Com. Collateral is valued at $2,480.00.	
W. S. Ritman	800.00
Collateral: 25 shs. BancoKentucky valued at $875.00.	
Armand Rossiner	668.25
Collateral: 5 shs. C. R. I. & P. Pfd. valued at $668.00.	
Geo. Ruffner, Jr.	118.00
Collateral: 5 shs. BancoKentucky valued at $118.00.	
F. W. Samsel	14,448.00
Collateral: 200 shs. Canal Constr. Com. 80 " Intl. Harvester Com. 150 " S. O. of Ky. 100 " Utilities and Industrial Pfd. 100 " Commonwealth and Southern Com. 100 " BancoKentucky $1,000.00 C/D The last six issues are valued at $13,900.00. The first issue is not quoted.	
S. M. Smagley	26,794.17
Collateral: 1,000 shs. BancoKentucky 200 " Tenn. Prod. Com.	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-22

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

Exhibit 19

No. of Bank 5512 *Date of Report* April 26, 1960.

100 shs. Ford Motor Ltd. 50 " The Dailey Register. The first three issues are valued at $26,900.00. The last issue is not quoted.	
Susan M. Seanland Collateral: 48 shs. BancoKentucky valued at $1,104.00.	1,060.00
Wm. F. Scharfenberger Collateral: 20 shs. BancoKentucky valued at $460.00.	400.00
Amelia Seidenfaden Collateral: 300 shs. BancoKentucky 50 " Cities Service Com. Collateral is valued at $8,300.00.	7,500.00
Charles Seymour Collateral: 100 shs. BancoKentucky valued at $2,300.00.	2,040.67
Kate L. Shinniek Collateral: 120 shs. American Turf. 50 " Standard Oil of Ky. Collateral is valued at $4,320.00.	4,375.00
W. C. Simpson Collateral: 1,340 shs. BancoKentucky 1,500.00 Louisville Title 6 % 5,750.00 C/D. Collateral is valued at $36,070.00.	32,580.00
Leon L. Solomon Collateral: 150 shs. Commonwealth Life Ins. Co. 10 " Thrift Realty Co. $1,500.00 C/D. The value of the first stock issue and the C/D is $10,500.00 The other stock issue is not quoted.	10,600.00
Stanley Reed Collateral: 1,000 shs. BancoKentucky 1,200 " American Turf Collateral is valued at $58,400.00.	57,859.42
Condit Steel Collateral: 5 shs. BancoKentucky valued at $115.00.	125.00
C. B. Stoltenpohl Collateral: 10 shs. BancoKentucky valued at $250.00.	250.00
Harry G. Talamini Collateral: 1,000 shs. BancoKentucky valued at $25,000.00.	50,000.00
Edward Theobald Collateral: 1,000 shs. BancoKentucky valued at $25,000.00.	25,804.17
John Thomas Collateral: 50 shs. BancoKentucky valued at $1,150.00.	1,250.00
James E. Tierney Collateral: 121 shs. Continental Oil of Del. valued at $5,809.00.	4,700.00
George C. Traeger Collateral: 20 shs. BancoKentucky valued at $460.00.	442.21

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-58

Exhibit 19

Form 1580.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 9818 *Date of Report* April 28, 1930.

Fred Trosa	2,580.00
Collateral: 100 shs. BancoKentucky valued at $2,800.00	
Orville Truman	1,606.07
Collateral: 50 shs. BancoKentucky	
615.22 Savings A/c	
Collateral valued at $1,765.22.	
D. P. Vandivier	1,680.00
Collateral: 10 shs. Associated G. & E. Com.	
80 " BancoKentucky	
$200 C/D	
Collateral is valued at $1,810.00.	
Robert F. Vaughn	12,800.00
Collateral: 500 shs. BancoKentucky	
100 " Ky. and Va. Leaf Tobacco Co.	
The first issue is valued at $11,500.00. The second issue is not listed.	
Charles Vanderhite	4,000.00
Collateral: 200 shs. BancoKentucky valued at $4,600.00.	
Mrs. Mayme Vonaye	280.00
Collateral: 10 shs. BancoKentucky valued at $280.00.	
James A. Wallace	7,500.00
Collateral: 108 shs. American Turf	
5,488.14 Irvine Ky. St. Imp. 6 - 1931-34	
5 shs. Peoples Exchange Bank, Beattyville, Ky.	
300 " Union Bank & Trust Co., Irvine, Ky.	
The last two issues are not quoted.	
John H. Walter	408.07
Collateral: 20 shs. BancoKentucky valued at $460.00.	
Philip B. Watson	4,500.00
Collateral: 200 shs. BancoKentucky valued at $4,600.00.	
Prince Wells	11,731.91
Collateral: 500 shs. BancoKentucky valued at $11,500.00.	
F. L. Wilkerson	2,537.50
Collateral: 100 shs. BancoKentucky	
10 " Utility Industrial Pfd.	
5 " Phillips Petroleum Co.	
Collateral valued at $2,765.00.	
Louis M. Woodward	1,220.00
Collateral: 50 shs. BancoKentucky valued at $1,150.00.	
Willard C. Worcester	1,060.00
Collateral: 50 shs. BancoKentucky valued at $1,150.00.	
Louise Wright	625.00
Collateral: 25 shs. BancoKentucky valued at $625.00.	
Stanley B. Young	16,000.00
Collateral: 525 shs. Kentucky Rock Asphalt Com.	
845 " American Turf Com.	
10 " Ky. Consol Stone Pfd.	
10 " Bankers Trust Co., Louisville, Ky.	
50 " BancoKentucky	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-34

Exhibit 19

Form 1420.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* April 28, 1930.

50 shs. Louisville Ry. Com.
Collateral is valued at $17,500.00.

W. T. Zur Schmede 37,500.00
Collateral: 1700 shs. BamcoKentucky valued at $39,100.00.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 19

No. of Bank, [redacted]

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes		Name of issuing corporation, character of mortgage, rate, and maturity		Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off (See note below)
		U. S. BONDS PLEDGED TO SECURE CIRCULATION				
2,860,000.00	2	U. S. Consols	30	2,860,000.00		
		U. S. BONDS PLEDGED.				
75,000.00	4½	Fourth L. L. Bonds		75,000.00		Pledged U. S. Treas.
		MUNICIPALS.				
15,000.00	4½	Port of New Orleans	41-42	14,400.00	14,400.00	Secure Postal Savings
20,000.00	5	" " " "	32-37	20,000.00	20,000.00	do.
10,000.00	4½	City, Los Angeles, Calif.	46	9,800.00	9,800.00	do.
14,000.00	5½	City, Louisville	43	12,110.00	15,380.00	do.
20,000.00	4½	do. (Hospital)	51	20,400.00	21,450.00	do.
56,000.00	3½	do. Refund.	41	57,290.00	62,040.00	do.
10,000.00	4½	do. School	54	10,100.00	10,000.00	do.
25,000.00	4	do. Sewer		24,375.00	24,500.00	do.
29,000.00	5	do. "	41	25,635.00	25,375.00	do.
10,000.00	4½	City, Omaha, Neb.	55	10,000.00	10,000.00	do.
25,000.00	5	City Rock Mtn.	55	25,000.00	25,000.00	do.
10,000.00	4	Tenn. Rfd. Ser. "A"	49	9,500.00	9,500.00	do.
100,000.00	4	City Louis, Sch.	67	103,750.00	100,000.00	
5,200.00	4½	do.	54	5,252.00	5,200.00	
				345,612.00	350,625.00	
		PUBLIC UTILITIES.				
110,000.00	6	Louis, Gas & Elec.	37	104,500.00	104,500.00	Repurchase agreement - Stewart Dry Goods Co.
7,000.00	5	Louis. Home Tel. Co.	33	7,000.00	6,790.00	
96,000.00	5	Louis. Ry.	30	87,302.50	87,302.50	
259,000.00	5	Louis. Ry. Genl. Mtg.	50	196,944.88	176,180.00	$173M. Repurchase agreement Stewart Dry Goods Co.
350,000.00	6	Louis. Ry. Coll. Trust 6-1-50		350,000.00	350,000.00	Secure Trust Deposits
100,000.00	5	Buffalo Ry.	31	85,330.00	93,000.00	
100,000.00	5	Crosstown St. Ry. Buffalo	32	86,320.00	82,000.00	
				917,397.18	899,712.50	
		FOREIGN				
5,000.00	4	Porto Rico	1933	4,950.00	4,950.00	
		RAILROAD				
500.00	5	Chi. Ind. & Louisville "A"	1966	461.25	512.50	
170,327.80	4½	Kentucky & Indiana Term.	1961	143,265.74	145,630.01	
2,400.00	5	International Railway	1962	1,560.00	1,272.00	
				145,284.99	147,414.51	
		TOTAL,			SEE EXTRA SHEET	

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1438, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, state, if possible, the amount of the original indebtedness.

9—1938

Exhibit 19

Form 1429
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

No. of Bank 9818 *Date of Report* April 26, 1930.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	STOCKS			
800 shs. 17,948½ "	Van Camp Packing, Pfd.) do. Com.)	307,940.16	175,848.65	
	Part of this stock was acquired D P C. The bank acquired rights to subscribe to additional stock and exercised this privilege. This action was in violation of law. At meeting of your examiner with directors it was agreed that unless stock is sold and adjustment of profit or loss made on profit accounts of bank by July 15, 1930, the management will, on July 16, 1930, charge to undivided profits any market loss existing.			
200 shs.	National Candy Co., Com.	5,750.00	5,000.00	
52 shs.	Louisville Ry. Com. Loss charged off during examination.	1,716.00	624.00	DPC Stella Van Dyke Estimated loss - $1,092.00
355 shs.	International Fltrs. Corp. Pfd.)		52,950.00	
2,788 "	International Fltrs. Corp. Com.)			
900 "	Louisville Ry. Com.)		10,350.00	
5 "	L. H. & St. L. Pfd.)	115,000.00	475.00	
7,200 "	Rich Patch Land Co. Par 100)		-0-	
800 "	Industrial Ownership Corp. Par $100)		-0-	
	Bank has a group of stocks which are carried at $115,000.00. An appraisal of these stocks has disclosed the fact that there is a substantial loss in them. Estimated loss $51,225.00 charged off. during examination.			
37.55	Unmatured coupons	37.55	37.55	
	Total Stocks	428,443.69	249,250.15	
	MISCELLANEOUS			
5,000.00	Bankers Mtg. Co.(Bond of Goldie Revits and Lillie Burg, dated 6-23-26	5,000.00	5,000.00	Slow
	TOTAL	EXTRA SHEET PAGE 7-1		

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 19

Form 1480
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

No. of Bank 5613 Date of Report April 26, 1930.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	MISCELLANEOUS - - Cont'd.			
3,375.00	1st Mtg. Real Estate Notes J. H. Bickel	3,375.00	3,375.00	Slow
265,000.00	Notes, Rogers Caldwell, et al. Collateral: $295,000.00 Murray Rubber Co. 1st Mtg. Bonds (Discussion of line of Murray Rubber Co. and its classification is under Slow and Doubtful Paper and Losses on Loans)	265,000.00	265,000.00	
	At meeting of directors of bank, May 15, 1930, which was attended by your examiner, it was agreed that the entire Murray Rubber Co. line of which this is a part, will be taken out of bank by September 1, 1930.			
25,000.00 6½	Detroit & Canada Tunnel 48	24,187.50	22,625.00	
35,000.00	A. E. Latta	35,000.00	35,000.00	Slow $25,000.00 - Doubtful $10,000
	This represents the purchase price of some real estate across the street which the National Bank of Kentucky contemplated using as the location for a new banking house. The property was acquired in the name of A. E. Latta for purposes of expediency. The value of this property is problematical. It is probably less than at the time it was acquired. The National Bank of Kentucky contemplates shortly moving some distance away. It is probable that real estate in this vicinity will suffer sharply after the removal. $10,000.00 of the item is classed as doubtful.			
	TOTAL,	EXTRA SHEET PAGE 9-2		

To the Comptroller of the Currency, Washington, D. C.

Examiner.

Form 1488
TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

Exhibit 19

No. of Bank 8518 *Date of Report* April 26, 1930.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes		Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off.
		MISCELLANEOUS - Cont'd.			
$4,000.00	5	Liberty Washington Cedar St. Corporation	87,500.00	87,500.00	Slow
		These are second mortgage bonds on a New York office building. The interest and maturing bonds have all been promptly met. This is a slow "work-out" proposition, but it looks like the bank may escape loss.			
2,000.00	6	Louisville Title Co. 32	2,000.00	2,000.00	
$18,361.42		State of Kentucky Warrants	808,351.42	808,351.42	
		Total Miscellaneous	1,230,415.92	1,238,851.42	
		DEFAULTED BONDS.			
400.00	7½	Associated Motor Ind. 1st 32	358.63	358.63	
		This is a part of the debt of the Kentucky Wagon Manufacturing Company. The line of the company is discussed and classified under Slow and Doubtful Paper and Losses on Loans.			
15,000.00		Columbia Phosphate Mining Company, due 12-31-26	15,000.00	15,000.00	Slow
		Discussed under loan of company in Slow and Doubtful Paper and Losses on Loans.			
580,000.00	6	Murray Rubber Company 32	580,000.00	580,000.00	
		The Murray Rubber Company line is all discussed and classified under the caption, Slow and Doubtful Paper and Losses on Loans. The bonds are merely listed here, the doubtful and loss being all estimated under one heading.			
		Total Defaulted Bonds	595,358.63	595,358.63	

TOTAL

EXTRA SHEET PAGE 7-3

To the Comptroller of the Currency,
Washington, D. C

Examiner

Form 1420
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

Exhibit 19

No. of Bank 5512 *Date of Report* April 26, 1930.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	CLAIMS & JUDGMENTS.			
$12.82	Badger Aluminum Company	$12.82	-0-	
	This claim represents payment of taxes by the bank on the Oklahoma property. It is estimated as a loss and was charged off during this examination.			
$7,817.14	Kentucky Wagon Manufacturing Company	$7,817.14	$7,817.14	
	This is included in the line of the Kentucky Wagon Manufacturing Company and is discussed and classified under Head of Slow and Doubtful Paper and Losses on Loans.			
2,880.00	Louisville Provision Co.	2,880.00	2,880.00	
	This represents the purchase of a part interest by this bank in a note of the company held by the Interstate Trust Co., New York. The loan held by the New York bank was for $61,000.00. It was purchased by four local banks for $13,000.00. (See discussion of Louisville Provision Company under Slow and Doubtful Paper and Losses on Loans.)			
12,433.25	Peoples Bank, Springfield, Tenn.	12,433.25	-0-	
	(See discussion of the loan under Slow and Doubtful Paper and Losses on Loans.) Estimated as a loss and charged off during this examination.			
180,000.00	8 Hugh B. Fleece, first mortgage on 1,284 acres in Allen County, Ky.	92,928.29	92,928.29	DPC - E. H. Woods Doubtful - $50,000.00
22,000.58	First mortgage notes taken in payment for sale of unimproved property of E. H. Woods in Allen County, Ky.	22,000.58	22,000.58	D P C
	E. H. Woods had about 2,800 acres of land in Allen County, Kentucky. An effort was made to sell this land at a sale, but after the unimproved portion, aggregating about 1,500 acres was sold, the sale was then stopped. The first mortgage bonds			
	TOTAL	EXTRA SHEET PAGE 7-4		

To the Comptroller of the Currency, Washington, D. C.

Examiner.

Form 1480
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Examining Division

Exhibit 19

No. of Bank 5812 *Date of Report* April 26, 1930.

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and when interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	of Hugh B. Fleece are secured by the improved portion. Efforts were made to ascertain the value of the remaining land, but no satisfactory information was obtained. Under the circumstances $50,000.00 is estimated as doubtful. Your examiner believes unquestionably that loss exists in this claim and that it should be charged to Profit and Loss.			
416.80 6	Graphite Products Corp. of Delaware note	416.80	-0-	
	Estimated as a loss and charged off.			
	Total Claims & Judgments	186,888.28	175,626.01	
	RECAPITULATION			
	Municipals	845,612.00	850,625.00	
	Public Utilities -	917,397.18	899,718.50	
	Foreign	4,950.00	4,950.00	
	Railroad	145,284.99	147,414.51	
	Stocks	424,445.69	249,280.15	
	Miscellaneous	1,330,418.99	1,328,851.42	
	Defaulted Bonds	595,354.63	595,354.63	
	Claims & Judgments	186,888.28	175,626.01	
		3,856,345.69	3,651,818.22	
			204,530.47	Estimated loss and depreciation.
		3,856,345.69	3,856,348.69	

RECAPITULATION OF	Slow	Doubtful	Loss
Stocks	248,080.15		180,418.54
Miscellaneous	130,875.00	10,000.00	
Defaulted	15,000.00		
Claims & Judgments	87,808.87	50,000.00	13,262.27
	481,718.02	60,000.00	193,678.81

TOTAL, EXTRA SHEET PAGE 7-5

To the Comptroller of the Currency,
Washington, D. C.

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY — EXAMINING

Exhibit 19

No. of Bank, 8812

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate taken for debts previously contracted,		
2. Aggregate amount held in violation of law, (Leasehold)	11,818.60	5,466.56
TOTAL,	11,818.60	5,466.56

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease on property located at 4th & Catherie Sts., Louisville, acquired for establishment of branch office - Later opened branch elsewhere.	11,818.60	-0-	5,466.56			1,200.	1-1-28
TOTAL,	11,818.60		5,466.56				

Less $7,880.04.

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation?
Should be depreciated.
2. Is banking house suitable and convenient? Free of incumbrance and adequately insured?
No Yes
3. Are vault and safe secure? Are contents adequately insured? Is banking room used by any other banking institution?
No Yes No

RESERVE

1. Was reserve with Federal Reserve Bank sufficient on date of examination? If not, give the deficiency in dollars.
No $4,088.16
2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid?
Twice - $297.38

Note.—The directors should be advised of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is restored.

BANK ACCOUNTS

1. State rate of interest received on open accounts.	2. State rate of interest paid on open accounts.
2½ - 3%	2%

OVERDRAFTS

1. State whether habitually granted. What amount is unsecured? Secured?
Yes. 251 a/c's overdrawn $11,685.82 $131,989.18
2. Did you verify amount at date of examination?
Yes
3. Did you compare amount stated in last report of condition with amount shown by the books for same date?
Yes
4. Is overdraft account shown on the general ledger?
Yes
5. Does bank keep detailed daily record of overdrafts? Did you instruct?
Yes
6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

SEE EXTRA SHEET

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.

SEE EXTRA SHEET

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Did you instruct?
No Yes

Describe any irregular items	Itemize losses estimated
SEE EXTRA SHEET	

Form 1456—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

Exhibit 19

No. of Bank 8512 *Date of Report* April 26, 1930.

OVERDRAFTS - SIX MONTHS OLD.

5th & Main

J. Delfinger & Company	1/12/29	$11,340.91	Loan schedule

4th Street Branch.

Helen Barbee	5-22-29	.74	Loss
W. J. Bloomfield	8-19-29	8.00	"
J. Delfinger & Co.	9-20-28	128.69	Loan schedule
F. M. Harris	7-1-29	.02	Loss
E. L. Hartman	7-1-29	.01	"
B. J. Heflin	9-1-29	45.19	"
Mrs. H. T. Herndon	8-25-29	.41	"
Ayers C. Hughes	7-16-29	8.97	"
John J. Kennedy	9-12-29	.12	"
L. B. Kendall	7-1-29	.02	"
Mamie Kimwick	7-1-29	.01	"
Rocrese Knight	8-23-29	.05	"
Joseph Kyler	8-15-29	6.28	"
Virginia Howlett	9-3-29	..04	"
Elizabeth Morrison	4-22-29	.30	"
E. L. Merweiler	7-17-29	.05	"
Boyl Mettler	9-1-29	.05	"
J. G. Miner	7-1-29	.13	"
Felix Medjieki	4-13-29	1.28	"
Mary Patton	9-24-27	.60	"
Mrs. Harry Robinson	7-1-29	.09	"
Lula G. Stanley	7-10-28	.08	"
Mrs. H. H. Stonestreet	8-8-28	.10	"
J. W. Thompson	7-1-29	.07	"
Chas. M. Weaver	10-23-29	.20	"
Reynolds Wessel	11-19-28	1.00	"
Ida G. Wilson	8-12-29	.28	"
W. R. Wilson	7-1-29	.09	"
Jacob Schnable (Sundry)	10-2-29	.08	"
Total estimated loss		$66.38	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 8-1

Exhibit 19

Dall. April 26, 1[illegible].

[illegible] OF OFFICERS [illegible]
INTERLOCKED.

Kan[illegible]	$4,[illegible]
Herald Post Co. On Sept 30 this overdraft had increased to $3,[illegible].	[illegible]
[illegible]	9,[illegible]
[illegible]	11,[illegible]

The total overdrafts of this bank at time examination hereof was $[illegible]. This amazing total when shown in a published statement makes a very undesirable public exhibit. Such a publication cannot result in any benefit to the bank.

To the Comptroller of the Currency.

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EXTRA SHEET. PACE 8-2

Exhibit 19

Form 1480.—Report
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8812 *Date of Report* April 26, 1930.

CASH ITEMS.

6th Street Branch.

$ 50.00	Check W. S. Thornsbury, Jr. Bookkeeper	4/16/30
10.00	" Donald Hasselbeck Bookkeeper	4-29-30
62.50	Forged check So. Cement & S. Co.	Less
150.00	Charge ticket dated 11-15-29 for James A. Brown, Pres.	
1,000.00	Charge ticket dated 5-4-30, American Turf Assn.	
90.00	Coupons Rtd. Mrs. S. A. Dreyfus	
16.25	Coupon Equitable Bond & Mtg. Co. - Phillips Boolington	
10.00	Check ?	"
15.00	" Jimmie Zorn (Employee)	
5.00	Check John Morris " 4-19-30	
.80	11-1-29	"
100.00	Coupons returned Sam P. Myers	
10.00	Check dated 2-6-30 Catherine Wilson	
570.00	" " 4-14-30 endorsed Kentucky Hotel Co.	
84.25	" " 4-16-30 " " Con. Stone Co.	
5.00	" " 4-21-30 " " " " "	
4.97	" " — W. Brooks, account closed.	
1.40	Ditto	
35.00	Coupons K. of C. - no funds	
3.25	Coupon West Washington Building Corp. No funds	
20.00	Check dated 10-12-29 - L. T. Riley	"
10.00	Debit ticket CD'd L. L. F. (Old)-	"

8th & Main

63.45	Check Endorsed Carter Dry Goods Co. 4-18-30	
65.93	ditto	
.95	ditto	
236.67	Check endorsed Johnston Bros. & Co. 4-21-30	
12.85	ditto 4-24-30	
1.80	ditto 4-21-30	
150.00	Check endorsed Brown Hotel	
10.00	Check of C. H. Hunsinger dated 5-14-30	
501.56	" endorsed Geo. M. Eddy Co. 4-10-30	
1,000.00	" dated 8-8-28 J. Dolflinger & Co.)	Paid during
1,000.00	" dated 9-8-28 ditto)	examination,
1,000.00	" " 10-10-28 ditto	
1,000.00	" " 11-13-28 ditto	

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 8-8

Examiner.

Form 1466.—Feb. 29
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 19

No. of Bank, 8818

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept and amount outstanding stock does not agree, give particulars.
Properly kept
2. If bank owns any shares of its own stock, so state and advise how and when acquired.
None
3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.
None
4. Is stock registered by outside registrar?
No
5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?
None found

Note.—Examiner should note and report if surrendered certificates are not properly assigned, canceled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Give (1) Date of declaration of last dividend. 3-14-30 Payable? 4-1-30 Annual dividend rate is 18 %

(2) Amount of last dividend, $ 180,000.00 (3) State when reported. 4-12-30

1. Was last report of earnings and dividends correct? If not, give details.
Yes
2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses (items 2b and 2c) as required.
Yes
3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books.
None found
4. Is itemized expense account kept, and did you inspect that account and interest-paid account to date of previous examination?
Kept - inspected
5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Yes - examined annually by outside auditors:
Do the minutes record such action?
No
6. Did you inspect all earnings accounts from date of last examination?
Yes
7. State amount of losses charged off since last examination on loans, $ Bonds, $ Other, $
SEE EXTRA SHEET
8. State amount recovered on charged-off assets since last examination,

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. 1 - 4% Certificates of deposit. 3% - 4%
2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose.
Yes
3. Does bank retain all canceled certified checks or take receipts for any delivered?
Yes
4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited.
As presented - 3% semi-annually - - 1-1-30
5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for.
60 days
6. Give total of dormant ledger. $88,685.19 How are withdrawals safeguarded? 0 K'd by an officer
7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing.
Yes
8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination.
Yes - except individual and savings ledgers at Main Office. While auditors supervise
9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination. proof of same.
Yes

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list.
Letters of credit $6,875.00
2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere.
Yes - - both sources.
3. Average borrowings since last examination. Average B/P Fed. Res. Bk. $2,000M for 18 days
" B/P Other 1,750M for 27 days
" Bonds Borrowed 975M

List outstanding liabilities for money borrowed whether on bills payable, rediscounts, open accounts, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Fed. Reserve bank: Louisville	1,500,000.00	4-1-30	5-1-30	4%	Var. B/R	B/P	Yes
"	500,000.00	4-26-30	5-1-30	4%	"	"	"
War Finance Corporation:							
TOTAL,	2,000,000.00						
Other: Guaranty Tr. Co., New York	551,909.13	Var.	Var.	4%		Bills of Exch. Payable Abroad sold with end.	Yes
Import D. C. Co. Louisville, Ky.	200,000.00	7-3-29	7-3-30	4.82%	$175M Lou.Ry. Co. $125M Lou.G.& E. 6-37	Sold under R/P Agreement	"
TOTAL,	751,909.13						
GRAND TOTAL,	2,751,909.13						

Exhibit 19

Form 1488.—Revised.
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8312 *Date of Report* April 24, 1930.

LOSSES AND RECOVERIES.

		Loans	Bonds	Other	Recoveries.
12-31-29	Lillian C. Killman				1.00
12-31-29	F. G. Godapp and Andrew Hari				3,017.41
1-13-30	Claim Jellico Town.				7.50
1-14-30	Eberts Bros.				457.97
1-15-30	Lillian C. Killman				1.00
1-25-30	John T. Hill Dep.			55.00	
2-13-30	Shelly Schuster James Isert				17.50
2-18-30	Lillian C. Killman				1.00
2-18-30	Chas. E. Gallagher				75.20
2-26-30	Greenleder Notes				132.96
3-4-30	E. H. Ray				1,585.60
3-20-30	Mammoth Cave Pk. Subscription			4,000.00	
3-21-30	#27778 Badger Aluminum Co.	1,000.00			
3-21-30	#30188 E. B. Boden and W. T. Boden	30.00			
3-21-30	#47749 Annie L. & E. H. Bostic	100.00			
3-21-30	#32941 L. Branson	295.50			
3-21-30	#32489 Theo. Buschmeyer	200.00			
3-21-30	#3777 Wm. C. Carthorn	75.00			
3-21-30	Central Pt. & Roofing Co.	1,000.00			
3-21-30	#27886 - Clay Co. Coal	5,089.50			
3-21-30	#31748 - Jas. M. Coll	75.00			
3-21-30	#32889 - H. A. Cook	100.00			
3-21-30	#1827 - Day Coal Mining Co. End. Harlan Coal Co.	5,800.00			
3-21-30	#10009 - D. W. & R. W. Debaney	2,180.00			
3-21-30	#33681 Harry H. Dietz & J. T. Hall	6.00			
3-21-30	#3617 - J. E. Dunn & Temple Theatre Corp.	1,788.75			
3-21-30	#3898 - J. W. Dampling	20.80			
3-21-30	#4484 - Eureka Prod. Company	3,000.00			
3-21-30	#2979 - Geo. H. Fisher Co.	2,700.00			
3-21-30	#30088 - ditto	142.50			
3-21-30	#1902 - ditto	300.00			
3-21-30	#1903 - Alice Fisher	980.00			
3-21-30	#1905 - ditto	1,700.00			
3-21-30	#1904 - McPherson Realty Co.	110.85			
3-21-30	#1725 - Alice Fisher	2,850.00			
3-21-30	#32881 - Mess H. & L. A. Greenbaum	450.00			
3-21-30	#32833 - Geo. Hora	24.75			
3-21-30	#32844 - ditto	9.25			
3-21-30	#15720 - Koster Whiteman Co.	2,250.00			
3-21-30	#32782 - Ky. Plumbing and Heating Co.	845.13			
3-21-30	#32845 - Chandler & Lucas	25,000.00			

To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 2-A

Examiner.

Exhibit 19

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5518 *Date of Report* April 28, 1930.

		Loans	Bonds	Others	Recoveries.
3-21-30	#47637 - C. J. Sternberg	30.65			
3-21-30	#49159 - L. R. Mahan & C. T. Pearey	150.00			
3-21-30	#47808 - E. T. Pearey & Mrs. H. B. Waller	150.00			
3-21-30	#25119 - Carl Mauk	195.00			
3-21-30	#1400 - Chas. L. Meriwether & C. J. Meyer	404.00			
3-21-30	#9442 - ditto	385.50			
3-21-30	#56371 - ditto	305.00			
3-21-30	#54538 - ditto	152.25			
3-21-30	#8091 - ditto	256.25			
3-21-30	#52994 - ditto	253.78			
3-21-30	#54724 - ditto	404.00			
3-21-30	#52907 - ditto	151.95			
3-21-30	#51196 - ditto	255.75			
3-21-30	#51645 - ditto	507.50			
3-21-30	#57089 - ditto	507.50			
3-21-30	#52187 - ditto	253.80			
3-21-30	#53528 - ditto	253.79			
3-21-30	#53976 - ditto	255.21			
3-21-30	J. M. Carson Mkg. Co. Geo. Gibulka	3,000.00			
3-21-30	#14235 - Peerless Pkg. & Spec. Co. G. M. Bennett - D. M. Arnold	45.36			
3-21-30	#16917 - Premier Mfg.Co.	195.30			
3-21-30	#2492 - Edwin A. Reed	1,500.00			
3-21-30	#1115 - E. G. & J. W. Stoll	367.42			
3-21-30	#58741 - Deane C. Taylor & O.R. Patch	50.00			
3-21-30	#45574 - C. E. Walesby	175.00			
3-21-30	#13742 - Albert Nisbet	400.00			
3-21-30	#15119 - C. R. Snyder	500.00			
3-21-30	#14963 - ditto	275.00			
3-21-30	#2187 - E. H. Woods	28,000.00			
3-21-30	#4971 - ditto	10,327.77			
3-21-30	#5492 - Hunt Pickle Company	25,000.00			
3-21-30	#28184 - Geo. E. Noe	50.00			
3-21-30	#99573 - Ben H. Perry	34.64			
3-21-30	#17688 - T. H. Straub	129.65			
3-21-30	#26145 - Misses Tracy	196.15			
3-21-30	#2562 - Chas. J. Meriwether	808.13			
3-21-30	#58257 - ditto	904.50			
3-21-30	#58481 - ditto	2,020.33			
3-21-30	#52905 - ditto	2,020.33			
3-21-30	#52752 - ditto	2,020.33			
3-21-30	#55600 - ditto	2,020.00			
3-21-30	#52585 - ditto	1,212.50			
3-21-30	#58486 - ditto	353.50			
3-21-30	#18787 - C. H. Boden	155.94			
3-21-30	Ky. Wagon Co.	50,000.00			
3-21-30	Badger Glue Co.	188.95			
3-21-30	J. W. and Nell S. Straus	1,388.19			
3-21-30	H. W. Overly	72.50			
3-21-30	C. W. White - forged Ck.			9.00	
3-21-30	Premium Mfg. Co.			2.00	

To the Comptroller of the Currency,
Washington

Examiner.

EXTRA SHEET PAGE 9-2

Exhibit 19

FORM 1420.—Rev'd.
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* April 26, 1930.

		Loans	Bonds	Other	Recoveries.
3-21-30	Sam Warren			114.60	
3-21-30	W. E. Banks			50.00	
3-21-30	Fr n A. Brown			40.06	
3-21-30	John Lenike			40.35	
3-21-30	D. L. & E. H. Woods			1,361.36	
3-27-30	#6777 Bal. W. E. Cawthorn	75.00			
3-27-30	#6778 ditto	175.00			
3-31-30	Lillian S. Killman				1.00
4-2-30	C. M. Adams et al				25.00
4-3-30	Day Coal Mining Co.			5.70	
4-4-30	Fayley W. Caldwell				35.00
4-7-30	Kelley Schuster & Jas. Isert				17.50
4-7-30	Harry Dietz				6.00
4-9-30	E. T. & W. B. Bedan				10.00
4-9-30	Louise S. Bailey			10.00	
4-15-30	Geo. H. Fishor				306.00
4-15-30	ditto				194.00
4-16-30	Harry B. Koehler				3.61
4-18-30	E. H. Woods				40.07
		194,701.37	-0-	5,666.87	5,881.32

To the Comptroller of the Currency,
Wash *Examiner.*

EXTRA SHEET PAGE 9-8

Exhibit 19

Form 1480 Rev.
TREASURY DEPARTMENT
Comptroller of the Currency Examining

No. of Bank, [redacted]

BOOKS AND ACCOUNTS

GENERAL LEDGER

1. Is satisfactory general ledger kept? By whom kept? Is daily statement taken?
   Yes — Mr. Williams — Yes
2. Are accounts with correspondent banks reconciled at least monthly? By whom?
   Yes — Auditing Dept.
3. Are reconcilements verified? By whom? Is reconcilement book kept?
   No
4. Are the general and control accounts carried on the general ledger? If not, give full explanation.
   Yes
5. Are loans and discounts proved at least monthly? Does custodian verify?
   Yes — Proved by Auditing Dept.
6. Are certificates of deposit proved frequently by listing outstanding items?
   Yes
7. Does the employee verifying them issue the certificates?
   No

INDIVIDUAL AND SAVINGS LEDGERS

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers.
   Yes
2. Is satisfactory individual ledger kept.
   Yes
3. State whether bank verifies balances with depositors periodically.
   Statement system
4. State form of individual and savings ledgers.
   Individual - machine posted. Savings - pen posted.
5. State how often individual or savings ledgers are proved.
   Weekly, individuals - Semi-monthly, savings.
6. Whether by some one other than clerk keeping same.
   Proved by Auditing Department
7. Is balancing of pass book or statement noted on the ledger? In what manner?
   New statement issued.
8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? State name.
   Catherine Hogrum
9. Are officers and employees required to take annual vacations?
   No
10. Is interest properly credited every six months on savings accounts?
    Yes

IN GENERAL

1. Are paid and canceled drafts filed satisfactorily?
   Yes
2. Are proper entries made in Redemption Fund and Circulation Accounts? If not, were instructions given?
   Yes
3. Are the books so kept that the examiner can readily make a thorough and complete examination?
   Yes
4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection.
   Satisfactory
5. Is all business for each calendar day included in proper account for that date?
   Yes
6. Are erasures made of entries on books by the use of acid or otherwise? If so, did you give proper instructions?
   None observed
7. Does the bank keep a liability ledger? How often balanced? Is it a practicable book?
   Yes — Every two weeks — Yes
8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions?
   Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held.
   Weekly - Fridays
2. In what manner do they authorize or approve loans or discount?
   Serially - all loans over $5,000.00 read to board
3. State whether they have an active discount committee. Are their meetings and actions properly recorded?
   Officers act
4. State whether they have an active examining committee. Is complete and satisfactory report on file?
   No - examined by public accountants
5. Give date of last committee examination. Do minutes record report? Are active officers only on committee?
   12-13-29 — No
6. State whether loans and discounts to their firms and corporations are specially acted upon by the board.
   No
7. Are the by-laws adequate? Are their provisions regularly observed by the officers and directors?
   Yes — apparently so
8. Was copy of report of last examination by examiner considered by directors and noted on minutes?
   Yes - 2/7/30
9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes?
   No

Form 1608—Page 11
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

Exhibit 19

No. of Bank, 8818

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

Yes - Louisville Trust Co., Louisville, Ky., through unification of stock.

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

Yes

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

Individually

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

Yes

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state.

SEE EXTRA SHEET

ITEMS FOR SAFE KEEPING

Is a proper record kept of securities left for safe-keeping? Yes

Were securities checked against such records? Yes

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
All loans and discounts,	5,050,025.88	1,101,965.92	1,042,335.04 66.38	
Overdrafts,				
Premium on U. S. Bonds,	451,714.02	60,000.00	193,676.81	
Bonds, securities, etc.,				
Banking house,				
Furniture and fixtures,	3,466.56		7,850.04	
Other real estate,			102.80	
Cash Items,				
Shortages,				
Judgments,				
Unpaid Bills,				
TOTAL,	5,505,205.86	1,161,965.92	1,244,030.07	

Were estimated losses charged off during examination?

$139,365.86 charged off. (See Criticism No. 5)

List items requiring attention and note any corrections made or promised during examination.

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	2,000,000.00
Net undivided profits,	289,177.17
All reserve accounts,	454,840.61
TOTAL,	2,744,017.78

SEE EXTRA SHEET

Examiner.

W. O. Thom
Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 8.

Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 19

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* April 28, 1930.

OFFICERS AND DIRECTORS OF THIS BANK WHO ARE OFFICERS OR DIRECTORS IN OTHER BANKS.

Director James B. Brown is also a director in each of the following banks:

Name	Location	Total	Member
Pearl Market Bank & Tr. Co.,	Cincinnati	13,800,000.00	Yes
Brighton Bank & Trust Co.,	"	14,000,000.00	"
Peoples Liberty Bank & Tr. Co.,	Covington, Ky.	5,700,000.00	No
Central Savings Bank & Trust Co.	Covington, Ky.	2,400,000.00	"
Ashland National Bank,	Ashland, Ky.	7,000,000.00	Yes
First National Bank,	Paducah, Ky.	5,700,000.00	"
Security Bank	Louisville, Ky.	2,700,000.00	No
Louisville Trust Co.	"	24,000,000.00	Yes

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 11-1

Exhibit 19

Form 1476 Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9512 *Date of Report* April 8th, 1930.

ITEMS REQUIRING ATTENTION

1. Large amount of Overdue Loans described on Page 4 and on supplemental pages.	The large amount of Statutory Bad Debts renders doubtful the legality of any dividend declared until the amount of such loans has been greatly reduced. Directors might incur personal liability to pay back into bank any dividends declared under such conditions.
2. Slow and Doubtful Loans, described on Page 4 and on supplemental pages.	Close attention should be given.
3. Leases, described on Pages 4,7,8 and on pages supplemental thereto.	Leases were agreed upon as follows: Charged at this examination 139,565.86 Kentucky Wagon Co. - to be taken out of bank by Sept. 1, 1930 478,569.97 Murray Rubber Co. - to be taken out of bank by Sept. 1, 1930 800,000.00 Van Camp stock - less existing 7-16-30 to be charged off 126,096.84 1,544,080.07
4. Other Loans Especially Mentioned, described on Page 6 and on supplemental pages.	Included under this caption is Large Lines. The real troubles of this bank have arisen from the action of the management in permitting large concentrations of credit.
5. Overdrafts in this bank amount to a real view in management. The large amounts of overdrafts that bank has to show in published statements are believed to be disadvantageous to its best interests. The fact some of the large items are created by concerns in which directors are interested is believed to be subject to definite criticism. (See Page 8-B.)	In the opinion of your examiner, the directors of bank should take steps to curtail this evil practice. The publication of such large amounts of overdrafts cannot prove other than harmful to interests of bank.
6. Criticised items described under Stocks, Miscellaneous, Defaulted Bonds and Claims and Judgments, described on Page 7 and on supplemental pages.	Should be given close attention.
7. A portion of stock of Van Camp Packing Co. is unlawfully held. Bank acquired some of the stock D P C. Rights were granted to shareholders of company to purchase additional stock. This right was exercised, and bank thus came into unlawful possession of 11,088 shares of stock of company. This number is considerably in excess of the number covered in rights. This fact, however, is not material as both are unlawful. This would appear to place management in the attitude of speculating in the stock.	It has been agreed that any market loss existing July 16, 1930, will be charged off on that date. There is some question as to the legality of charging to profit account of bank any loss on the 11,088 shs. unlawfully acquired. It may be that the directors who assented to the purchase of this stock are personally liable for any loss arising therefrom. Of course, if the stock in the meantime increases in price and can be sold without loss, any question of liability of directors will have been settled.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 11-E

Exhibit 19

Form 1430 Revised
TREASURY DEPARTMENT
OFFICE OF THE COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* April 26, 1950.

8. President Brown is a director in several National banks in violation of law. The following is a list:

Matter will be taken up in due course by management of Federal Reserve Bank of St. Louis.

		Assets
Pearl Market Bank & Trust Co.,	Cincinnati, Ohio	13,500,000.00
Brighton Bank & Trust Co.,	"	14,000,000.00
Peoples Liberty Bank & Trust Co.	Covington, Ky.	5,700,000.00
Central Savings " " "	" "	2,400,000.00
Ashland National Bank,	Ashland, Ky.	7,000,000.00
First National Bank,	Paducah, Ky.	3,700,000.00
Security Bank,	Louisville, Ky.	2,700,000.00
Louisville Trust Co.	"	24,000,000.00

9. The large amount loaned on the stock of BancoKentucky may be open to question as to its legality. The largest single asset of BancoKentucky is the stock of the National Bank of Kentucky.

The loans are as follows:

		Amount	No. shares
Loans secured entirely by stock BancoKy.,	Parent Bank	2,543,640.38	132,542
" " " " "	Branch Bank	302,756.02	18,241
" " " " "	Sold Loans	95,139.91	13,230
" " partially " "	Parent Bank	1,309,967.71	40,319
" " " " "	Branch Bank	834,241.25	20,505
" " " " "	Sold Loans	535,853.65	14,590
		$ 5,791,798.92	239,427

Whether the loans made on the security of this stock are lawful or unlawful is, for the time being, of less importance than is the question of the solvency of some of the loans collateralled by the stock, which are insufficiently secured.

This large concentration of credit can well engage the attention of the board of directors.

10. The total amount of Statutory Bad Debts seems to render any dividend unlawful.

This fact was not known to your examiner at the time of the meeting with the board of directors, hence the matter was not discussed with the board. The legality of the last dividend may be subject to question as to legality.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 11-8

Exhibit 19

Form 1468 D
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

Exam. of ____ hours
Assistant 48 hours

National Bank of Kentucky, Louisville, Ky.
(Title and location of bank)

Examined by John S. Wood Date April 26, 1930 No. of Fed. Res. Dist. -8-
No. of Bank 5312

BALANCE SHEET OF ACTIVITIES IN TRUST DEPARTMENT

ASSETS				LIABILITIES			
1. Investments (other than No. 2)	$ 4,324	553	71	1. Private Trust Accounts	$ 1,689	722	50
2. Deposits in Savings Banks @ %				2. " " " " Income	15	451	97
3. Deposits in other Banks @ %				3. Court Trusts Executor, Administrator, etc.	2,651	606	68
4. Deposits in Commercial or Savings Dept. of own Bank @ %	112	364	09	4. " " " Income	34	678	81
5. Cash on hand (Held in Trust Dept.)				5. Profits due Bank			
6. Advances to Trusts	8	774	63	6. Other Liabilities (List)			
7. Other Assets (List)				Checks outstanding			
				4500 119.90			
				4511 25.00			
				4488 10.10			
				4501 97.80			
				4512 861.42			
				4513 100.00			
				4515 1,403.14			
				4516 10.00			
				4517 4.80			
Accrued interest		324	90				
after hour credit		15	00				
Difference - unlocated		2	00		2	597	86
TOTAL	4,444	033	63	TOTAL	4,444	033	63

CORPORATE TRUSTS

1. Total amount of collateral trust bonds outstanding where bank acts as trustee 11,119,800.00

a. Ledger value of securities deposited in Trust Department to secure same 12,479,596.55

2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee, 1,539,700.00

3. Ledger value of securities held for account of sinking funds None

4. Total amount of sinking funds uninvested (Include in 2, 3, 4 or 5) 21,604.80

5. Face amount of unissued bonds held (a) Certified [illegible]

(b) Uncertified [illegible] 4,334,200.00

6. Face amount of canceled bonds held

a. Are receipts filed for all canceled bonds delivered?
Yes

b. Are certificates filed for all cremated bonds?
None cremated

IN GENERAL

No. of individual trusts 89 No. of corporate trusts 15

1. What trust powers have been granted to bank?
Full powers

2. What trust powers is bank now exercising?
Agency, Trustee, Depository, Executor, Co-executor, Administrator, Agent, Agent [illegible] Guardian and Custodian.

3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors?
Yes

4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
Yes

5. Are securities held in trust kept separate and distinct from those owned by bank, and are securities of each trust kept separate and distinct from one another?
Yes

TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY
Form 1408 R

Exhibit 19

No. of Bk. [illegible]

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

(a) Do bonds of officers and other employees of trust department now in force specifically cover their duties as such?
Yes

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Reports on file - should be certified as to approval

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
No

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department? List securities pledged.
See below.

NAME	PAR VALUE	MARKET VALUE
Louisville Ry. Equip. Trust 6-60	$50,000.00	
The bonds above pledged are not segregated from those of the banks. However, one of the officers of the trust committee must always be present for anyone to have access to the bank's vaults.		
Total,	$50,000.00	

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes?
No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes

12. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Authorized and approved by trust committee and recorded in minute book.

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.
No

20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.

E. S. Locke	$1,000.00	exch. by	$2,000.00 Liberty Bonds	The above securities were purchased from the banking department since the last examination. These have since been paid.
Sam F. Hughes	500.00	" "	1,000.00 Lou. Title Co. bond	
Walter F. Shuster	500.00	" "	100 sh. Bal - Edw. & Mfg. Co.	
Wm. J. McGarity	500.00	" "	10 shs. Pa. R. R. Co.	

The last report of examination set out certain notes purchased from the banking department.

21. What audit or examination of trust department books and securities is made by or for the directors?
Annual audit made by local Clearing House Examiners.

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes

23. List criticisms, if any.
SEE X.R. SHEET

Exhibit 19

Form 1466—Rev.
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5 [illegible] 3 Date of Report [illegible]

CRITICISM

(1) Reports to counts - evidence of approval should be on file. Promised to do this.

(2) The practice of purchasing assets from the bank for investment in trust funds is, in my case, objectionable. In the case of those mentioned in this report, it appears that the assets are unquestionably safe.

(3) The bonds pledged by the bank to secure the trust funds on deposit should be deposited with the trust department and segregated from those of the banks.

7

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 2-1

TREASURY DEPARTMENT
COMPTROLLER OF CURRENCY, EXAMINING DIVISION

Exhibit 19

No. of Bank, 9818

ACCEPTANCES

1. Does the bank make acceptances for account of customers? No
2. In accepting drafts for customers under the provisions of the Federal Reserve Act, does the bank require an adequate written agreement or guarantee from its customer to provide funds to meet the acceptance at maturity?
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of such acceptances?
4. Does the bank purchase its own acceptances? If so, state amount now held.
5. Are purchases of its own acceptances included in loans and discounts?
6. Remarks.

LETTERS OF CREDIT AND TRAVELERS' CHECKS

1. Does the bank issue letters of credit and travelers' checks? Yes
2. In issuing letters of credit and travelers' checks does the bank require an adequate written agreement or guarantee from its customer No - On Guaranty.
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of letters of credit and travelers' checks outstanding or honored?

Exhibit 20.

Form 1003
TREASURY DEPARTMENT
OFFICE OF THE COMPTROLLER OF THE CURRENCY—EXAMINING

State whether special or regular examination REGULAR

[illegible] of this report of examination is forbidden by the Board of Directors of the examined bank for their information and consideration. The information contained therein is based upon the records and books of the bank and upon statements made to the Examiner by officers and employees of the bank, and on data secured from other sources [illegible] so far as possible, and presumed by the Examiner to be correct.

[illegible] of the statements in regard to the affairs of the bank is of such a character as to make it necessary for the Examiner to rely upon the good faith and correctness of the statements, and while the Examiner regards the statements as accepted by him as correct, he is, necessarily, not in a position to guarantee the accuracy of such part of the information as may not have been obtained at first hand.

Name of Examiner, Robert Neill No. of Bank, 8312 Fed. Res. Dist. No., 8

EXAMINER'S REPORT OF THE CONDITION OF

The National Bank of Kentucky, Louisville (City), Jefferson (County), Kentucky (State)

Examination commenced at 2:15 o'clock P M., on September 17, 1930

Examination closed at 7:30 o'clock P M., on October 24, 1930

James B. Brown, President. W. T. ZurSchmiede, Cashier.

Resources	Amount	Liabilities		Amount
1. Loans and Discounts,	30,183,636.61	1. Capital Stock Paid in,		4,000,000.00
2. Overdrafts,	65,399.26	2. Surplus Fund,		2,000,000.00
3. Interest earned not collected,	286,692.21	3. All other Undivided Profits, Less expenses, etc.	609,120.05 308,814.04	300,306.01
4. Customers' liability account of "Acceptances,"		4. Reserved for Depreciation and Losses,		
5. U. S. Bonds to secure circulation,	2,500,000.00	5. Reserved for Interest, Taxes, etc.,		391,193.89
6. U. S. Bonds and certificates pledged,	75,000.00	6. Interest collected, not earned,		158,153.50
7. U. S. Bonds and certificates not pledged,		7. Due to Federal Reserve Bank,		
8. Premium on U. S. Bonds,		8. Due to Trust Companies, Banks, and Bankers,		10,473,687.22
9. War Savings Stamps,		9. Certified Checks,		327,641.54
10. Bonds, Securities, etc. (pledged and unpledged),	5,843,955.10	10. Cashier's Checks Outstanding,		94,234.88
11. Federal Reserve Bank Stock,	180,000.00	11. Dividends Unpaid,	751.00	
12. Banking House, 35,000.00 Furniture and fixtures, 147,380.67	182,380.67	12. Demand Deposits: Ind. dep. subject to check, (including those subject to notice of less than 30 days)	21,663,712.37	
13. Other Real Estate Owned,	2,924.91	Ctfs. of Dep. due in 30 days or less,	6,583.11	21,671,046.47
14. Due from Federal Reserve Bank,	3,067,772.80	13. Time Deposits:		
15. Due from Federal Reserve Bank Transit Account,	2,447,860.19	A. Savings Deposits (the other or subject to notice of 30 or more days),		
16. Due from Trust Companies, Banks, and Bankers,	4,592,626.63	1. Evidenced by pass book,	2,523,188.14	
17. Exchanges for Clearing House,	1,130,484.62	2. Evidenced by Certificates of Deposit,	4,183,289.56	
18. Checks on other Banks in same place,	203,156.52	B. Other Deposits subject to 30 or more days notice,	105,618.18	
19. Cash,	53,392.34	C. Postal Savings	54,057.71	6,866,093.58
20. Cash Items,		14. United States Deposits, (including U. S. Disbursing Officer)		
21. Cash Short,		15. Circulation rec'd, Less on hand and returned	2,500,000.00	2,500,000.00
22. 5% Red'n Fund with Treas. U. S.,	125,000.00	16. Bonds Borrowed,		
23. Other Funds with Treasurer U. S.,		17. Bills Payable with Federal Reserve Bank,		
24. Other Assets (describe),		18. Other Bills Payable,		
Tax on C/D's paid for Customers	4,666.96	19. Notes and Bills Rediscounted with Federal Reserve Bank,		
after hour debits	11,093.69	Bonds sold under R/P Agree.		1,650,000.00
		20. Other Notes and Bills rediscounted,		
		21. Bills of exchange or Drafts indorsed, guaranteed by this bank, and not otherwise shown,		574,666.29
		22. Accepted Bills of exchange payable abroad,		
		23. Cash Letters of Credit and Travelers' Checks Outstanding,		
		24. Acceptances Executed to Furnish Dollar Exchange,		
		25. Acceptances Executed for Customers,		
		26. Time Drafts Issued,		
		27. Cash Over,		35.27
		28. Other Liabilities (describe),		
		after hour credits		13,927.
	,956,244.51	TOTAL,		50,956,244.51

CONTINGENT LIABILITIES

Unused letters of credit, $ 22,595.03

Future contracts in foreign exchange, $ None

Form 1488. Page 2
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 20

No. of Bank, 8812

DIRECTORS (Use Form 1430, if necessary)

Opposite the name of each director enter full amount of all paper in bank upon which his name (individual or firm) appears as maker, indorser, or guarantor, but where two or more directors are liable on the same paper, deduct from the total the duplicate liabilities, so as to show the net liabilities of all directors. Where apparently excessive, state why not so listed on page 5.

Par value of shares owned	Name	Post office address	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Occupation
	SEE EXTRA SHEET				
		Total,			
		Less duplications,			
		Net total,			
	Loans to officers (not directors) and employees (omit duplications),				
		Total,			

How many board meetings since last examination? 21

NOTE.—In the column after "Name," give number of directors' meetings attended by each director since last examination.

	Noncollateraled	Collateraled
Total of direct loans to officers, directors, and employees,	195,309.80	1,597,421.98
Total of direct loans to corporations, etc., in which directors and officers are largely interested,	911,696.14	-0-

OFFICERS AND EMPLOYEES

	Name	Liability as payer (individual and firm, including overdrafts)	Liability as indorser or guarantor	Bond	Other occupation
President,					
Vice President,					
Cashier,	SEE EXTRA SHEET				
Assistant Cashier,					
Teller,					
General Bookkeeper,					
Other employees (number),					

State whether bonds are personal or surety. Surety. Are officers and employees adequately bonded? Yes

Are bonds in force? Yes In whose custody? Cashier ZurSchmiede Were they inspected? Yes

Does record show directors have approved bonds? No recent approval

Exhibit 20

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8318 *Date of Report* September 17, 1930.

DIRECTORS.

Par value of shares owned	Name		Address	Liability as maker	Liability as endorser or guarantor	Occupation
$1,000.00	J. S. Akers	17	Louisville, Ky.	-0-	-0-	Vice President
1,000.00	H. J. Angermeier	18	do.	45,000.00	88,000.00	do.
1,000.00	James Brown	8	do.	102,080.00	409,838.19	President
1,000.00	R. Lee Callahan	15	do.	90,000.00	810.00	Callahan & Sons Grain
1,000.00	Carroll, A. J.	10	do.	25,000.00	-0-	Attorney
1,000.00	Geo. M. Clark	19	do.	215,000.00	97,600.00	Retired
1,000.00	S. W. Coons	8	do.	10,000.00	-0-	Pres. Standard Oil Co., Ky.
1,000.00	S. E. Duncan	18	do.	139,187.50	10,250.00	Pres. Pusalco-Gualbert Co.
1,000.00	Jos. H. Durham	9	do.	-0-	-0-	V. P. Franklin Title & Tr. Co.
1,000.00	J. J. Hayes	21	do.	12,500.00	-0-	Vice President
1,000.00	Saunders P. Jones	7	do.	21,500.00	70,000.00	Pres. Jones-Dabney Co.
1,000.00	Charles F. Jones	15	do.	182,000.00	-0-	Vice President
1,000.00	C. C. Mengel	11	do.	48,000.00	-0-	Pres. Mengel Co.
1,000.00	T. J. Minary	21	do.	-0-	-0-	Retired
1,000.00	E. J. O'Brien, Jr.	0	do.	50,758.33	162,426.67	Tobacco Co.
1,000.00	H. D. Quigley	6	do.	-0-	1,964.25	Vice President
1,000.00	Wm. S. Speed	0	do.	250,000.00	-0-	Pres. Lou. Cement Co.
1,000.00	Henry Vogt	9	do.	-0-	-0-	Pres. Hy. Vogt Mch. Co.
	Total			1,214,996.83	980,488.11	
	Less Duplications			-0-	-0-	
	Net Total			1,214,996.83	980,488.11	
	Loans to officers (not directors) and employees			877,725.00	8,158.00	
	TOTAL			1,792,721.83	988,646.11	

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Vacancy on board caused by resignation of Baylor O. Hickman, 7-25-30.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-1

Exhibit 20

Form 1430. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* September 17, 1930.

OFFICERS AND EMPLOYEES.

Position	Name	Liability as payer	Liability as endorser or guarantor.	Bond	Other Occupation.
President	James B. Brown	$108,000.00	$409,338.19	$700M	Pres. Bancocky Co
Vice Pres.	H. J. Angermeier	45,000.00	25,000.00	Blanket	None
do	H. D. Crosby	-0-	1,984.25	Bond	None
do	J. J. Hoyt	12,500.00	-0-	Covers	None
do	Frank I. Dugan,	-0-	-0-	All	None
do	H. B. Robertson	-0-	4,208.80	Employees	None
do	Henry Theimann	185,000.00	250.00		None
do	J. S. Akers,	-0-	-0-		None
do	L. L. Fontaine	92,500.00	-0-		None
do	Chas. F. Jones,	182,000.00	-0-		None
Cashier,	W. T. Burghmeide	37,600.00	-0-		None
Asst. Cashier	O. A. Block,	25,700.00	-0-		None
do	H. R. Grant	54,800.00	-0-		None
do	Thos. Green,	-0-	-0-		None
do	D. W. Gray,	-0-	-0-		None
do	F. E. Lee,	29,000.00	605.00		None
do	F. L. Moseley,	17,500.00	-0-		None
do	A. P. Remaer,	30,000.00	-0-		None
94 Other Employees		148,895.95	-0-		None
		$ 917,295.95	$ 444,459.44		

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EXTRA SHEET PAGE 2-8

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1488.—Page 3
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 20

No. of Bank, 5512

LOANS AND DISCOUNTS IN GENERAL

1. To what general lines of industry or classes of borrowers are loans chiefly made?

Merchants, manufacturers, banks, lumber interests, and investors on collateral basis.

2. Is distribution satisfactory both as to classes of borrowers and amounts of loans?

No. Excessive amount of loans on collateral as compared with total amount of paper eligible for rediscount with Federal Reserve Bank.

3. State as to the general character of collaterals, and advise if a collateral register is maintained.

Largely local stocks. Some listed securities and bills receivable.

4. List direct and indirect loans to corporations or enterprises in which any director or officer is largely interested, giving name of interested director or officer. If any borrow unduly, also list on pages 5, 6, or 7 according to their classification.

SEE EXTRA SHEET

5. Any liability of directors or officers as makers or indorsers which is subject to criticism? Describe fully, and give reason.

Margin on officers' loans on BancoKentucky generally inadequate (see schedule of loans on that stock).

6. State whether all paper claimed by the bank as its property, including collateral, appears to be properly indorsed or assigned to it, and all mortgages properly recorded and all collateral accounted for.

A few minor exceptions called to attention of officers and correction promised.

7. Give highest, lowest and average rate of interest obtained.

8 - 4½ - 8½

8. Does the bank place paper with other banks, and to what extent? (This refers to paper not shown properly upon the books as a rediscount liability.)

Yes, sell a heavy volume of loans to country correspondents at their request. Aggregate approximately $2,000M

9. Does this bank appear to be liable in any way, as indorser or guarantor by letter or separate agreement, or through endorsement of directors or officers, for benefit of bank? If a contingent liability caused by signing of a blanket guaranty or agreement for bank's benefit exists, describe fully.

Probably no legal liability beyond the exercise of due diligence in maintaining adequate margin. In practice however the bank does protect all these loans.

SEE EXTRA SHEET

10. Do they take loans to accommodate other banks, and to what extent?

Take a few loans for the benefit of country correspondents; volume not heavy.

11. Does sending bank appear to be in any way liable? (See No. 10.)
List liabilities of National Banks.

No liability disclosed. SEE EXTRA SHEET for loans to national banks.

12. Is adequate credit data available either in form of financial statements or otherwise? (Note.—Examiner should require that adequate data be available and steps be taken to maintain such files and data.)

Files show some improvement. However, they do not yet compare favorably with those of the best operated metropolitan banks.

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Exhibit 20

Form 1488. Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* September 17, 1930.

DIRECT AND INDIRECT LOANS TO CORPORATIONS IN WHICH DIRECTORS ARE INTERESTED.

Name of Corporation.	Directors Interested.	Direct.	Indirect.
Hart Manufacturing Company	Director Ahern	$100,000.00	$79,888.42
Electric Refrigerating Co.	Director Angermeier	88,000.00	10,825.15
Chas. Rosenhein Company,	Director Angermeier,	8,000.00	-0-
Herald-Post Pub. Company,	President Brown,	895,000.00	-0-
Sunset Kentucky Company	All Directors	26,889.78	-0-
Ohio Falls Iron Company	Director Clark,	90,000.00	1,218.00
Peerless Goulbert Company	Director Duncan,	88,845.75	-0-
Jones Dabney Company	Directors Jones,	70,000.00	13,878.69
Dawson Daylight Coal Co.	Director Crumby,	38,800.00	-0-
K & I Terminal R.R.	Director Crumby,	86,161.67	-0-
Indiana Cotton Mills,	Director Crumby,	70,000.00	-0-

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EXTRA SHEET Page 3-1

To the Comptroller of the Currency,
Washington, D. C

Examiner.

Exhibit 20

Form 1406—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* September 17, 1960

SOLD LOANS WHICH ARE INADEQUATELY SECURED OR COLLATERALED WITH UNLISTED STOCKS

S. E. Arterburn, Collateral: 1,000.00 Kingdom of Italy 7-61 18 shs. Louisville G & E 6% Pfd 5 shs Sutcliffe Company, Pfd. 800 shs Reynolds Investing, Com.	$4,500.00
Peyton B. Bethel, Collateral: 800 shs BancoKentucky Company	3,000.00
E. W. Bryan, Collateral: 80 shs Farmers & Merchants Bank, Elkton, Ky.	8,000.00
James M. Chappelle, Collateral: 800 shs. BancoKentucky Company 40 shs Selected Industries, Com. 10 shs Assoc. Gas & Elec Com. A 84 shs Reynolds Investing Co. Com.	5,101.87
Harry Feiler, Collateral: 400 shs BancoKentucky Co.	6,700.00
J. Kemp Goodlove, Collateral: 50 shs Pickrell Motor Company, Pfd.	2,775.00
S. L. Guthrie, Collateral: 15 Farmers Bank & Trust Company, Bardstown, Ky. 10 Nelson County B.&L. & Loan, Bardstown, Ky.	2,000.00
Margaret M. Hanson, Collateral: 40 shs BancoKentucky Company	1,110.00
O. M. Hoskins, Collateral: 100 Harlan Ice & Refrig Co. Harlan, Ky.	6,000.00
R. J. Johnson, Collateral: 888½ Continental Hotel Co., Pineville, Ky.	5,000.00
Lawrence Jones, Jr. Collateral: 500 shs. American Turf.	6,600.00
A. W. Kramer, Collateral: 82 shs. Amer. Radiator & Standard Sanitary, Com.	2,576.25
J. J. Lewis, Collateral: 150 shs. Cornett-Lewis Coal Company 35 First State Bank, Harlan, Kentucky.	10,000.00
Jean W. Menefee, Collateral: 100 shs BancoKentucky Company 10 Sherwin-Williams Company, Com..	2,500.00
Ben J. Metcalfe, Collateral: 100 shs Reynolds Inv. Co., Com. 10 shs Marine Midland Corp. 100 Vick Financial Corp, Com. 100 Reynolds Inv. Company, Com. 100 do	2,000.00
Theresa Moellman, Collateral: 400 shs. BancoKentucky Company	7,000.00

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 3-6

Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* September 17, 1930

SOLD LOANS INADEQUATELY SECURED, CONT'D.

Clement J. Munn, Collateral: 10 shs Marion Bank, Marion, Kentucky 100 shs Standard Oil of Kentucky	$ 3,704.25
Leon Oettinger, Collateral: 150 shs American Turf	2,000.00
A. P. Remsen, Collateral: 150 shs. American Turf.	2,150.00
George C. Simler, Collateral: 100 shs Louisville (Indiana) State Bank	5,750.00
Gran W. Smith's Sons, Collateral: 100 shs Louisville Railway, common 11 shs Funeral Auto Company.	3,000.00
F. P. Stun, Collateral: 800 shs Texas Corporation	13,880.37
Edith J. Taylor, Collateral: 150 shs BancoKentucky Company	4,000.00
Geo. Wagner, Collateral: 80 shs Utility & Industrial Corp. Pfd. 1M Louisville Title Co. 6-32	2,200.00
Geo. H. Wilson, Collateral: 100 shs Timken-Detroit Axle Company, common 36 shs Roberts Brothers Oil Company.	1,700.00

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To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 3-8

Examiner

Exhibit 20

Form 1488.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTR... OF THE CURRENCY

No. of Bank 5818 *Date of Report* September 17, 1930

Loans, which are inadequately secured, made direct by Country Correspondent Banks to Customers of this bank.

Elizabeth H. Clark,	$5,500.00
Collateral:	
450 rts Kentucky Rock Asphalt	
5 shs Continental Shares Conv. Pfd.	
45 shs Anaconda Copper	
80 shs Pennroad Corporation	
Alexander Sand,	18,600.00
do	5,200.00
Collateral:	
580 Reynolds Investing Com	
200 U. S. Foil Com	
320 Reynolds Investing Com	
Assignment of $5M life insurance policy	

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To the Comptroller of the Currency,
Washington, D. C.

EXTRA SHEET PAGE 3-4

Examiner.

Form 1440—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

Exhibit 20

No. of Bank 8818 *Date of Report* September 17, 1930.

LIABILITIES OF NATIONAL BANKS.

Whitley National Bank, Corbin, Kentucky	$ 15,000.00
Collateral: B/R totaling $21,100.00.	
National Bank of Cynthiana, Kentucky	20,000.00
Collateral:	
1M Assoc. Elec. 6-52	
5M Nat. Union Mtg. 5½-37	
5M Hearst Magazine 6-34	
5M Kingsport Press 6½-30	
5M Chile Copper 5-47	
4M German Govt 5½-65	
1M Meade County Rd & Bridge 5-35	
5M Commonwealth of Australia 5-57	
5M Federal Utilities 5½-57	
5M L. & A Ry.	
Trigg National Bank, Glasgow, Kentucky	40,000.00
Collateral:	
10M Seaboard Airline 6-45	
10M Phila & Reading Iron 6-49	
5M Lautaro Nitrate 6-54	
5M Rep of Bolivia 7-58	
5M Guantanamo & Western 6-58	
5M Seaboard All-Fla 6-35	
10M Peru 6-60	
5M Bolivia 7-58	
5M Central States Elec 5-48	
5M State of Rio de Janeiro 6½-59	
6M Cuban Dom. Sugar 7½-44	
First National Bank, Horse Cave, Kentucky	25,000.00
Collateral:	
16M Louisville Title 6's	
5M Dodge Brothers 6-40	
5M Empire Oil 5½-42	
4M Guantanamo & Western 6-58	
1M Rep of Colombia 6-61	
First National Bank, Princeton, Kentucky	50,000.00
Collateral:	
34M City of Princeton 5-47	
11M Princeton School 5-30.	

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EXTRA SHEET PAGE 5-8

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1425.—Page 4
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 20

No. of Bank, 8812

LOANS AND DISCOUNTS—Continued

In balance.

The loans and discounts and other securities must be carefully verified and every discrepancy noted

Total loans and discounts, $ 20,188,820.61

OVERDUE PAPER

Parent Bank

A. Total bad debts, as defined by Section 5204, U. S. R. S., $ 909,035.16

Parent Bank, 909,035.16

Of which there are carried in loans and discounts, $

*Carried elsewhere,

Parent Bank, 881,307.89

B. Other overdue paper, Fourth Street Branch, 137,577.92 $

Total overdue paper (including all bad debts), $ 1,927,920.97

Examiner should advise bank interest on demand or time loans should be collected at least every six months, and that mere payment of interest is not considered a renewal of the loan unless formal extension agreement is signed by all parties or the laws of the State provide otherwise. A new note, if practicable, at each maturity date is preferable.
*Include in "bad debts" only those bonds which have reached actual maturity dates, and otherwise come within the definition of a statutory bad debt.

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

List here all paper, including overdue paper, called for by this schedule. State briefly in each case the reason for the classification, and such further comment as may be deemed appropriate. A "Large Line," all parts of which are included here, should be listed in the aggregate only under "Large Lines" on page 6. Give maturity dates of "bad debts."

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$868.02 Advance Battery Co. 12-23-29 A trade acceptance on Sherer Brothers at Denver, Colorado. The acceptance was paid and the funds attached by another creditor. This bank is in the position of an innocent holder, and is resisting the attachment of the other creditor. It is believed that bank will be able to sustain its position.	868.02		868.02		
$25.00 Rand Ayers, Admitted loss.		25.00			25.00
$15,000.00 carried at $5,000.00 Badger Aluminum Company, Bank has acquired title to 218 acres of unimproved land near Tishomingo, Oklahoma. Investigation made disclosed that the land is regarded as being practically worthless, although a nominal value of about $5.00 an acre was placed upon it. The remainder should be transferred to Other Real Estate Owned.	5,000.00		1,000.00		4,000.00
$32,150.00 carried at $16,150.00 $8,319.89 Indirect, David Baird & Son Wholesale millinery house, now in the hands of a creditors' committee. During the examination the liquidating agent made a report that indicated that the company has sound assets in his hands valued at $80M, with which to pay debts of $41M, hence it would seem that the charge-off of $10M, heretofore ordered, will be ample. The trade notes	2,294.64	16,150.00 2,207.00	16,150.00 8,319.89	11	
TOTAL,		SEE EXTRA SHEET.			

Use Form 1425-c for continuation of list.

Exhibit 20

Form 148a C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(David Baird & Son, Cont'd.)					
represent accounts that have been settled by trade acceptances or secured notes and will be slow of collection. However, the agent expressed the opinion that all of them were collectible.					
$97,500.00 Bankers Trust Company, Collateral: $186,000.00 sundry real estate bonds. A local investment bank, whose affairs have been somewhat involved due to depressed real estate conditions. The loan shows a reduction of only $3,500.00 since the last examination. Have recently had a change of management and the opinion was expressed that this would prove beneficial.			97,500.00		
$1,080.00 D. A. Bates, Collateral: 10 shs. Temple Theatre, Com. Endorsed, Temple Theatre Corporation (see their line). This bank has collected $757.45 that is being held in cashier's checks, that is applicable to the payment of any of the Temple Theatre Corporation notes. The opinion was expressed that collection will be made of sufficient sums to pay the entire debt.	1,080.00		1,080.00		
$6,821.00 A. S. Blank Heating Co. $4,021.00 is secured by a real estate mortgage on two homes and four vacant lots, valued at $22M, and subject to prior lien of $9,900.00. This debt is being reduced at the rate of $200.00 per month. The remainder is endorsed by B. F. Magruder, Company's statement dated 3/28/30 shows assets of $48.7M, and debts of $22M. Credit checkings are not favorable.			6,821.00		
$1,250.00 T. B. Boyd, 1/30/30 Collateral: $250.00 cashier's check. Note is endorsed by A. H. Hargis, former president of the Hargis Bank & Trust Company, Jackson, Kentucky, which failed. Investigation discloses that Mr. Boyd is not good.	1,250.00			12	988.00
TOTAL			EXTRA SHEET PAGE 4-1		

SUPPLEMENTAL SHEET 4

Exhibit 20

Form 1206-C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$66,884.78 F. G. Brealin,		3,900.00	66,884.78		
$1,900.00 F. G. Brealin, Real Estate Account, Collateral: 20 shs. General Motors, Com. Mr. Brealin is a contractor and a real estate operator. His statement dated 6/30/30 shows assets of $1,700M and debts of $600M. Of his assets, $1,61M is real estate, encumbered for $900M. The bank is not satisfied with the line and has notified Mr. Brealin that he must pay it out.			1,900.00		
$180.00 C. Edward H. Buschmeyer, Endorsed Henry Buschmeyer. Admitted loss.		180.00			180.00
$200.00 Henry and Theo. Buschmeyer, Admitted loss.		200.00			200.00
$47,802.91 Wm. D. Campbell, Collateral: $80,000.00 participation in $100,000.00 notes of Murray Rubber Company, Debenture 7's due 1944. Mr. Campbell is President of the Van Camp Packing Company. No statement is on file. The collateral is regarded as worthless. (See large line of Murray Rubber Company)	47,802.91				47,802.91
$138,399.94 Carter Guaranty Company, The note for $18,882.90 is secured jointly with a note for like amount due the Liberty Bank and Trust Company, by a second lien on a piece of business property on Fifth Street, valued at $110M, subject to a prior lien of $80M, plus $4,500.00 overdue interest, due the Commonwealth Life Insurance Company; and also by a second lien on a garage building on Armory Place, valued at $27M, subject to a prior lien of $17,5M, plus $8,647.41 overdue interest due the Louisville Trust Company. The Fifth Street property is vacant. The holders of the first liens are preparing foreclosure suits. The bank has not decided whether it will protect its equity. The remainder of the debt is secured by a $18M certificate of deposit, and by sundry notes, chief of	138,399.94		79,500.00	17,974.87	13,888.87
TOTAL					

EXTRA SHEET PAGE 4-2

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Exhibit 20

Form 1280 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 8318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Carter Cty. Co., Cont'd.)					
which are $69,800.00 Rudolph & Bunce 6's, which are part of a total issue of $71,500.00, secured by a first lien on property on Hunter Avenue, that the debtors have offered to turn back in exchange for the bonds. Also the bank has a $10,000.00 first lien on a factory site formerly belonging to the International Belt Company. The Carter Guaranty Company has been in liquidation for the past three or four years. A substantial portion of the remainder of the debt is estimated as a loss.					
$4,288.36 Ellerbe W. Carter, $2,500.00 is endorsed by Ousley Brown and E. L. Taylor, who are good. $2,288.36 is secured by a first lien on about 80 acres of timber land, near Fredericksburg, Virginia, valued at some $4M. Mr. Carter is a real estate operator and is very seriously involved.			4,288.36		
$4,883.46 carried at $1,883.46 Central Paint & Roofing Company, discounts After operating continuously for several years under a creditors' agreement, company has made no headway. Estimated as a loss.	1,883.46				1,883.46
$4,800.38 John H. Chandler, Collateral: $10,000.00 life insurance policy. All of the line is endorsed by various sureties. Mr. Chandler is an attorney who has been hard pressed. Bank relies on the sureties for protection.			4,800.38		
$48,778.11 Chess Hyman Company, A lumber industry, whose affairs became involved. It was forced to turn over its assets to the Fidelity & Columbia Trust Company, trustees for the benefit of all creditors. Information furnished by the trustee was to the effect that the liquidation of the debt depends on the advantageous sale of the company's plant in Louisville.			28,778.11	20,000.00	
TOTAL			EXTRA SHEET PAGE 4-B		

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Exhibit 20

Form 1256 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Cheek Cymond Co. Cont'd.)					
If such a sale can be effected, no loss should result. However, industrial property has had a very slow sale.					
$19,820.18 Planters Bank, Clarksdale, Miss. The creditor banks have been successful in getting a judgment against W. P. Holland and his wife. The creditors are experiencing a difficulty in finding assets available for execution. However, a small distribution was made since last examination. This asset is of extremely doubtful value.	19,820.18			19,820.18	
$15,232.80 Columbia Phosphate Mining Co. (See also claim for $15,000.00, carried under Judgments & Claims). Both debts are secured by a second lien on 800 acres of phosphate deposits near Columbia, Tenn. The Armour Fertilizer Company is operating in a small way on a royalty basis. Correspondence from that company indicates that this bank should begin to receive small payments beginning January 1, 1931.			15,232.80		
$8,881.22 J. Pastor Cohn C. Cheeks Cohn, H. F. Cohn, and H. H. Johnson, Collateral: $8,000.00 note of Alice Cheeks Cohn and C. D. Cohn, secured by an undivided third interest in a piece of Louisville real estate, subject to a prior lien of $6,500.00 to the Fidelity & Columbia Trust Company, and also the life estate of the mother. This debt is said to have grown out of a loss sustained in a candy business. Debt is probably safe, but a very slow workout.	8,881.22		8,881.22		
$245,100.00 Consolidated Realty Company, Coll: 840 shs. Louisville Realty Corp. 600 " Cardinal Communities Corp. 800 " General Realty Corp. Sundry real estate notes, on which collections are made at their office. A local real estate concern whose affairs are badly involved. During the examination, their Mr. C. C. Hiatt made arrangements to discount with the bank some receivables of the company and reduce the debt correspondingly.	90,000.00	155,100.00	245,100.00		

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Exhibit 20

Form 1496 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—ELABORATE

No. of Bank, 9818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Consolidated Realty, Cont'd.)					
Also the bank is to lend the company sufficient money to pay the overdue interest on all of their lines, and secure itself with a second mortgage on some of their desirable city real estate. This debt is by no means satisfactory, but it would seem that with proper aggressive handling on the part of the bank it should work out.					
$10,000.00 Crescent Hotel Company, Endorsed H. W. Batson and Ben S. Washer. Local hotel operators, whose principal asset is real estate valued at some $500M., subject to mortgages of $184M. Endorsements do not add much strength.			10,000.00		
$4,000.00 Canning & Brotage, Haberdashers, whose statement dated 12/31/29 shows: Current Assets $82M, Current Liabilities $28M, Net Worth $54M. Line has been a continuous one since 9/29/27, having been reduced from $8,000.00. Bank is requiring that line be paid out.			4,000.00		
$35,800.00 Dawson Daylight Coal Co. Collateral: $46M Dawson Daylight Coal Company 7% 1945. Despite the fact that company's production continues to show slight decreases, it has been able to show a small profit. The line shows a reduction of $4,000.00 since the last examination. It is said that operations have not been materially affected by strike of the miners. However, if it continues for any length of time it may result in disaster for the company.			35,800.00		
$34,500.00 J. I. Dempsey, et al. Collateral: $82,768.05 Bills receivables. This note represents money advanced to the Hazard Bank & Trust Company, Hazard, Kentucky, by the directors of that bank. It afterwards failed. Suit has been brought against one of the makers and an attachment has been levied against his property. He is seeking to have the attachment released and has made	34,500.00			34,500.00	

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TOTAL EXTRA SHEET PAGE 4-8

Exhibit 20

Form 1486 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Dempsey, Cont'd.)					
an effort to avoid payment of the debt, having transferred all of his property. However, the bank's attorney is confident that its position can be sustained.					
$5,500.00 T. P. Dickinson, Collateral: 50 shs. Glasgow Railway, Com. Mr. Dickinson is president of the Tring National Bank, Glasgow, Kentucky. No personal statement is on file. However, he is known to owe considerable money and does not pay off his notes. No change since 6/8/27.			5,500.00		
$7,097.70 L. J. Dittmar, Collateral: $10,000.00 Color Cinema Co. 7% bonds; 100 shs. Majestic Theatre Company. The bonds are regarded as having no value. The stock is nominally quoted at $70.00 a share. Bank has given Dittmar notice that he must arrange to pay the note or the collateral will be sold.		7,097.70	7,097.70		
$21,541.98 J. Dolfinger & Company, Endorsed, Giles B. Van Cleve. Secured jointly with a debt of Trumbo-Schupp & Schmidt (see their line) by a second lien on 18 acres suitable for subdivision purposes, valued at about $180M, and subject to a prior lien of $6M. Bank also has an assignment of the lease for property at 636 South Fourth St. Due to depressed real estate conditions, bank has not been able to negotiate a satisfactory sale for the 18 acres.	21,541.98		21,541.98		
$10,704.18 J. T. Dorsey, Endorsed Kentucky Lumber & Mill Work Company. Loan has been a continuous one since January, 1927. Reduced from $11,302.37 since last examination. (See statement of Kentucky Lumber & Mill Work Company).			10,704.18		
$22,608.37 James H. Duffin, The slow portion is secured by an assignment of a judgment rendered in favor of James H. Duffin against the United States, on account of income tax refund.		22,608.37	10,108.37		12,500.00

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SEE SHEET PAGE 3-a

Exhibit 20

Form 1066-C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 8513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Jno. R. Duffin, Cont'd.) Bank's attorney advised that collection will be made within a short while. Mr. Duffin has no assets. The unsecured portion is estimated as a loss. $5,000.00 Duffy Ice Company, Endorsed Thomas J. Duffy. Company's statement dated 10/1/29 shows: Assets $82,779.00 (of which plant is $61,168.00), and Debts $51,481.00. Line has been a continuous one since 11/22/24, having been reduced from $12,000.00.			5,000.00		
$1,960.00 C. C., J. M., & E. C. Rhlen, secured by an assignment of equity in sundry notes held by the Standard Mortgage Company, and subject to their indebtedness, now paid down to some $600.00. Collections on the bank's debt will begin coming in within a short while.	1,960.00		1,960.00		
$20,000.00 carried at $5,000.00 Eureka Products Company, Inc. Collateral: $10,000.00 life insurance policy on which the cash value is estimated to be $5,225.80, less policy loans of $1,774.20. Neither the maker nor the surety have anything. Should be charged down to the value of the collateral.	3,000.00		1,449.80		1,550.20
$600.00 Falls City Transfer Company, Endorsed Geo. T. Smith and E. T. Lariamore. Statement dated 11/1/29 shows assets of $5,300.00 and debts of $1,840.00. Reduced from $1,680.00 since 10/18/28.			600.00		
$2,500.00 Frank Fehr, Trustee, Endorsed Frank Fehr. Collateral: 201 shs. Metropolitan Realty Co. 40 " Stewart Warner Corp. The first named issue is worthless. The last named is appraised at $1,020.00. The makers have no assets. Balance estimated as a loss.		2,500.00			1,480.00
TOTAL					

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EXTRA SHEET PAGE 6-7

Exhibit 20

Form 1566
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 9818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$7,850.00 carried at $5,000.00 Alice G. Fisher, Endorsed Geo. H. Fisher & Co. Collateral; $5,000.00 Kentucky Title Company Bonds. The collateral is well worth the debt, but collection is being held up because of a dispute as to the ownership of the bonds. However, it would seem that the bank's position as an innocent holder can be sustained.			5,000.00		
$3,825.00 Hugh B. Fleece, $850.00 of the line is unsecured. The remainder is endorsed by responsible sureties. Mr. Fleece is an attorney, who is rather heavily involved.		850.00	3,825.00		
$90.54 Nina Flowers, Endorsed Pope Maloney Millinery Co. Admitted loss.	90.54				90.54
$180.00 Mrs. J. J. Flynn, Endorsed J. P. Whalen. Whalen's estate is said to be good.		180.00	180.00		
$189,800.00 Direct 4,827.94 Indirect, Foreign & Domestic Veneer Co. Guaranteed Sam C. Mangel and Joe T. Mangel. Statement dated 9/1/30 shows: Current Assets $897M, Current Liabilities $468M, Net Worth $900M. The company is hampered by the large inventory of $840M, against sales for six months of only $300M. A slight operating loss was disclosed for the period. An effort is being made to work out the inventory in an orderly manner.			189,800.00 4,827.94		
$45,000.00 Direct, 4,302.05 Indirect, Fourth Avenue Amusement Co. Statement dated 12/31/29 shows: Current Assets $98M, Current Liabilities $199M, Fixed Assets $280M, Investments $36M, Other Receivables $110M, Prepaid charges $6M, Mortgage Debt $80M, Net worth $900M. Your examiner was advised that the amusement interests in Louisville have suffered a slump in business and that earnings were not likely to be as good as heretofore. (See line of D. H. Long)			45,000.00 4,302.05		
TOTAL		EXTRA SHEET PAGE 4-8			

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Exhibit 20

Form 1006
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(4th Ave. Amusement Co., Cont'd.)					
The entire affiliated line of R. E. Long is under pressure by the bank with a view to its ultimate collection.					
$1,368.00 J. C. Gallagher, Collateral: 8 shs. Carter Guaranty Co. Pfd.; 4 shs. Carter Guaranty Co. Com. Collateral is worthless. C. L. Gallagher endorser on note for $1,068.00. Maker is dead, but it is said that the entire amount will be collected out of his mother's estate.	1,368.00			1,368.00	
$12,823.38 Cordova Communities Corp. Endorsed, C. C. Hiestt. This is a debt against a sub-division project in Memphis, Tenn. During the examination, the debt was restored to current condition and information furnished is that while the property belonging to the company has had a slow sale, yet the notes are believed to be good and collectible. (See line of Consolidated Realty Co.)	12,823.38		12,823.38		
$130,680.00 General Realty Corp. Endorsed H. J. Schedrich and C. C. Hiestt. Secured by a first lien on a business house on Jefferson street, appraised at $375M. The corporation has been unable to lease the place to a permanent tenant, and as a result the earnings have not been sufficient to cover the fixed charges. However, this note is to be restored to current form by the advance to the Consolidated Realty Company referred to in the comment under their loan. (See their loan).	130,680.00		130,680.00		
$75,000.00 Gibbs Inman Company, A printing company that specializes in making tickets, their largest customers being railroads. Statement dated 12/31/28 shows: Current Assets $168M, Current Debt $78M, Plant $800M, Investments $81M, Mortgages $180M, Net worth $489M. There has been practically no change in the debt since 11/8/28.			75,000.00		

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EXTRA SHEET PAGE 4-8

Exhibit 20

Form 1556 C
TREASURY DEPARTMENT
Comptroller of the Currency—Examining

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, Indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$8,000.00 Direct 3,800.00 Indirect Gibraltar Coal Mining Co. The indirect portion is a note of the Harper Coal Company that has been reduced $1,000.00 since last examination. The maker company has had a change in management since the last examination and also the suits for receivership have been withdrawn. Vice President Ormsby believes that the change in management will prove beneficial.			8,000.00 3,800.00		
$100.00 Sloss-Brenner Motors Company,				100.00	
$4,500.00 Douglas Graham, Collateral: 120 shs. Bank of Pembroke, Kentucky, par $50.00. President of the Bank of Pembroke. He has told this bank that the only way he can pay the debt is to borrow elsewhere and move the bank account. However, he will be asked to make small reductions at each maturity.			4,500.00		
$13,500.00 carried at $6,500.00 T. S. Graham and N. A. Perry, Collateral: 100 shs. Atlantic Bank & Trust Co., Daytona Beach, Fla. Bank's suit involving $12,500.00 has not yet been decided. However, should the suit be successful, it is estimated by the receiver that the creditors will not realize more than ten per cent of their claims. The makers are not good	6,500.00			1,250.00	5,250.00
$1,943.00 H. L. Grooms, Ed Grooms, P. H. Berry and J. T. Hughes, In the hands of an attorney at Scottsville, Ky., who advised that foreclosure proceedings have been instituted. The attorney expressed the opinion that collection would be made in full.	1,943.00		1,943.00		
$85.00 A. W. and Mrs. Grace Bragg, In the hands of attorneys, who have been unable to collect.	85.00				85.00
$33,150.02 Bargie Bank & Trust Co. Jackson, Kentucky. The bank has failed. The collateral is in the hands of the First National Bank,	33,150.02		33,150.02		
Total					

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EXTRA SHEET PAGE 4-10

Exhibit 20

Form 1288 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security — Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Bargis Bk. & Tr. Co. Cont'd.)					
Bargis, Kentucky, for the convenience of the parties owing the notes. The opinion was expressed by that bank that enough of the notes are collectible as to insure payment of this bank's claim.					
$39,406.08 The Harlan Coal Company, Collateral: 2,360 shs. Black Bank Coal Co. 250 shs. Darocn Daylight Coal Co. Pfd. Endorsed Carl Jungbluth and K. U. Maguier. The first named issue is worthless. The value of the last named issue is also uncertain. Bank's main security lies in a first mortgage on 88/100 interest in 492 acres of coal land in Letcher County, Kentucky. For security purposes, this interest was appraised by the bank's management at $50M. It is hoped that a sale of the lands can be made to other companies operating in that vicinity.		39,406.08	30,000.00		9,406.08
$128.00 Thomas Harrod, Collateral: 8 shs. Ramco Kentucky. A former employee. Charged down to the value of the collateral.		128.00			43.80
$7,088.67 R. J. Henry, Endorsed Charles J. Merriwether. Secured by a first lien on a residence in Lakeside, valued at about $6,500.00, and rented for $80.00 per month. An effort is being made to sell the place. In addition bank has $280.83 rent collections and $1,819.03 collected from the surety, whic is applicable to this debt.	7,088.67		7,088.67		
$12,000.00 C. T. Hayden, Collateral: 318 shs. Kentucky Paper Box Company. Loan has been here about four years, having arisen out of the purchase of the stock of a deceased shareholder. Collateral has no market except among shareholders of the company.			12,000.00		
				22	
TOTAL			EXTRA SHEET PAGE	4-11	

Exhibit 20

Form 1256 C
TREASURY DEPARTMENT
Comptroller of the Currency—Examiner

No. of Bank, 9818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$8,900.00 Henry C. Hibbs, Endorsed Henry B. Kbifer. Reduced $300.00 since last examination. (See loan of Henry B. Keifer).			8,900.00		
$22,550.00 C. C. Hiestt, Collateral: 100 shs. Consolidated Realty Company; $22,500.00 note of Gardens Communities Corp. For comment with reference to the Gardens Communities Corp. note, please see their line. With reference to the stock of the Consolidated Realty Company, please see their line. Mr. Hiestt is badly involved.			22,500.00	1,050.00	
$11,000.00 Joseph Hubbank, Sr. & Sons, Retailers of wall paper and draperies. Statement dated 2/1/39 shows: Current Assets $150M, Current Liabilities $80M, Mtg. Debt $20M, Net Worth $77M. An operating loss of $5,396.00 is shown for the period.			11,000.00		
$27,734.94 Lewis C. Humphrey, Coll: 923 shs. Herald-Post, Com. Mr. Humphrey is dead. His estate is not known to have any assets. The stock of the Herald-Post Co., is of uncertain value. President Brown has stated that he would pay the note provided Mr. Humphrey's widow surrendered to him another block of stock that the estate owned. However, this trade has not been consummated and President Brown declined during the examination to pay the note. It is estimated as a loss.	27,734.94				27,734.94
$1,734.38 Leonard P. Hyatt, Collateral: 61 shs. The Inman Co., Com. Maker is auditor of that company. He is not known to have any outside means, but is retiring the debt out of his earnings. The stock has a very restricted market.			1,734.38		
				23	
Total.		EXTRA SHEET PAGE 4-18			

Exhibit 20

Form 1066 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$11,500.00 carried at $6,000.00 Lewis P. Hyman Company, Endorsed L. P. Hyman. Maker is in bankruptcy, and is under indictment for arson. It developed that the statement on which this credit was advanced was a false one. The receiver has not made his settlement. Information furnished was that the charge-off heretofore made is ample for the time being.				5,000.00	
$29,400.00 carried at $29,400.00 Hyman Pickle Company, Company's statement dated 6/30/30 shows: Current Assets $90M. Current Debt $146M, Net Worth $48M. The operations for the period show a profit of $11,000.00. This justifies going along with the company.			29,400.00		
$30,000.00 Indian Hills Development Co. A sub-division development, whose statement dated 8/31/30 shows assets of $458M, of which $414.4M is real estate, and debts of $158M. Sub-division property sales have been slow, but company is making some progress.			30,000.00		
$18,615.17 Henry C. Inman, Collateral: 280 shs. The Inman Co., Com. Maker is vice-president of the above company. The collateral is slow, but the debt is being reduced at the rate of $600.00 each three months.			18,615.17		
$1,800.00 International Consolidated Mining Company, Endorsed Dan S. Dasher. Information furnished is that the debtor company is not well regarded financially, and that the bank looks to the endorsement for protection. (see line of Dan S. Dasher). Mr. Dasher advised your examiner that he will make an effort to lodge additional security with the bank sufficient in amount to protect this debt.		1,800.00		1,800.00	
Total.		EXTRA SHEET PAGE 4-13			

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Exhibit 20

Form 1436 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$26,750.00 Interstate Coal Company. Endorsed D. H. Long. This is part of the line of D. H. Long. (See his line). No reduction since the last examination.			26,750.00		
$40,050.37 Walter F. Jacobs & Company. Collateral: $47,520.51 sundry lien notes. Real estate operators, whose statement dated 12-31-29 shows assets of $125M. and debts of $95M. Profits for the period are shown to be only $1,800.00. The slump in real estate values is said to have materially affected them.			40,050.37		
$2,900.00 U. H. Jenkins. Collateral: $4,500.00 note of R. H. Cutler, secured by a first lien on 776 acres of coal and farm land, and a second mortgage on 405 acres of farm land in Muhlenburg County, Ky. Mr. Jenkins is President of the Citizens Bank & Trust Company, Madisonville, Kentucky. He is known to be financially extended. The strength of the note lies largely in the worth of the collateral. During the examination, a strong effort was made by the bank to force action on the note, and as a result a payment of $200.00 was secured and a renewal granted.	2,900.00		2,900.00		
$2,040.87 D. A. Keller Estate. Collateral: 80 shs. Star Wood Products Co., 54 shs. Audubon Park Realty Co. Mr. Keller has been dead since 1926. The bank is administering his estate, and while its assets consist of slow real estate properties, yet there seems to be no question but that it is abundantly solvent.			2,040.87		
$45,000.00 Kentucky Public Elevator. Company's statement dated 6-30-30 shows: Current Assets $11M., Current Liabilities $2M., Plant $41M., Net worth $50M.			45,000.00	25	
TOTAL			EXTRA SHEET PAGE 4-14		

Exhibit 20

Form 1006 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Kentucky Public Elevator. (Cont'd) An operating loss of $9,212.00 is shown for the period. There seems to be no question but that there is substantial value in the plant, but the company seems unable to get its affairs on a profitable basis. $127,177.65 Kentucky Refrigerating Co. The portion not criticised is secured in a measure by a pledge of merchandise in cold storage. The portion estimated as a loss is unsecured and represents an old debt of the Frank Fehr Cold Storage Company. The company's statement date 3-31-30 (audited) shows: Current Assets $74M., Plant $1,161M., Prepaid $11M., Current Debt $9M., Deferred Debt $180M., Mortgage Debt $640M., Net worth $356M. The net worth has declined as follows: 3-1-27 $418M. 3-1-28 412M. 3-1-29 384M. 3-1-30 356M. The company was unable to meet the sinking fund requirements on its bond issue due April 1, 1930, as as a result, the trustee has declared the entire issue due. There seems to be no chance whatever for the unsecured creditors realizing anything.					$3,000.00
$5,853.99 - Kentucky Eagle Manufacturing Co. discounts. These are said to be current trade notes. (See also overdraft list.			$5,853.99		
$3,900.00 Henry B. Kiefer. and Reed, Harry C. Hibbs. Partners of the Hibbs-Kiefer Hat Company. Reduced $00.00 since the last examination. (See line of Harry C. Hibbs)			3,900.00		
				26	
TOTAL			EXTRA SHEET PAGE	4-15	

Exhibit 20

Form 1466 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$142,225.00 Knadler & Lucas Company. Endorsed, W. R. McNeel and James R. Duffin. Pickle packers, whose statement dated 12-31-29 shows: Receivables $19M., Merchandise $54M., Plant $34M., Other Receivables .17M., Operating Loss $174M., Current Debt $250M., Capital $48M. This is a most dismal showing. The company has been a consistent money loser. The operating deficit has increased as follows: 12-31-27 $119M. 6-30-28 132M. 12-31-28 141M. 12-31-29 174M. It is interesting to note that at the last examination the bank debt was $180M., of which $25,000.00 was charged off. At this examination, the debt stands $153M., (including $11,000.00 overdraft). Mr. McNeal, one of the endorsers, has pledged to the bank forty-two pieces of real estate, which he thinks represent an equity of $70M. The bank has not made an appraisal of these properties, nor is it advised as to the amount of mortgages ahead of the bank. In view of the deplorable condition condition as indicated by the company's statement, a loss of $80,000.00 was agreed upon for this examination.			92,225.00		80,000.00
$3,650.00 C. A. Koerner Company. Collateral: $18,000.00 Dean & Shark Corp. 6's due 1931-4. The Koerner Company has discontinued its contracting operations. The collateral is most undesirable, by reason of the fact that the Dean & Shark Corporation is confronted with a financial stringency which may result in a receivership. The bonds, however, are secured by a first lien on the company's plant at Lawrenceburg, Kentucky.			3,650.00		
Total.		EXTRA SHEET PAGE 4-18			

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Exhibit 20

Form 1225 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 9318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
,18,921.76 LaGrange Bank & Trust Co., LaGrange, Kentucky. Collateral: $74,023.84 sundry bills receivable. Bank has failed. An appraisal of the collateral notes, made by the receiver of the bank, indicates that this debt is undoubtedly safe.		18,921.76	18,921.76		
,12,910.00 Direct. 9,023.98 Indirect. Larimore Automobile Company. Indorsed, J. G. Larimore. Mr. Larimore is dead, and the company is being liquidated. The estate is heavily interested in a toba co warehouse company which would make its guaranty of some value.		4,300.00	12,910.00 9,023.98		
,4,542.31 Charles .. Lewis. Indorsed, James B. Brown (Director). Collateral: 121 shs. Continental Oil, appraised at ,2,199.00. During the examination, President Brown advised that he would have Mr. Lewis made some satisfactory arrangement about this debt or he would pay it..	4,542.31		4,542.31		
,27,500.00 Dennis, H. Long. Collateral: 203 shs. Swiss Cleaners & Dyers, 10,630 shares Fourth Avenue Amusement Co. (See lines of Fourth Avenue Amusement Co., Interstate Coal Company, and Swiss Cleaners & Dyers). The principal security behind this affiliation is the stock of the Fourth Avenue Amusement Company. This company has heretofore enjoyed remarkable earnings and the stock is possessed of some substantial intrinsic value. However, the management of the bank is not satisfied with the loan and has been pressing Mr. Long for reductions. He has paid ,750.00 since last examination.			27,500.00		
,100,533.33 Louisville Ice & Storage Co. Collateral: ,221,095.70 sundry bills receivable dated 9-23-26. These are installment notes, payable on a basis of five cents for each 300 pound block of ice sold. This debt is working down slowly from the payments, having			100,533.33		

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Total

EXTRA SHEET PAGE 4-19

Exhibit 20

Form 1216 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 2312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Louisville Ice & Storage Co. (Cont'd) been reduced from $117,666.50 since the last examination. $6,000.00 Louisville Mortgage & Finance Co. Company is not making any new loans. Collections have been slow, as they have had to take over some real estate in settlement of some of their receivables. $56,850.00 Louisville Provision Company. (See also Claims & Judgments) Company's statement dated 8-30-30 shows: Current Assets $504M., Current Debt $373M., Plant $687M., First Mortgage $190M., Net worth $456M., Sales $1,667M., Profits $22M. $26,950.00 of this debt is unsecured. The remainder is secured by merchandise in cold storage. The gratifying thing in connection with the statement of this company is the fact that it earned $22M. last year, the investment in plant of $687M., as against a net worth of $456M., has been a source of much concern. However, in view of the fact that the earnings have been substantial, the bank seems justified in going along further with the line. $16.00 Wm. Lynch. All of the security has been exhausted.					
	16.00				16.00
$450.00 J. A. McDermott. Endorsed, A. B. Dishman. Collateral: 10 shs. First State Bank, Barbourville, Kentucky. Mr. McDermott was formerly president of that bank, while Mr. Dishman was formerly State Treasurer. The note is in the hands of an attorney, who has been unable to collect. The value of the collateral is uncertain.	450.00				450.00
$375.00 Wm. B. McNulty. Collateral: 15 shs. Bancokentucky. A former employee. Loan charged down to the value of the collateral.		375.00			127.50
TOTAL					

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EXTRA SHEET PAGE 4-18

Exhibit 20

Form 1580 C
TREASURY DEPARTMENT
Comptroller of the Currency—Examiner

No. of Bank, 2812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Applied	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$7,498.60 Mann Insurance Agency, indorsed, Owen R. Mann and Louis Grossman, The insurance company went broke and the sureties have been called upon to secure their share of the debt. Mr. Mann has given the bank a second lien on his home, valued at some $8,500.00, subject to a prior lien of $6,000.00 to the Commonwealth Life Insurance Company. Mr. Grossman has agreed to give a mortgage on some real estate equities and the papers are being prepared. Vice President Akers expressed the opinion that the value of the security is somewhat uncertain and estimated that a reduction in carrying value of the loan of $2,500.00 would be a sound move. Accordingly, that amount was estimated as a loss.	7,498.60		4,998.60		2,500.00
$34,080.10 M. Marschak. Collateral: 1,200 shs. Banco-Kentucky. Mr. Marschak is said to have sustained severe losses in the recent market decline. He was unable to pay the interest on his note at the last renewal and it was capitalized. To be charged down to the value of the collateral.					18,180.10
$1,220.00 Floyd Miller, R. H. Miller and Susie B. Miller, The first two makers are former officers of the Mount Vernon (Kentucky) bank, which failed, and are under criminal indictments for embezzlement in connection therewith. Estimated as a loss.		1,220.00			1,220.00
$6,000.00 A. H. Heise Company. Jobbers of electrical supplies. The last statement of the company shows: Current Assets 34M., Current Debt 28M., Mortgages $10M., Net Worth $7M. Are said to have suffered severe losses in the recent market decline, and were forced to mortgage some real estate to the brokers. Consequently, bank has been insistent that this line be paid out and it has been reduced from $6,000.00 since last examination.			6,000.00		

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EXTRA SHEET PAGE 3-19

Exhibit 20

Form 1064 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—Examiner

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$1,546.90 John M. Carson Banking Company, Morgantown, Kentucky. Bank failed about three years ago. All of the good collateral has been exhausted, and the collection of the balance of this debt appears problematical. Estimated as a loss.	1,546.90				1,546.90
$46,179.05 Peoples Bank, Mount Vernon, Ky. Bank has failed. Collateral is in the hands of the liquidating agent, who says that this debt is safe. In addition, to the collateral, the debt is secured by a guaranty of the directors.		46,179.05	46,179.05		
$421,849.00 Murray Rubber Company. $250,000.00 of the debt is secured in a manner by trust receipts for merchandise, and also by assigned accounts. Vice President Jones advised that a plan is on foot that will provide for liquidation of approximately half of this debt within a short while. (See Large Lines).		188,595.65	421,849.00		
$3,180.00 C. W. Napier, et al. (See loan of J. I. Dempsey, et al.)		3,180.00		3,180.00	
$2,400.00 Albert Nesbitt. Mr. Nesbitt is in the penitentiary, having been convicted of forgery and embezzlement. Bank seems unable to realize anything from the sureties. Estimated as a loss.	2,400.00				2,400.00
$5,940.00 carried at $3,840.00. Geo. R. Newman. Collateral: 120 shs. American Turf. Mr. Newman is an official of the Herald-Post Company. He is not regarded as being financially responsible. Charged down to the value of the collateral.	3,840.00				1,440.00
		EXTRA SHEET NO. 4-B.			
TOTAL					

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Form 1064 C
TREASURY DEPARTMENT
Comptroller of the Currency—Examiner

Exhibit 20

No. of Bank, 5812

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$3,800.00 A. L. Norman, Jr. Collateral: 98 shs. Norman Lumber Company. The collateral is of a slow character. Mr. Norman is reducing the debt at the rate of $250.00 at each renewal.			3,800.00		
$4,000.00 A. B. Norman. Endorsed, A. L. Norman, Jr. Collateral: 218 shs. A. B. Norman & Co. The collateral is regarded as worthless. The endorsement adds but little. Mr. Norman has no assets except his holdings in the A. B. Norman Company, and his home at Anchorage, Ky., valued at some $35M., subject to a lien of $30M. Moreover, he is a guarantor on the line of the A. B. Norman Company, which leaves his solvency open to serious question.				4,000.00	
$850.00 J. Colgan Norman. Collateral: 20 shs. A. B. Norman & Co. The collateral is regarded as being worthless. Mr. Norman is not known to have any assets outside of his holdings in the company.				850.00	
$484,361.88 Direct. 44,135.22 Indirect. A. B. Norman & Company. Endorsed, A. B. Norman. Collateral: $10,000.00 note of H. L. Bailey, secured by a lien on stumpage, sundry assigned accounts covering lumber sales. Debtors are not notified and remittances are made direct to A. B. Norman & Company. The company operates a lumber mill in Louisiana. The bad trend of the company's affairs has been growing progressively.		158,050.00	484,361.88 44,135.22	300,000.00	
				3%	
		EXTRA SHEET ACS 4-31.			
TOTAL					

Exhibit 20

Form 1256 C.
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5312

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(... N. Norman, Cont'd)					
Comparative statements for the past three years are set out below:					
		ASSETS.			
	1-1-28		1-1-29	1-1-30	
Cash	33.5M.		1.4M	15.9M	
Receivables	63.7M.		163.1M.	144.3M	
Merchandise	823.7M.		830.4M.	827.2M.	
	880.9M		994.9M.	987.4M.	
Officers	9.5M.		9.5M.	11.3M	
Stocks	.5M.		.5M.	.8M.	
Timber Lands	397.4M.		377.9M.	458.9M.	
Plant	210.8M.		278.5M.	384.5M.	
Prepaid	17.5M.		24.2M.	31.2M.	
Totals	956.6M.		1,085.6M.	1,273.7M.	
		LIABILITIES.			
Current	482.3M.		649. M.	769.3M.	
Timber Notes	112.6M.		44.5M.	23.1M.	
Mortgage				50. M.	
	594.9M		693.5M.	842.4M.	
Loan on Life Insurance.	1.7M.		2.5M	6.6M.	
Worth	360.2M.		389.6M	424.7M.	
Totals	956.6M.		1,085.6M.	1,273.7M.	
Contingent			23.6M.	13.2M.	
This bank is by far the largest creditor. In effect, it owns the business. A thorough audit should be made of the company with a view of determining whether or not the plant should be shut down and the company liquidated. In view of the deplorable condition indicated by the statements set out above, it is evident that there must be a substantial loss in the debt.					
$50,000.00 Direct. 31,877.16 Indirect. Norman Lumber Company. The indirect portion represents a note of the Norman Kiln Drying Company. Company's statement dated 12-31-29 shows: Current Assets .77M., Current Debts .5lM., Investments .66M., Other Assets .3M., Net Worth .194M. An analysis of the item of Investments .66M. discloses that .25M. is represented by stock of the N. B. Norman Company, which is believed to be worthless. It is noted that the operating figures show that			50,000.00 31,877.16		
TOTAL.		EXTRA SHEET ACC. 4-22.			

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Exhibit 20

Form 1006 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Norman Lumber Company, Cont'd) The company lost $6,681.00 for that period. $17,000.00 Norman Kiln Drying Company. Endorsed A. E. Norman, Jr., J. V. and A. B. Norman. Company's statement dated 12-31-29 shows: Current Assets .14M., Current Liabilities .70M., Plant .142M., Net worth .86M. Operating figures show that the company made $10,300.00 last year. The investment of $142M. in plant, as against an $86M. net worth, represents an abnormality that would seem to make an unsecured line of credit unsatisfactory.			17,000.00		
$4,300.00 Nu-Grape Beverage Company. Endorsed, Joseph L. Kelligan and L. E. Brennen. Company's statement dated 10-1-29 shows: Current Assets .3M., Current Debts .11M., Plant .29M., Net worth .22M. Credit checking through a mercantile agency disclosed that the company is slow in meeting its trade obligations.			4,300.00		
$90,000.00 Direct. 1,218.20 Indirect. Ohio Falls Iron Company. Endorsed by C. M. Clark (Director). The indirect portion represents a trade note of the Kentucky Wagon Manufacturing Company. The statement of the Ohio Falls Iron Company, dated 1-1-30 shows:			90,000.00 1,218.20		
Cash 7.3M.		Current Debt 259.1M.			
Receivables 129.3M.		Reserve for Depreciation 297. M.			
Merchandise 156.6M.		Net Worth 456.3M.			
293.3M.					
Plant 748.4M.					
Prepaid 3.7M.					
1,014.4M.			1,014.4M.		
The company's net worth continues to decline.					
Total.					

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EXTRA SHEET PAGE 4-28.

Exhibit 20

FORM 1064-C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 5518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
(Ohio Falls Iron Company. Cont'd) A comparative statement of the decline is shown below: Net Worth 1-1-28 $800M. " " 1-1-29 807.M. " " 1-1-30 458M.					
Complete operating figures are not on file showing the reasons for this heavy loss. The earnings have not been applied to the depreciation account, as it has been increased only as follows: Reserve for Depres. 1-1-28 288M. " " " 1-1-29 285M. " " " 1-1-30 297M.					
The company's affairs are definitely headed in the wrong direction. The guaranty of Director Clark is believed at this time to make the loan good.					
1,189.62 H. D. Lumsby, Agent. This is part of the Hyman Pickle Company debt. (See their line).			1,189.62		
TOTAL					

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EXTRA SHEET PAGE 4-24.

Exhibit 20

Form 1136 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$3,008.97 Parkway Lumber & Construction Company Endorsed E. H. Ortner, Louis Rosenberg and Frank Robinson. Coll: 1,122 shs., Standard Mortgage Co., Par $5; 10 shs., Paducah Water Works, Pfd.; 5 shs., Louisville Gas & Electric, Pfd.; $54,870.98 sundry second mortgages notes; $3,500.00 real estate bonds. Real estate mortgage from Chas. L. Atkinson and wife on property at 3422 Concord Drive, subject to a prior lien of $4,386.00. Last statement on file is dated 8-11-28. Information furnished is to the effect that the liens prior to the second mortgages held as collateral will mature in 1931-1932 and 1933, and as they are re-financed, a portion of the second mortgages will be taken up by increased first liens. The loan is necessarily slow and has been reduced only from $54,954.97 since the last examination.			$3,008.97		
47,808.91 W. M. Pepper Coll: $50,000.00 participation in $100,000.00 Murray Rubber Co. Debenture 7's. Mr. Pepper is not known to have any means. The collateral is regarded as worthless. Estimated as a loss.	47,808.91				47,808.91
$1,000.00 - Direct 8,863.55 - Indirect Pickrell Motor Company Endorsed O. Graham Pickrell. Company's statement dated 6-30-30 shows: Current Assets $60 M; Current Debts $40 M; Franchise and Lease $34 M; Other Assets $10 M; Net Worth $54 M. Company owes an operating loss of $4,000.00. It is an agent for the Star and Durant automobiles and it is noted that of the item of inventory of $53 M, $9,700.00 is represented by used cars.			$1,000.00 8,863.55		
TOTAL					

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EXTRA SHEET PAGE 4-28.

Exhibit 20

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$5,000.00 - Direct 4,110.00 - Indirect Henry Pilcher's Sons Guaranteed W. H. Pilcher. Coll: Sundry lien installment notes for organs. Company is engaged in the manufacture of organs. Its principal customers are churches on long-time payment plan. Collections are usually safe, but necessarily slow. This reflects itself in the unusually heavy item of receivables in the company's statement dated 12-31-99, which is as follows: Cash $8.3M Current Debt $136.3M Receivables 804.3M Coll.Trust Notes 80. M Merchandise 89.4M $89.7M $216.3M Plant 144.1M Worth $826.3M Good Will & Prepaid Employees 10.4M $44.3M $44.3M Sales are shown to be only $974 M. When this is compared with receivables of $804 M., the slow nature of the receivables becomes more apparent.						
5,700.00 G. H. Poor Coll: 125 shs., Louisville Textiles, Com. no par. Maker was formerly superintendent of the Louisville Textiles. He now resides in Chicago, being manufacturer's agent for a group of Southern mills. He has paid $100.00 since last examination and information furnished is that at the next maturity he will pay another $100.00.				5,700.00		
900.00 H. B. Porter Coll: 10 shs., Bank of Caneyville, Caneyville, Ky. Mr. Porter is President of the above bank. He says he cannot pay except by borrowing elsewhere.				900.00		

Exhibit 20

Form 1256 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
4,250.00 A. Rosen Secured by a second lien on a mercantile building on Main Street. Reductions are being made at the rate of $20.00 or more per month, and the debt has been reduced from $4,750.00 since the last examination.			4,250.00		
47,550.12 - Direct 5,481.12 - Indirect Reed and Reed Endorsed Stanley and Malby Reed. Coll: $1,000.00 demand note, M. H. Sizemore, dated 4-2-28. Makers are general agents for the John Hancock Life Insurance Company. No statement is on file, but the information furnished is to the effect that they have little assets aside from their renewal commissions. These are not assigned to the bank. It is said that these gentlemen have been forced to spend considerable money in establishing and building up their agency, and that reductions in substantial volume should begin within the course of a year or so. In its present condition, the line is anything but attractive. (See line of Stanley Reed next below).			47,550.12 5,481.12		
$7,000.00 Stanley Reed Endorsed Malby Reed. Collateral: 1,200 shs., American Turf; 1,000 shs., RenoKentucky. These gentlemen are not known to have any personal wealth. Their insurance business assets of course stand good for the debts of the partnership. The portion not protected by collateral is very doubtful.				$4,000.00	
1,000.00 - Carried at $800.00 Edwin C. Reid Coll: 60 shs., Reynolds Investing, Com. Ex-banker at Taylorville, Kentucky, recently released from prison. Has no assets. A loss estimated in the unsecured portion.	800.00			38	$99.00
			EXTRA SHEET PAGE	4-27.	
TOTAL					

Form 1064C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON

Exhibit 20

No. of Bank, 9813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
303.00 Direct 5,515.82 Indirect Routlinger & Company. An insurance agency that has sold out its business and is winding up its affairs.			303.00 5,515.82		
10,000.00 Direct 9,248.86 Indirect Rowland Company. Endorsed J. V. Rowland. Company's statement dated 12-31-29 shows: Current Assets $80 M; Current Debts $55 M; Plant $2 M; Due from Employees and Good Will $21 M; Net Worth $51 M. Profits are given as $1,284.00. After adjusting the intangible assets, the net worth is reduced to $30 M to support a debt of $55 M. Statement is not at all attractive.			10,000.00 9,248.86		
5,101.07 Rudolph & Bauer, Inc. Represented by a discount of D. K. Murphy and Brothers. Makers are candy manufacturers, and are in receivership. Have offered to compromise with their creditors on a basis of fifty per-cent. Bank feels that D. K. Murphy & Brothers makes the debt safe.			5,101.07		
24,225.00 Alexander Bond Coll: 1,000 shs., BancoKentucky; 80 shs., Kentucky State Life Insurance Company; A life insurance agent who went broke in the recent market decline. Unsecured portion is estimated as a loss.		24,225.00			5,973.00
9,895.00 H. J. Subirich and C. C. Hiatt Endorsed Consolidated Realty Co. Coll: 800 shs., Consolidated Realty Company. During the examination, this note was taken up by the Consolidated Realty Company out of the proceeds of a discounted note of the Cardoma Commodities Corp. (See their line).	9,895.00		9,895.00		

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EXTRA SHEET PAGE 4-B.

TOTAL

Exhibit 20

Form 1456 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
H. J. Scheirich and C.C. Hiatt Coll: $100,000.00 certificate of deposit; 197½ shs., Consolidated Realty Company "A" Com. Messrs. Scheirich and Hiatt are badly involved. The stock is regarded as being worthless. The portion so collateraled is estimated as a loss.	112,000.00	112,000.00				12,000.00
John H. Shine and Harold McCulloch Coll: 496 shs., Parkdale Land Company; 60 shs., New Albany (Indiana) National Bank; 8 shs., Second National Bank, New Albany, Indiana; 10 shs., First National Bank, Charlestown, Indiana; 70 shs., BancoKentucky; $30,000.00 note, Parkdale Land Company, due 6-11-31. Since the last examination the debtors have been required to execute the $30,000.00 note as additional collateral. It is secured by a first lien on about fifteen acres and second lien on twenty-four acres, subject to a prior lien of $16 M. to the Louisville Trust Company. The property represents a subdivision project embracing some 200 lots. Due to a slowing down in real estate activity, the lots have become a slow asset. The Messrs. Shine and McCulloch are active officers of the New Albany (Indiana) National Bank.	3,480.00			3,480.00		
Frank F. Jneed and wife Mr. Jneed is not regarded as being strong financially. However, his wife is said to be well fixed.	3,045.00			3,045.00		
R. E. Snyder Coll: 5 shs., Bank of LaGrange, Kentucky. Ex-cashier of the Bank of LaGrange, which recently failed. All of his property is said to be encumbered. Now working for an insurance agency, and his only way of repaying the loan is to earn the money. Reduced $25.00 since the bank failed.	975.00				975.00	
Total.						

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914

Exhibit 20

FORM 1455 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8518

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
Amount					
1,700.00 Joseph Selinger Coll: 100 shs., Billy Reader Amusement Co., Par 50. The collateral is not listed, nor does it have any market. Maker is an attorney who has reduced the debt from $3,000.00. It is to be reduced at the rate of $100.00 at each renewal.			1,700.00		
65,250.00 Standard Mortgage Company Endorsed Max L. Simons. Statement dated 1-1-30 shows: Current Assets $6,400.00; Real Estate and Furniture and Fixtures $80 M; Second Mortgage Notes $218 M; Current Debt $76 M; Net Worth $228 M. Profits are shown to be $14 M. Bank has notified the company that dividends must be suspended and all earnings applied to the reduction of its liabilities, which have been reduced $6,000.00 since the last examination.			65,250.00		
46,000.00 Standard Printing Company Endorsed D.B.O. Rose and Robert Gottschalk. Company's statement dated 6-30-30 shows: Current Assets $217 M; Current Debt $207 M; Investments $205 M; Plant $408 M; Mortgages $108 M; Net Worth $519 M. Company's earnings are shown to be only $18 M. The debt has been reduced from $99 M. since 3-25-29, of which amount $5,500.00 has been obtained since last examination.			46,000.00		
185.00 Combit Steel Coll: 8 shs., BancoKentucky. Former employee. To be charged down to the value of the collateral.	185.00				47.50
4,750.00 J. L. Strickland Coll: $5,000.00 life insurance policy, no surrender value. Agent for the Sun Life Insurance Company. Admits that he has nothing. Estimated as a loss.		4,750.00			4,750.00
				41	
		EXTRA SHEET PAGE 4-30;			
TOTAL					

Exhibit 20

Form 1256C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$7,890.00 - Direct 39,113.19 - Indirect Summers.- Herrman, Inc. Turner A. Summers endorses $24,000.00, and L. J. Herrman is a co-surety on $25,000.00. Coll: $1,000.00 Title Guaranty Company 5½ - 1935; Warehouse receipts for 15 Ford automobiles; $50,000.00 life insurance policies - cash value $2,480.00. Company's statement dated 12-31-29 shows: Current Assets $119.5 M; Current Debts $91 M; Real Estate and Equipment $94 M; Investments $25 M; Prepaid Expenses $12 M; Mortgages $19 M; Net Worth $143 M. The company's business is said to have suffered a substantial decline in sales volume during this past summer.			$7,890.00 39,113.19		
$7,907.77 Swiss Cleaners and Dyers Endorsed D.H. Long, and in addition, $5,407.77 carries the endorsement of H. E. Mechling. The strength of this note lies largely in the collateral securing the loan of D. H. Long. (See his loan). Reduced from $20,314.00 since the last examination.			$7,907.77		
$7197.50 A. V. Thomson & C. C. Hiatt Coll: $1,000.00 Second Church of Christ bond; $11,580.00 sundry real estate notes. The real estate notes were borrowed from the Consolidated Realty Company and are said to have been paid down to about half of their face value.	7,197.50		7,197.50		
$18,746.31 Estate of A. V. Thomson Endorsed Semmin-Goodman, Inc., and Consolidated Realty Company. Coll: $40,000.00 notes of A. V. Bennett. These represent a joint debt arising out of a sub-division project. The properties have nearly all been sold and notes taken. The maker of the collateral notes is a contractor, and it is said that he has other real estate, against which he is to raise some money and pay off the collateral notes.			18,746.31	4%	
TOTAL			EXTRA SHEET PAGE	4-31.	

Exhibit 20

Form 1122 C
TREASURY DEPARTMENT.
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8813

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$6,462.62 W. V. Thruves Secured by a second lien on 220 acres near Lexington, Kentucky, subject to a prior lien of $40 M. (and overdue interest) to the Louisville Title Company. The first lien is in arrears and the holders are preparing to foreclose. The information furnished is to the effect that the place can reasonably be expected to bring $100 M, even at a foreclosure sale. There is a third mortgage of $20 M., held by a capitalist in Texas, and it is said that he will be likely to protect the two prior liens and take over the property.	$6,462.62			$6,462.62	
74,512.71 Trumbo-Schupp and Schmidt This is a part of the J. Dalfinger - Giles Van Cleve line and is protected by the same property. (See their line).	74,512.71		74,512.71		
1,380.00 J. C. Utterback Coll: 40 shs., Palmer Hotel Co., Paducah, Kentucky. Mr. Utterback is the President of the City National Bank, Paducah, Kentucky. The collateral is slow, but is probably worth the debt. Line is being reduced very slowly, having been reduced only $600.00 since 10-22-26.			1,380.00		
48,000.00 carried at $25,000.00 H. Verhoff and Company Endorsed R. M. Hartwell and John S. Green. The endorsement of Mr. Green adds nothing. The company's statement dated 6-30-30 shows assets of $37,400.00 and debts of $39,600.00. Furthermore, an operating loss of $1,200.00 is shown for the six months period. In view of the condition of insolvency admitted by the company's statement, together with the continued operating loss, it does not seem that the bank is justified in going along with the company. It should be placed in liquidation and this debt cleaned up. It is believed the bank can escape further loss at this time.	25,000.00		25,000.00	43	
TOTAL					

EXTRA SHEET PAGE 4-32.

Exhibit 20

Form 1136 C
TREASURY DEPARTMENT
Comptroller of the Currency—Examining

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
406.08 John H. Walter Collateral: 80 shs., Ranco-Kentucky. Maker is admitted to have no means. / charged down to the value of the collateral.		406.08			96.13
6,800.00 E. K. Warden Collateral: 100 shs., Consolidated Realty Company, Ltd. An insurance agent who is admitted to have no means. The collateral is regarded as worthless. Estimated as a loss.		6,800.00			6,800.00
186,348.00 Ben S. Washer Collateral: 1,800 shs., American Turf; 2,685 shs., Standard Oil of Kentucky; 1,600 shs., Ranco-Kentucky; 380 shs., Crescent Hotel Company, Com. The first three issues have a collateral value of $104,175.00. The value of the Crescent Hotel Company stock is uncertain, due to the fact that its principal asset represents an equity in a piece of desirable city real estate. Mr. Washer told your examiner during the examination that in his judgment the stock should reasonably be worth $300.00 per share. He promised to lodge as additional security, 80 shares of that stock and to assign a $50,000.00 life insurance policy. When this is done, the debt would appear to be reasonably safe. (See loan of Almee Shop at Fourth Street Branch and International Consolidated Mining Company at parent bank).			186,348.00		

Exhibit 20

Form 1456 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8818

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$20,000.00 Wheeler Realty Company Endorsed Blakemore and W. C. Wheeler. Real estate agents, whose statement dated 12-31-29 shows assets of $100M and debts of $60M. Debt has been reduced only $6,000.00 since 1-31-29. The business has been slow, but the securities are said to have considerable outside worth.			20,000.00		
$6,500.00 T. L. Young Coll: 325 shs. Crummies Creek Coal Co. 200 shs. Walling Creek Coal Co. The last named issue is worthless. The maker is a salesman for the Logan-Pocahontas Coal Co. of Cincinnati. Bank is indebted to him for having saved it a loss on an old debt of the Walling Creek Coal Co. hence, they have permitted him to pay out this debt at his convenience. Crummies Creek Coal Co. stock is slow, but the debt is being reduced at the rate of $200.00 a month.			6,500.00		
$108,000.00 S. Zorn & Co. Discount of the Gold Proof Milling Co. Coll: $140,000.00 bonds of the Gold Proof Milling Co. The Gold Proof Milling Co. operates an elevator in conjunction with the grain business of S. Zorn & Co. Their statement values the plant at $190M., subject to a mortgage of $170M., $140M of which is lodged as collateral to this note of $108M. The debt is being reduced at the rate of $5,000.00 each six months. The line of credit to S. Zorn & Co. for grain has been paid out seasonally, and while the company is making but little headway, no especial criticism attaches to that part of the line.			108,000.00		
Other overdue paper not otherwise classified		190,705.08		45	
Total.	909,085.16	681,807.89	3,918,909.49	841,388.70	344,780.45

EXTRA SHEET PAGE 4-34.

Exhibit 20

Form 1496 C
TREASURY DEPARTMENT
Comptroller of the Currency—Examiner

No. of Bank, 5318

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
		FOURTH STREET BRANCH.			
$6,000.00 Abbee Shop. Endorsed by Sam. S. Washer. Company has gone out of business, and the endorsement is regarded of doubtful value.				6,000.00	
$40,800.00 Direct. 3,981.01 Indirect. Louis Appel Company. Endorsed, Louis Appel, Walter G. and Sidney H. Appel. Dealers in men's furnishings. Statement dated 1-31-30 listed Quick Assets $191.7M., Current Liabilities $119.9M., Net worth $308.6M. Net loss for the period, $27.1M. The unfavorable features of this loan are; the poor current ratio, large amount of accounts receivable, including exhorbitant executive salaries, and the resultant loss from operations. Close and vigorous attention to the loan is necessary.			43,981.01		
$220.58 C. S. Channon. Collateral: 10 shs. BanceKentucky.		220.58	155.00		65.58
$1,193.00 Paul A. Davis. Collateral: 100 shs. BanceKentucky. Maker is night watchman at the Fourth Street Branch, and information as to other assets could not be obtained.			1,650.00	545.00	
$5,000.00 R. Hayes Davis. Collateral: $5,000.00 lien note, which has been due since 9-22-29.			5,000.00		
$2,050.00 Jessie S. Diefenbach. Collateral has an estimated value of $1,053.00.				997.00	
$800.00 J. R. Etherton. Collateral: 50 shs. Rose-Fawcett, Ptd. Value of the collateral is questionable. Loan reduced $100.00 since last examination.			800.00		
$300.00 . . Fields. 5-27-30.		300.00			300.00
Total.		EXTRA SHEET PAGE 4-28.			

Exhibit 20

FORM 1206 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$1,721.84 Warren F. Heath. Collateral: 20 shs. BancoKentucky; 20 shs. Reynolds Investing, com.; 20 shs. American Turf. The collateral has an estimated value of $1,145.00. Maker is savings teller at the branch.			1,145.00	576.84	
$6,000.00 Ella Mae Johnson. Endorsed, Henry Johnson. Maker owns considerable amount of real estate, but is considered to have a heavy debt. Loan reduced $200.00 since last examination.			6,000.00		
$1,500.00 Saunders P. Jones. Collateral: 5,200 shs. Jones-Rabney Co., par value $20.00 per share. The stock of this corporation is closely held, and on the basis of the statement of the company does not appear to be desirable collateral for a loan of this size. For comments in regard to statement of the company, please refer to the loan of the company, listed on Page 6.			1,500.00		
$4,700.00 Albert Eastman. Collateral: 400 shs. Reynolds Investing, Com. Estimated value of collateral $1,600.00.			1,600.00		3,100.00
$6,150.00 Anna L. Ballmer. Collateral: 100 shs. Studebaker, Com.; $5,000.00 Metropolitan Realty bonds, due 1934. The collateral is estimated to have a value of $7,000.00.			4,000.00	1,000.00	1,150.00
$1,287.68 J. W. Kigal. Collateral: 55 shs. BancoKentucky. Maker is an employee of the Fourth Street Branch.			907.00	380.68	
$945.00 Chas. M. Lewis. Loan has remained unchanged since 11-30-27. Maker not known to have any assets, and evidently unable to reduce the debt.		945.00			945.00
Total.		EXTRA SHEET PAGE 4-36.			

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Exhibit 20

Form 1489 C
TREASURY DEPARTMENT
Comptroller of the Currency—Examiner

No. of Bank, 8513

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$27,250.00 Robt. H. Logan. Collateral: 200 shs. Park Utah. Consolidated Mining, 100 shs. Selected Industries Com., 80 " Pfd "B", 400 " Louisville Railway, Com., 198 " Reynolds Metals, Com., 200 " Standard Oil of Ky., $5M. C/D of this bank. The value of the collateral is estimated at $17,510.00.				9,740.00	
$11,184.93 Elizabeth J. Mengel. Collateral: 12 shs. North American Co., Com., 66 shs. International Nickel Com., 20 " Warner Brothers Pictures, 20 " Brunswick Balke, 10 " Standard Oil, Ind., 10 " Standard Oil, Ky., 25 " Utility & Industrial, Pfd., 25 " Insull Utility Invest., 200 " Foreign & Domestic Veneer, Com. The listed collateral has an estimated value of $6,805.00. The last named stock has doubtful value. An effort will be made to obtain the added endorsement of a relative of means.				4,381.93	
$487.27 Harold Mitchell. Collateral: 20 shs. BancoKentucky. Maker is employed as savings teller at the branch.			350.00	137.27	
$1,075.00 E. B. Norman, Jr. Collateral: 48 shs. E. B. Norman & Co. Loan reduced $125.00 since last examination.			1,075.00		
$1,000.00 W. J. O'Connor. Collateral: 22 shs. Louisville Cotton Mills.			1,000.00		
$14,100.00 F. J. Pearl. Collateral: 420 shs. American Turf, 200 shs. BancoKentucky, $1M. Certificate of Deposit. The collateral has an estimated value of $12,040.00. Maker is a Pullman conductor and is reducing at each maturity.			12,040.00	2,060.00	
Totals.				48	
			EXTRA SHEET PAGE 1-57.		

Exhibit 20

Form 1005 C
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINER

No. of Bank, 5512

SLOW AND DOUBTFUL PAPER AND LOSSES ON LOANS

Maker, indorser, and security Amount	Overdue Class "A"	Overdue Class "B"	Slow	Doubtful	Loss
$300.00 Alfred Reinash.		300.00			300.00
$6,900.00 E. R. Thomson. Collateral: 200 shs. Foil "B" 100 shs. Southern Corp., Com., $1.5M, C/D of this bank. The value of the collateral is estimated at $5,100.00.					1,800.00
$8,392.51 Edna L. Berake. Collateral has an estimated value of $6,500.00.				2,000.00	
$2,400.00 W. H. Willys. Secured by a second mortgage from which a recovery of $500.00 has been secured - balance admitted loss.					1,900.00
Other overdue paper not other- wise classified.		135,602.40			
				49	
		-	X		
		287,977.92	141,195.01	87,118.72	9,560.82
		EXTRA SHEET PAGE		4-38.	

Town

Form 1418 — Page 1
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY — EXAMINING

Exhibit 20

No. of Bank, 8318

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT

(Charged-off items, overdrafts, and bank's own acceptances discounted must be included in loans)

Name of borrower	Amount	Give names of directors who approved these loans as shown by the bank's records, and any other comment deemed appropriate
Bennett (E. H.) and Co.	$25,251.22	
Chatfield & Co.	1,472,000.00	For detail, See "Large Lines"
Caldwell & Co.	1,200,000.00	See comment under "Large Lines" for detail and for increases during examination.

If excessive loans are numerous, continue the list on Form 1430, to be inserted in the report at this point.
Where an excessive loan exists because of accommodation paper, partnership liability, renewed commercial paper, or any unusual reason, state clearly why this line is so classed.

Note.—The examiner should advise the directors of their individual responsibility, under Section 5239, U. S. R. S., for all loans designated as excessive or other unlawful loans.

LOANS AND DISCOUNTS SECURED BY REAL ESTATE MORTGAGES OR OTHER LIENS ON REALTY

1. Aggregate amount on which real estate security has been taken for debts previously contracted,	$18,073.80
2. Aggregate amount of loans or purchased paper which conforms to Sec. 24, Federal Reserve Act,*	
3. Aggregate amount on which real estate security has been taken in violation of law,	
TOTAL,	$18,073.80

* These items need not be listed below.

LIST REAL ESTATE LOANS REFERRED TO IN NOS. 1 AND 3 ABOVE

1 Name of borrower	2 Amount of loan	3 Prior liens	4 Estimated value of property	5 Date mortgage taken by bank	6 Maturity of mortgage	7 State whether secured by improved farm or other property	8 Is property located within legal boundary
Badger Aluminum Co.	5,000.00	-	1,000.00	-	1-27-27	218 A.	
Blank (A.S.) Heating Co.	4,061.00	9,000.	28,000.	8-1-20	8-1-21	2 residences and 4 vacant	
Carter County Co.	12,822.80	97,800.	127,900.	-	10-1-29	2 City Parcels	lots.
Cone, J. Parker	8,221.22	6,200.	7,200.	-	5-21-27	City	
General Realty Corp.	120,000.00	-	275,000.	7-5-27	1-15-28	"	
Greene, E. L.	1,945.00	-	2,000.	-	7-6-25	"	
Harlan Coal Co.	80,000.00	-	80,000.	-	6-7-20	38/100 of 492 A.	
Henry, R. J.	7,000.67	-	6,500.	-	6-15-28	Residence	
Hunt, A.	4,220.60	?	?	8-1-20	Monthly	Mercantile	
Shreve, W. T.	36,462.62	60,000.	100,000.	-	8-13-21	220 A.	
Trumbo Schupp & Schmidt	74,212.71	6,000.	125,000.	Various	8-22-29	13 A.	
TOTAL,	$18,073.80						

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Are property appraisal certificates (Forms 1415, 1416, 1416a) attached to loans?

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Form 1488—Page 6
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—REVISED 1938

Exhibit 20

No. of Bank, 5312

LARGE LINES (NOT TECHNICALLY EXCESSIVE LOANS)

List here all lines of credit which are believed to be subject to criticism, as representing unwarranted extensions of credit to the same or affiliated interests. Include loans, stocks, bonds, or other forms of credit, and explain briefly nature of affiliation. State whether line is disproportionate to bank's resources, or too large in view of financial standing of the borrowers, or why, otherwise, line is thought unwarranted. If any portion of these lines constitutes an excessive loan, such portion should be included also with excessive loans. If a portion only of a large line is included on page 4, include that portion here, but if the whole of a large line is shown on page 4, show only the aggregate here. Describe security, if any, and make any other comment deemed appropriate. Where aggregate line exceeds limit Sec. 5200 state reason for not classing as excessive loan.

Names of borrowers and guarantors	Subtotal of line	Total of line
SEE EXTRA SHEET		

OTHER LOANS ESPECIALLY MENTIONED

Large loans not included in Slow or Doubtful schedules but which, because of apparently unsatisfactory statement, disproportionate amount of borrowed money, absence of statement, shortage of collateral, or other specified reason, it seems desirable to list for information. Include here all large loans of a capital nature.

SEE EXTRA SHEET		

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Exhibit 20

Form 1420—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* Sept. 17, 1930.

RECAPITULATION OF LOANS ON AMERICAN TURF ASSN.

	Loans	Value of other coll.	Net on Amer. Turf	No. shares	Value of Amer. Turf at $15 per share
Parent Bank	3,498,719.47	1,353,123.00	2,100,892.04	99,067	1,674,205.00
Fourth St. Branch	518,400.63	374,308.00	137,711.47	11,538	167,389.80
	4,017,120.10	1,727,325.00	2,238,603.51	110,605	1,841,594.80
Sold Loans	36,950.00	28,430.00	15,450.00	1,578	23,670.00
Direct Loans	95,500.00	56,402.00	36,808.00	1,891	28,349.00
	4,149,570.10	1,812,157.00	2,261,261.51	114,074	1,894,613.50

No statement of the American Turf Association is on file. As a matter of fact, due to the nature of the company's business it does not issue one. Consequently it is extremely difficult to appraise these loans. Inquiry at local brokerage houses disclosed that the stock is nominally quoted at about $15.00 per share, but that there are no bids at any price.

The company has a capital of $12,000,000.00 divided into 480,000 shares of $25.00 each. Hence it is seen that this bank holds about one-fourth of the entire capital as collateral. This is entirely too large a concentration on an unlisted issue about which nothing can be accurately ascertained.

It is therefore recommended that immediate steps be taken to collect a substantial portion of the loans listed in the following schedules.

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EXTRA SHEET PAGE 6-1.

To the Comptroller of the Currency,
Washington, D. C.

Examiner

Exhibit 20

Form 1488 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* Sept. 17, 1930.

PARENT BANK

Name	Amount of Loan	Value of other coll.	Net on Amer. Turf	No. of shares	Value of Amer. Turf at $15 per sh.
Angermeier, Pierre	270.00	—	270.00	25	375.00
Aranson, M. L.	11,723.25	2,920.00	8,803.25	552	8,280.00
Arterburn, S. B.	762.76	—	762.76	70	1,050.00
Buchanan, John	17,004.05		17,004.05	480	7,200.00
Buechel, George	34,800.00	4,009.00	30,791.00	360	5,400.00
Camden, J. W.	400,000.00	105,889.00	294,500.00	22736	341,040.00
Chilton, J. M.	580,000.00	—	580,000.00	25129	376,935.00
Clancy, Jno. F.	1,800.00	—	1,800.00	100	1,500.00
Clark, Geo. M.	45,000.00	11,000.00	34,000.00	2000	30,000.00
Clark, Jas. T.	29,000.00	—	29,000.00	1125	16,875.00
Connery, Jno. T.	25,000.00	—	25,000.00	1800	27,000.00
Connery, Jas. P.	25,000.00	—	25,000.00	1800	27,000.00
Corcoran, A. J.	3,000.00	1,080.00	1,920.00	150	2,250.00
Duffy, Martin	1,450.00	690.00	760.00	49	735.00
Dugan, W. E.	2,500.00	1,600.00	900.00	120	1,800.00
Eith, Frank J.	500.00	—	500.00	35	525.00
Felter, Geo. G.	25,568.67	3,270.00	22,298.67	1200	18,000.00
Gerst, Frank A.	7,100.00	3,360.00	3,740.00	120	1,800.00
Grant, Margaret	2,066.51	1,650.00	416.51	80	1,200.00
Greenstein, Joe H.	2,821.65	—	2,821.65	120	1,800.00
Greer, J. M.	600,000.00	130,150.00	369,850.00	15380	230,700.00
Guernsey, Gordon B.	850.00	—	850.00	26	390.00
Guettig, Nettie J.	3,600.00	2,475.00	1,125.00	39	585.00
Guiglians, Agnes	250.00	3,606.00	—	25	375.00
Hancock, L. W.	11,000.00	—	11,000.00	793	11,895.00
Harris, L. S.	158,000.00	51,148.00	103,852.00	4000	60,000.00
Hayes, E. W.	105,000.00	102,885.00	2,115.00	141	2,115.00
Hayes, Mrs. E. W.	7,138.76	7,306.00	—	100	1,500.00
Herman, L. J.	5,075.00	—	5,075.00	258	3,870.00
Kramer, A. W.	18,039.17	13,520.00	4,519.17	216	3,240.00
Hickman, B. O.	46,676.00	16,600.00	30,076.00	440	6,600.00
Jacobs, H. F.	28,686.89	6,930.00	21,756.50	610	9,150.00
Johnson, Dora C.	3,300.00	2,475.00	825.00	58	870.00
Kinsbiles, W. P.	54,650.00	67,900.00	—	100	1,500.00
Kingery, F. W.	1,050.00	—	1,050.00	75	1,125.00
Kirwan, Jas. G.	30,000.00	16,500.00	3,500.00	880	13,200.00
Merriman, L. L.	42,643.34	8,250.00	34,393.34	2003	30,045.00
Miller, Viola	900.00	165.00	735.00	10	150.00
Mooney, Catherine	13,547.00	8,400.00	5,147.00	281	4,215.00
Newhouse, W. I.	11,000.00	6,600.00	4,400.00	235	3,475.00
Neuman, C. R.	3,408.35	—	3,408.35	120	1,800.00
Obermeier, C. A.	11,450.00	1,000.00	10,450.00	312	4,680.00
Obermeier, H. A.	19,291.44	8,150.00	11,141.44	300	4,500.00
O'Brien, E. M.	194,426.67	233,199.00	—	500	7,500.00
Pinena, Sal S.	500.00	—	500.00	40	600.00
Ramser, C. A.	913.65	—	913.65	54	810.00
Raque, Frank	2,600.00	1,265.00	1,335.00	100	1,500.00
Reed, Stanley	32,140.50	—	32,140.50	1200	18,000.00
Reaff, Geo.	3,368.20	—	3,368.20	120	1,800.00
Ryan, W. F.	2,050.00	1,650.00	350.00	50	750.00
Sakefield & Co.	589,000.00	424,000.00	165,000.00	5500	165,000.00
Salsh, M. W.	64,500.00	56,550.00	7,950.00	550	16,500.00
Sasher, Ben S.	156,348.00	34,500.00	121,848.00	2825	78,750.00
Whitelaw, A. K.	90,000.00	—	90,000.00	3500	105,000.00
Woodson, Urey	15,000.00	12,850.00	2,150.00	375	11,250.00
	3,498,719.47	1,363,123.00	2,100,892.04	99067	1,674,305.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

SEE NEXT PAGE 6-2.

Exhibit 20

Form 1488 - Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 — Date of Report Sept. 17, 1930.

FOURTH STREET BRANCH

Name	Amount of Loan	Value of other coll.	Net on Amer. Turf	No. of shares	Value of Amer. Turf at $15. per sh.
Seymour C. Anderson	8,280.00	7,290.00	-	180	2,610.00
A. G. Angermeier	21,500.00				
Gertrude Beppel	3,600.00	3,245.00	355.00	50	725.00
Geo. R. Armstrong	18,219.14	15,360.00	859.14	180	2,610.00
Adeline Barth	8,286.21	6,790.00	-	120	1,740.00
Esther Barth	808.06	0	808.06	24	384.00
Tim C. Brown	660.00	0	660.00	37	528.00
Mrs. Lillie M. Bryant	8,880.00	2,083.00	3,737.00	186	2,697.00
C. R. Burton	5,800.00	0	5,800.00	300	4,350.00
Helen W. Callahan	800.00	0	300.00	25	362.50
T. J. Campion	3,800.00	1,364.00	2,136.00	120	1,740.00
Blanche D. Craig	4,400.00	0	4,400.00	120	1,740.00
Mrs. G. M. Demejean	4,400.00	2,980.00	1,420.00	100	1,450.00
A. B. Dumbo	4,300.00	5,945.00	0	60	870.00
Frank H. Dyer	3,720.16	3,501.06	219.16	8	116.00
J. Reed Embry	5,800.00				
Maude Lee Frank	13,888.06	11,740.00	1,945.06	100	1,450.00
I. T. Fugate	6,800.00				
Emma Dorey Gipperich	1,800.00	1,179.00	120.00	24	348.00
Lula S. "	8,825.00	7,455.00	870.00	60	870.00
E. S. Graff	10,000.00	18,800.00	0	360	5,220.00
Alex V. Griswold	7,745.80				
A. M. Hardaway	5,127.22	2,116.00	3,011.22	120	1,740.00
J. H. Harrison	12,780.00	8,280.00	4,500.00	100	1,450.00
Olive W. Herrman	1,050.00	0	1,050.00	80	1,160.00
Richard H. Hill	16,373.00	11,868.00	4,530.00	420	6,090.00
Mary H. Hogan	7,400.00	6,250.00	1,150.00	120	1,880.00
Mrs. Peter B. Holland	1,900.00				
Warren F. Hosch	1,721.84	410.00	1,311.84	50	725.00
Mrs. G. M. Johnson	7,408.00	0	7,408.00	402	5,829.00
Preston P. Joyce	5,000.00	0	5,000.00	500	7,250.00
Emil O. Juett	8,000.00	9,480.00	0	401	5,815.00
E. S. Karraker	6,800.00	6,926.00	0	120	1,740.00
R. C. Kennedy	69,750.00	57,115.00	12,635.00	1200	17,400.00
Margaret L. Kaleny	1,500.00	900.00	600.00	120	1,740.00
Raymond L. Letts	2,284.06	4,800.00	0	60	870.00
Mattie B. Middendorf	16,863.00	9,860.00	7,003.00	336	4,872.00
John L. Milton	29,000.00	17,880.00	11,120.00	2030	29,435.00
Lucy Lenen Milton	3,800.00	3,000.00	800.00	100	1,450.00
Jos. S. Morris	28,547.00	28,490.80	0	120	1,740.00
Chas. C. Mosrey	18,545.39	18,930.00	0	130	1,740.00
F. J. Pearl	14,100.00	5,980.00	8,156.00	420	6,090.00
Amelia Peters	3,987.80	2,944.00	993.80	120	1,780.00
Neil Petree	3,468.80	3,180.00	312.80	100	1,450.00
Cornelius J. Pfeiffer	8,480.00	3,280.00	3,200.00	100	1,450.00
Lee S. Wichah	400.00	0	400.00	30	435.00
Jos. E. Pridday	30,000.00	38,650.00	0	200	2,900.00
Mollie S. Pridday	23,380.00	0	23,380.00	1000	14,500.00
Louis C. Scanlon	3,300.00	1,450.00	1,850.00	120	1,740.00
L. A. Schwabenton	180.00	0	180.00	25	365.00
Mrs. Emma Shelley	2,800.00				
Kate L. Shiannick	4,375.00	900.00	3,475.00	120	1,740.00
O. Theodore Stenkwitz	2,000.00	1,400.00	600.00	100	1,450.00
May L. Vaughn	15,000.00	12,800.00	2,200.00	260	3,770.00
Sanford "	9,000.00	7,582.00	1,418.00	100	1,450.00
Mrs. John D. Wakefield	7,800.81	6,392.00	1,408.81	100	1,450.00
Charlotte J. Watson	4,750.00	3,162.00	1,588.00	50	725.00
Edna L. Wemmke	8,392.21	2,909.00	5,485.21	240	3,480.00
	[illegible]	374,802.00	137,711.47	11,838	167,289.80

To the Comptroller of the Currency, Washington, D. C.

Number.

AKTH. SH.ET AG. 6-3.

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Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8512 *Date of Report* Sept. 17, 1930.

SOLD LOANS

Name	Amount	Value of other coll.	Net on Amer. Turf	No. of shs.	Value of Amer. Turf
A. J. Carrell	5,500.00	0	5,500.00	392	5,880.00
Frank A. Fuller	12,000.00	12,278.00	0	101	1,515.00
A. C. Shaw	3,300.00	3,892.00	0	90	1,350.00
Lawrence Jones, Jr.	6,800.00	0	6,800.00	500	7,500.00
Leon Dettinger	2,000.00	0	4,000.00	125	1,875.00
A. P. Ramser	2,150.00	0	2,150.00	15	2,250.00
L. C. Spillman	3,000.00	3,250.00	0	120	1,800.00
J. A. Sintell	2,200.00	3,250.00	0	100	1,500.00
	36,950.00	28,450.00	16,450.00	1578	23,670.00

DIRECT

H. R. Grant	2,500.00	0	2,500.00	200	3,000.00
J. M. Greer	7,000.00	6,422.00	577.00	120	1,800.00
do.	8,000.00			120	1,800.00
L. S. Harris	5,000.00	4,044.00	956.00	100	1,500.00
A. E. Latta	5,000.00	7,110.00	0	135	2,025.00
M. B. Shireman	25,000.00	10,275.00	14,725.00	350	5,250.00
Edw. J. Theobold	11,000.00	9,680.00	1,320.00	120	1,800.00
Wakefield & Co.	25,000.00	18,900.00	6,100.00	650	9,750.00
Jas. A. Wallace	9,000.00			108	1,620.00
	96,500.00	56,402.00	26,208.00	1881	28,545.00

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EXTRA SHEET PAGE 6-4.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1466—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8812 *Date of Report* Sept. 17, 1930.

THE BANCOKENTUCKY COMPANY

BALANCE SHEET

AS OF SEPT. 10, 1930.

ASSETS:

Investments:

839,289 shares National Bank of Kentucky - The Louisville Trust Company $10 par stock - total issue 975,000 shs.	$26,941,480.00
44,890 shares The Brighton Bank & Trust Co., Cincinnati, O., $10 Par stock - total issue 50,000 shares	4,109,884.90
47,884 shares The Pearl-Christ Bank & Trust Co., Cincinnati, O. $10 par stock - Total issue 60,000 shares	3,973,788.80
1,783 shares Peoples-Liberty Bank & Trust Co., Covington, Ky. $100 par stock - Total issue 6,800 shares	487,936.80
868 shares Central Savings Bank & Trust Co., Covington, Ky. $100 par stock - total issue 600 shares	389,972.81.
6,988 shares Ashland National Bank - Ashland National Company, Ashland, Ky.	
187 shares Ashland National Bank, Ashland, Ky. - $100 per stock - total issue 8,000 shares	1,425,097.80
6,925 shares First National Bank, Paducah, Ky. - $20 par stock total issue 7,800 shares	625,250.00
8,892 shares Security Bank, Louisville, Ky. $100 par stock - total issue 5,000 shares	948,800.00
Caldwell & Company	22,800,000.00
Bills Receivable	2,000,000.00
Miscellaneous	25,000.00
Total Investments:	$68,915,919.71
Cash	[illegible]
Total Assets:	[illegible]

LIABILITIES:

Capital Stock:

2,484,973 outstanding out of 5,000,000 authorized $10 par -	$4,648,730.00	
Surplus	26,948,898.00	
Bills Payable	1,080,000.00	
Tax Fund	8,789.01	56
Undivided Profits	889,840.22	
Total Liabilities:		$68,926,734.23

To the Comptroller of the Currency,
Washington, D. C

Examiner.

EXTRA SHEET ATTACHED 6-6.

Exhibit 20

Form 1428—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 2512 *Date of Report* Sept. 19, 1929

RECAPITULATION OF LOANS ON BANCOKENTUCKY COMPANY STOCK

	Loans	Value other collateral	Net on Banco-Ky. Company	No. shs.	Value BancoKy. Co. @ $16.80
National Bank of Kentucky, Main office	4,196,302.00	1,292,483.	2,903,819.	172,978	2,907,050.
Fourth St. Branch	1,494,489.00	1,388,187.	106,302.	33,286	547,430.
	5,690,791.00	2,680,670.	3,010,121.	212,264	3,454,471.
On Loans sold to Country Banks	299,486.00	192,089.	107,397.	13,263	218,617.
On Loans made direct for country banks	146,100.00	116,347.	29,753.	4,660	76,890.
	6,136,446.00	2,989,106.	3,147,271.	230,187	3,800,778.
Carried in Bond a/c N. Bk. of Ky.				100,000 @	1,670,150.

Total shares in bank and correspondents 330,187

Total shares in National Bank of Kentucky 212,264

Total outstanding shares of BancoKentucky Co. 2,484,575

Of this National Bank of Kentucky owns outright 4.08%

" " " " " " holds as collateral 8.42%
12.50%

" " country banks hold .72
Total 13.22%

XXXX

Exhibit 20

Form 1456—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 2818 *Date of Report* September 17, 1930.

It will be noted from the detailed schedules following that a number of the loans predicated in whole or part on Kanawha Kentucky Co. stock are either short of collateral value or short of margin, the basis of the nominally quoted value of this security in the market at the beginning of the examination, viz. $16.50. Had a rigid appraisal been made as to the paying ability of the many makers whose loans appear short of collateral or margin, there would doubtless have been disclosed a considerable volume of loss, whereas only a few of them are classified in the Slow, Doubtful or Loss schedules appearing in this report. If further consideration be given the fact that at the close of this examination the quoted value of this stock had shrunk to $12.00 per share, or more than 25% of the $16.50 basis used in the schedules, an increased loss would necessarily follow. For the purposes of this examination, and for the reasons set forth on sheet 11 et seq. such an appraisal has not been made.

A further analysis is as follows:

Net amount of loans dependent on Kanawha Kentucky Co. stock	$3,478,861.00
Overdraft in account " "	4,157.00*
Cash items held for " "	22,582.00*
100,000 shares Kanawha Kentucky Co. stock owned by [illegible] Bk. Ky.	1,670,180.00
Total directly dependent on Kanawha Kentucky Co.	$5,175,480.00

*These items paid by the discount of a note of Kanawha Kentucky Co. for $50,000.00 during the examination. This increased the amount to the net total directly dependent on Kanawha Kentucky Co. of — $5,388,801.00

In order to get the true perspective of the Kanawha Kentucky Company ownership of the bank under examination, there must be considered with the above the following loans to the several units of Kanawha Kentucky Company:

The Peoples Liberty Bank & Trust Co., Covington, Ky. (Deposit)	$500,000.00
The Louisville Trust Co., Louisville, Ky., (Cashier's Check for Federal Reserve Funds)	900,000.00
Caldwell & Co. and affiliates on stock of the Inter-Southern Life Insurance Co.	3,000,000.00
Bank of Tennessee, Nashville, Tenn., a Caldwell affiliate, collateraled by sundry stocks and bonds	400,000.00
Myers Caldwell et al, collateraled by $250M. 1st mortgage bonds of Murray Rubber Co.	385,000.00
Caldwell & Co. account repurchase agreement Louisville Railway Co. bonds.	238,000.00
Hydal Investments, Inc. (a Caldwell Company) Collateraled by sundry stocks.	177,680.94
Murray Rubber Co. Debenture bonds (Caldwell & Co. controls and operates.)	560,000.00
" " " Overdraft,	709.88
" " " Direct line.	421,249.87
" " " Discounts.	102,165.80
Kentucky Agon. Mfg. Co. - Indirect line (Owned by Caldwell & Co.) (See copy of sales contract next below)	55,853.69
Kentucky Agon. Mfg. Co. Overdraft.	60,258.78
Kentucky Rock Asphalt Co. (Caldwell & Co. controls and operates)	300,000.00
	$6,000,468.17
Add total directly dependent on Kanawha Kentucky from above	5,388,801.00
	11,389,269.17

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SEE SHEET PAGE 6-.9

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 148b—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8518 *Date of Report* Sept. 17, 1930.

May 28, 1930
Louisville, Ky.

THIS SUPPLEMENTAL AGREEMENT BETWEEN -

BANCOKENTUCKY COMPANY, a Delaware Corporation, party of first part, and CALDWELL & COMPANY, a Tennessee Corporation, party of the second part -

WITNESSETH:

The parties have this day agreed that in consideration of mutual agreement in a contract of this date between the same parties, that first party has delivered to the second party 100,000 shares of its stock (being part of 900,000 shares referred to in said contract) in consideration of the second party agreeing to purchase from NATIONAL BANK OF KENTUCKY for 100,000 shares of BANCOKENTUCKY stock, all of its rights, interests in or obligations owned by it of the Kentucky Wagon Manufacturing Company and National Motors Corp -

The second party agrees to liquidate or otherwise dispose of said companies their obligations and or securities and to receive for services the necessary cost incurred and to repay to the first party all net proceeds realized from any disposition that may be made of same.

(signed) Rogers Caldwell

(Signed) James B. Brown

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EXTRA SHEET PAGE 6-8.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1486. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8312 *Date of Report* Sept. 17, 1930.

Comment on the Contract between BancoKentucky Company and Caldwell and Company dated May 28, 1930.

A complete copy of the above agreement is not in your examiner's possession at the present time, but he sums up from memory the provisions of the first six paragraphs of the above contract.

Caldwell & Company to increase its capital stock from 10,000 shares of $100 par value, Capital $1,000,000 to 80,000 shares par value, the presently issued stock to be tendered to the BancoKentucky Company in exchange for 900,000 shares of the capital stock of the latter corporation of par value $10 (by-laws of BancoKentucky Company are said to forbid the issuance and sale by the company of any of its shares at less than $25 per share).

In subsequent paragraphs BancoKentucky Company sets out in detail its holdings of various bank stocks, noting the percentage of the total issue in each case, as well as its carrying value. On the other hand, as will be noted from the copy below in paragraph No. 7 of the contract, the second party (Caldwell & Company) represents that as of May 28, 1930, its assets were of such fair aggregate value that, after deducting therefrom all its liabilities, it had a net worth of not less than $9,000,000. No detail of the assets of Caldwell & Company as against the 900,000 shares of BancoKentucky Company at $25. per share, or $22,500,000.00 is embodied in the contract. On this basis, the picture of Caldwell & Company would be as follows:

Net value Caldwell & Company assets	$9,000,000.00
To this add 900,000 shares BancoKentucky Company stock at $25. per value	22,500,000.00
Would give Caldwell & Company net assets of . . .	31,500,000.00
From this figure there should be deducted the value at $25 per share 100,000 shares of BancoKentucky Company stock, which under the supplemental contract was traded by Caldwell & Company to the National Bank of Kentucky for the entire debt owned by that bank of the Kentucky Wagon Company (which Kentucky Wagon Company asset is said to have been later returned to the National Bank of Kentucky - an apparent donation)	2,500,000.00
Revised value of Caldwell & Company, net assets	29,000,000.00
Of this BancoKentucky Company owns ½ interest, or . . .	14,500,000.00
Which it carries in its balance sheet at	22,500,000.00
Leaving a depreciation applicable to the Caldwell & Company stock owned by BancoKentucky Company (Apparently representing the amount paid Caldwell and Company for its good will)	8,000,000.00

President Brown stated in meeting of the board of directors of the National Bank of Kentucky on October 10, 1930, that the entire Kentucky Wagon Company asset acquired by Caldwell & Company in the above mentioned trade had been donated by the latter to the National Bank of Kentucky, which was now entitled to again set the Kentucky Wagon Company asset up on its books.

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In the contract copied part hereto, it is recited that 500,000 shares of the total of 900,000 shares of BancoKentucky Company stock named in the first paragraph as a consideration of the trade shall be held in escrow in the Louisville Trust Company pending an examination and appraisal of the assets of Caldwell & Company by the BancoKentucky Company to determine the value of same. Your examiner is advised that subsequently an additional 500,000 shares were added by Caldwell & Company to the escrow, and that a total of 400,000 shares is now so held. It was further stated in the above meeting by President Brown that in all probability the greater portion, if not all, of the 400,000 so held in escrow would be returned to the BancoKentucky Company for cancellation; and that no dividend was paid on October 1, 1930, on the 500,000 shares of stock outstanding in the name of Caldwell & Company.

To the Comptroller of the Currency, Washington, D. C. Examiner.

EXTRA SHEET NO. 8-9.

Exhibit 20

Form 1464—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9913 *Date of Report* Sept. 17, 1930.

If the above mentioned 400,000 shares of BancoKentucky Company be returned and cancelled, the one-half interest in Caldwell & Company would stand the BancoKentucky Company 800,000 of its shares valued at the sale price of $25 per share $18,800,000.00

The Caldwell & Company statement should then be:

Net Assets	4,800,000.00
Add 800,000 shares of BancoKentucky Company stock at $25 per share	12,800,000.00
	17,000,000.00
Deduct the equivalent of 100,000 shares of BancoKentucky Co. stock for which no value was added to Caldwell & Company assets	2,800,000.00
Net value in Caldwell & Company	14,800,000.00
Of this BancoKentucky Company will own one-half, or	7,250,000.00
Which it will carry in its balance sheet at	12,500,000.00
Leaving depreciation applicable to Caldwell & Company stock in the balance sheet of BancoKentucky Company	5,250,000.00

Had the proportions in the trade between BancoKentucky Company and Caldwell & Company actually been 900,000 shares of its stock of $10 par value, or $9,000,000.00 par, as related to the $9,000,000.00 net value said to exist in Caldwell & Company, then it would reasonably appear that for this $9,000,000.00 value in Caldwell & Company, BancoKentucky Company would offset $22,500,000.00, or a ratio of $2.50 of BancoKentucky Company stock for every $1.00 of value in Caldwell & Company.

Yet the last paragraph of Section 8 of the contract quoted below provides that for each $1.00 of deficit below $9,000,000.00 found to exist in the net worth of Caldwell & Company, the latter shall return to BancoKentucky Company in shares of its stock or in cash $2.22. This appears as conclusive evidence that the real basis of trade was 800,000 shares of BancoKentucky Company stock at $25 a share valued at $20,000,000.00 as opposed to $9,000,000.00 net value of Caldwell & Company, or a ratio of $2.22 BancoKentucky Company Stock to $1.00 net value of Caldwell & Company.

The issuance of 100,000 shs. of BancoKentucky Company Stock to Caldwell & Company, which was by them exchanged for the Kentucky Wagon Company assets (now said to have been donated to the National Bank of Kentucky) has the appearance of a "wash sale", or a subterfuge, and it appears that in fact the BancoKentucky Company merely donated 100,000 shares of its stock to the National Bank of Kentucky to enable it to rid its books of the criticised Kentucky Wagon Company line, and that nothing of value was added to the assets of the BancoKentucky Company to offset the issuance of this 100,000 shares of stock. In consequence, the loss in the Kentucky Wagon Company line, and the $242,500 loss sustained in the sale of the Van Camp Packing Company stock have not been in fact eliminated from the balance sheet of the National Bank of Kentucky.

Charging off the $242,500.00 item having been accomplished on order of the Board of Directors, the entire 100,000 shs. of BancoKentucky should be held in support of the $1,627,650.00 carrying figure of that stock, and in addition, the Kentucky Wagon Company asset should be held in support of the 100,000 shares of stock.

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EXCERPT FROM CONTRACT.

No. 7: The second party represents that, as of May 28, 1930, its assets were of such fair aggregate value that, after deducting therefrom all of its liabilities, it had a net worth of not less than $9,000,000.00.

No. 8: The first party shall within twelve (12) months from the date hereof, satisfy itself as to the valuation of the assets of the second party in the computation of the net worth of the second party, as set forth in Section 7 of this agreement.

The President of THE BANCOKENTUCKY COMPANY and the President of CALDWELL & COMPANY will determine the valuation of such assets in the computation of the net

To the Comptroller of the Currency, *Examiner.*
Washington, D. C.

EXTRA SHEET PAGE 8-10.

Exhibit 20

Form 1469.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9512 *Date of Report* Sept. 17, 1930.

worth of the second party with the right of either party to have competent assistants in reaching a determination. If the Presidents of the respective parties are unable to agree upon the valuation of any asset or assets, then and in that event they will select a third party as arbitrator who will then determine said valuation. If the Presidents of the respective parties are unable to agree upon a third party to act as arbitrator as aforesaid, then and in that event they will select Mr. Whiteford R. Cole, who will, in turn, select an arbitrator.

If the net worth of the second party is ascertained to be less than $9,000,000.00, based upon such valuation of its assets, then and in that event the second party at its option will deliver to the first party $2.22 in cash or stock of the first party (on basis of $25.00 per share) for each $1.00 of such deficit or the second party may forfeit any dividends on such part of its stock as is not owned by the first party until an amount equivalent to such deficit is accumulated in the treasury of the second party (provided its stockholders other than the first party shall agree to such forfeiture of dividends). If the net worth of the second party is ascertained to be more than Ten Million ($10,000,000.00) Dollars, then and in that event the first party will deliver to the second party $1.00 of its capital stock (on basis of $25.00 per share) for each $1.00 of such excess.

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EXTRA SHEET PAGE 6-11

To the Comptroller of the Currency,
Washington, D. C,

Examiner.

Exhibit 20

Form 1455—Report
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5812 *Date of Report* September 17, 1930.

LOANS SECURED IN WHOLE OR IN PART BY STOCK OF BANCOKENTUCKY CO.

PARENT BANK

Legend:
(x) Indicates Officer, Director or employee.
(1) " part collateral (unlisted) not priced.
(2) " margin made good during examinati n.
M " margin short.

Name of Borrower	Amount of Loan	Value of other Collateral	Net Amt. on BancoKy Co.	No. of Shs.	Value BancoKy. Co. @ $16.50	Collat. Value Short.
Adams, Sarah B.	75.	-	75.	10	165.	-0-
Allgeier, F. N.	2,000.	-	2,000.	100	1,650.	350.
Allen, Bush	4,060.	-	4,060.	300	4,950.	-0-
Ament, Mary	200.	-	200.	16	264	-0-
Ament, Nolte	4,000.	-	4,000.	200	3,300.	700.
Angermeier, H. J.(x)	25,500.	1,600.	23,900.	1020	16,830.	7,070.
C. Antonini (x)	95.	-	95.	5	82.	12.
Anderson, W. S.	23,000.	-	23,000.	1,400	23,100.	M
Arterburn, S. B.	2,500.	-	2,500.	100	1,650.	850.
Axton, W. F.	25,000.	2,000.	23,000.	2000	33,000.	-0-
Bader, Frank	390.	-	390.	20	330	60.
Ballard, J. S.	40,000.	-	40,000.	2200	36,300.	3,700.
Bannon, J.	202.	-	202.	50	825.	-0-
Bannon, Rose	8,500.	-	8,500.	500	8,250.	250.
Bannon, Wm. J.	17,000.	-	17,000.	1000	16,500.	500.
Barry, J. J.	400.	-	400.	50	825.	-0-
Bartley, Allen C.	850.	-	850.	30	825.	25.
Bauscher, John P.	30.	-	30.	5	82.	-0-
Beard, John I.	2,040.	-	2,040.	105	1,732.	308.
Becht, A. J.	1,040.	1,950.	-	50	825.	-0-
Bernsden, Mary A.	675.	-	675.	30	495.	180.
Beyer, Harry S.	3,000.	-	3,000.	200	3,300.	M
Bills, Lottie A.	2,551.	-	2,551.	200	3,300.	-0-
Bishop, Kate S.	10,000.	-	10,000.	400	6,600.	3,400.
Blackford, W. F.	12,687.	-	12,687.	500	8,250.	4,437.
Block, O. A. (x)	25,000.	-	25,000.	1280	21,120.	3,880.
Board, R. V.	34,000.	-	34,000.	1900	31,350.	2,650.
Boden, S. D.	4,744.	-	4,744.	240	3,960.	784.
Bogman, Eugene	2,885.	2,196.	6889	70	1,155.	M
Boesmeyer, F. A.	3,355.	228.	3,128.	150	2,475.	651.
Bourlier, Emil.	9,000.	-	9,00 .	400	6,600.	2,400.
Bowling, Ollie A.	600.	-	600.	50	825.	-0-
Bowser, T. S.	8,000.	-	8,800.	600	9,900.	M
Bradley, Harry A.	800.	-	800.	50	825.	M
Bradsby, F. W.	25,000.	-	25,000.	1000	16,500.	8,500.
Briscoe, W. L., Jr.	2,150.	-	2,150.	200	3,300.	-0-
Bromagem, G. W.	250.	-	250.	10	165.	85.
Brown and Martin	2,561.	-	2,561.	200	3,300.	-0-
Brown, Arthur	3,600.	-	3,600.	200	3,300.	300.
Brown, Bart A. (x)	22,500.	-	22,500.	1060	17,490.	5,010.
Brown, Harry J.	430.	-	430.	25	412.	17.
Brown, Mary K.	887.	480.	407.	25	412.	M
Brown, J. C.	40,000.	-	40,000.	2000	33,000.	7,000.
Brown, Tim C.	500	-	500.	50	825.	-0-
Brown, Wm. E.	135.	66.	66.	6	99.	M
Bruner, Daniel	160.	-	160.	10	165.	M
Buckman, Sarah (x)	240.	-	240.	10	165.	75.
Budde, Anna B.	325.	-	325.	100	1,650.	-0-
Budde, Edward	32,200.	7,157.	25,043.	1500	24,750.	293.
Buechel, Geo.	6,500.	-	6,500.	250	4,125.	2,375.
Bullock, J. L.	2,400.	160.	2,240.	120	1,980.	260.
Bunnell, H. M.	600.	900.	-	4	66.	-0-

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Asset Sheet Folio 6-12.

To the Comptroller of the Currency,
Washington, D. C.

Examiner

Exhibit 20

Form 1488 - Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8212 *Date of Report* September 17, 1920.

Name of Borrower	Amount of Loan	Value of other Collateral	Net Amt. on Bancoky Co.	No. of Shs.	Value Bancoky Co. @ 16.50	Collat. Value Short.
Burch, ... L.	5,075.	-	5,075.	300	3,300.	1,775.
Burdorff, F. C.	20,000.	-	20,000.	1000	16,500.	3,500.
Business Enterprise Co.	13,750.	-	13,750.	750	12,375.	1,375.
Calveard, S. R.	2,800.	-	2,800.	200	3,300.	M
Campbell, Mrs. J. T.	1,400.	-	1,400.	288	4,752.	-0-
Cardwell, J. C.	10,000.	8,750.	1,250.	300	4,950.	-0-
Cardwell, Morrison	2,500.	350.	2,150.	100.	1,650.	500.
Caron, L. S.	4,000.	-	4,000.	200	3,300.	700.
Carroll, A. J. (x)	28,000.	6,555.	14,445.	1000	16,500.	M
Carson, ... M.	1,200.	-	1,200.	100	1,650.	M
Carter, Allen R.	3,877.	-	3,877.	200	3,300.	577.
Childress, C. C.	1,500.	-	1,500.	200	3,300.	-0-
Christian, C. A.	8,164.	-	8,164.	400	6,600.	1,564.
Clark, Geo. M. (x)	50,000.	-	50,000.	2000	49,500.	500.
Clark, Wm. K.	2,500.	750.	1,750.	100	1,650.	90.
Condy, Louis D.	465.	-	465.	30	495.	M
Corrigan, Carl. A.	5,291.	-	5,291.	400	6,600.	M
Cosmos, Jas.	2,450.	-	2,450.	100	1,650.	800.
Corcoran, A. J.	1,250.	900.	350.	50	825.	-0-
Corcoran, M. ...	475.	-	475.	50	825.	-0-
Cotton, Frances	500.	-	500.	60	990.	-0-
Crabb, Frank	90.	-	90.	5	82.	8.
Craig, Mary C.	35.	-	35.	5	82.	-0-
Crutcher, Gertrude	480.	-	480.	30	330.	150.
Curry, Lee	2,000.	-	2,000.	100	1,650.	350.
...ett, J. ..., Sr.	25,000.	-	25,000.	1380	22,770.	2,230.
Davis, H. V., Jr.	650.	-	650.	40	660.	M
Dawson, J. M.	1,574.	-	1,574.	100	1,650.	M
DeGraw, Jess D.	175.	-	175.	20	330.	-0-
Derryberry, L. T.	24,994.	- (1)	24,994.	1000	16,500.	8,494.
Dosse, Theo.	550.	-	550.	50	825.	-0-
Dodd, Allen P.	1,900.	- (1)	1,900.	100	1,650.	250.
Dodd, C.P.	16,500.	-	16,500.	1300	21,450.	-0-
Dill, Clarissa	1,195.	900.	295.	50	825.	-0-
Dorman, J. C.	2,944.	500.	2,444.	150.	2,475.	-0-
Dooker, N. H.	26,405.	- (2)	26,405.	1600	26,100.	3,305.
Dresing, H. H.	180.	-	180.	8	132.	48.
Droppleman, R. J.	145.	-	145.	10	165.	-0-
Duffy, M. J., Sr.	1,450.	1,095.	355.	20	330.	5.
Duffy, M. J., Jr.	275.	-	275.	20	330.	M
Duffy, Thos. J.	6,000.	3,120.	4,880.	304	5,016.	M
Dugan, ... E.	10,500.	896.	9,604.	500	8,250.	1,354.
Durell, C. H.	2,000.	-	2,000.	100	1,650.	350.
Duren, C. H.	5,500.	-	5,500.	250	4,125.	1,375.
Eckhardt, Pauline	4,000.	-	4,000.	200	3,300.	700.
Edens, ... M.	42,000.	39,700.	2,300.	400	6,600.	-0-
Elvin, Christine (x)	115.	-	115.	8	88.	88.
Emmart, J. M.	9,800.	-	9,800.	500	8,250.	1,550.
Epping, John G.	14,000.	-	14,000.	1000.	16,500.	M
Erdman, Jas. H.	140.	-	140.	12	198.	-0-
Essig, Chas.	200.	-	200.	25	412.	-0-
Fahey, Julia	10,050.	7,297.	2,753.	400	6,600.	-0-
Farnsley, A. T.	25,000.	3,600.	21,400.	1000	16,500.	4,900.
Farnsley, B. H.	55,000.	-	55,000.	2200	36,300.	18,700.
Fath, Lee ... (x)	1,000.	-	1,000.	50	825	175.
Feiler, Milton A.	1,000.	820.	180.	100	1,650.	-0-
Fetter, Geo. G.	25,000.	-	25,000.	1000	16,500.	8,500.
Fleming, R. E.	21,000.	7,400.	13,600.	1000	16,500.	M
Fliesehman, A. W.	2,050.	1,000.	1,550.	100	1,650.	M
Fontaine, E. L.	12,754.	1,000.	11,754.	500	8,250.	3,504.
Fontaine, ... L. (x)	95,500.	-	92,500.	3000	58,740.	33,760.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA HEIGHT PAGE

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Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* September 12, 1932.

Name of Borrower	Amount of Loan	Value of Other Collateral	Net Amt. of BancoKy, Co.	No. of Shs.	Value BancoKy Co. @ $16.50	Collat. Value Short.
Fontana, Chas.	500.	-	500.	100	1,650.	-0-
Fontana, Marjorie	75.	-	75.	5	82.	-0-
Frantz, L. L.	913.	-	913.	50	825.	88.
Frazier, S. L.	25,000.	5,730.	19,270.	1000	16,500.	2,770.
Fuchs, Hilda	690.	-	690.	40	660.	30.
Gaines, Margaretta (x)	220.	-	220.	10	165.	55.
Galvin, Maurice L.	80,000.	362,300.	-	3200	52,800.	-0-
Gathof, Edw. J.	200.	-	200.	10	165.	35.
Gaylord, Paul P.	22,000.	6,000.	16,000.	1000	16,500.	M
Gensle, Frank B.	500.	-	500.	50	825.	-0-
Gilliford, Aurena	600.	310.	290.	50	825.	-0-
Gilligan, Thos. J.	800.	-	800.	50	825.	-0-
Girdler, W. H.	110,000.	25,600.	84,400.	5000	82,500.	3,900.
Glass, Clarence D.	11,800.	1,040.	10,460.	800	8,250.	2,210.
Glass, V. C.	2,500.	-	2,500.	100	1,650.	850.
Glowgower, L. H.	2,500.	-	2,500.	100	1,650.	850.
Goodman, Harry	5,000.	11,700.	-	50	825.	-0-
Grant, M. F. (x)	34,800.	-	34,600.	1200	19,800.	14,800.
Grant, Margaret	2,066.	1,200.	866.	100	1,650.	-0-
Gray, H. O.	25,000.	-	25,000.	1000	16,500.	8,500.
Green, Emma	30.	-	30.	5	82.	-0-
Green, O. Denton	1,200.	-	1,300.	100	1,650.	-0-
Greene, Grossy.	320.	-	320.	15	247.	75.
Greenstein, S. J.	2,250.	304.	1,946.	100	1,650.	296.
Griffin, Jos. T.	1,500.	-	1,500.	100	1,650.	M
Grinstead (B) Co.	15,000.	-	15,000.	800	13,200.	1,800.
Guernsey, Gordon B.	1,250.	1,750.	-	50	825.	-0-
Guettig, Nettie J.	3,600.	1,070.	2,530.	150	2,475.	55.
Guigliano, Agnes	250.	2,526.	-	100	1,650.	-0-
Guyn, C. H.	460.	200.	260.	40	660.	-0-
Haag, Robt. H.	1,220.	-	1,220.	50	825.	395.
Hagedorn, Isabelle	244.	-	244.	10	165.	79.
Haggan, Catherine	150.	-	150.	5	82.	67.
Hambleton, Wm. V.	1,200.	-	1,200.	100	1,650.	-0-
Hamilton, A. C.	1,950.	-	1,950.	100	1,650.	300.
Hamilton, C. L.	12,000.	-	12,000.	620	10,230.	1,770.
Hamill, [illegible] B.	650.	-	650.	50	825.	-0-
Handmaker, S.	1,350.	960.	390.	60	990.	-0-
Hannan, Mary A.	8,826.	1,100.	7,726.	340	5,610.	2,116.
Harris, L. L.	155,000.	153,350.	1,650.	100	1,650.	M
Harrod, Thos.	127.	-	125.	5	82.	43.
Hayes, J. J. (x)	12,500.	-	12,500.	700	11,550.	950.
Hays, A. [illegible]	85,000.	80,380.	4,620.	280	4,620.	M
Heath, H. [illegible]	10,070.	-	10,070.	500	8,250.	1,820.
Hemp, [illegible] A.	20.	-	20.	20	330.	-0-
Hendricks, Lee	125.	-	125.	10	165.	-0-
Herbert, Preston	7,000.	-	7,000.	1000	16,500.	-0-
Herrington, L. B.	11,000.	18,000.	-	200	3,300.	-0-
Hess, John H.	210.	-	210.	10	165.	45.
Hickman, Baylor	42,676.	8,350. (1)	34,326.	700	11,550.	22,776.
Hillerick, Carl.	115	-	115.	5	82.	33.
Hollcraft, Rice	2,510.	3,095.	-	300	4,950.	-0-
Hollenkamp, Mary	1,040.	-	1,040.	60	990.	50.
Horneman, [illegible] A.	11,270.	-	11,270.	500	8,250.	3,020.
Huette, Aliz.	230.	-	230.	17	280.	-0-
Hughes, Harry	3,400.	-	3,400.	300	4,950.	-0-
Hummel, Emma	100.	-	100.	10	165.	-0-
Humphrey, Mrs. J. R.	871.	600.	271.	50	825.	-0-
Humphrey, L. [illegible]	28,400.	830.	27,570.	1440	23,760.	3,810.
Hunter, Ray A.	1,500.	650.	850.	100	1,650.	-0-

To the Comptroller of the Currency, EXTRA SHEET NO. 6-14.
Washington, D. C. *Examiner.*

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Exhibit 20

Form 1488.—Reports.
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5312 *Date of Report* September 17, 1920.

Name of Borrower.	Amount of Loan	Value of other Collateral	Net Amt. of Bancoky Co.	No. of Shs.	Value Bancoky. Co. @ 16.50	Collat. Value Short.
Ilg, Robt, C.	20,000.	-	20,000.	1000	16,500.	3,500.
Jacob, W. F.	5,000.	-	5,000.	500	8,250.	-0-
Jacoby, Lask	5,000.	-	5,000.	200	3,300.	1,700.
Jarvis, Mrs. Am.	1,350.	-	1,350.	100	1,650.	-0-
Jefferson, Hal T.	61,530.	-	61,530.	2600	42,900.	18,630.
Jefferson, J. Wm.	207,615.	-	207,615.	9000	148,500.	59,315.
Jenkins, I. S.	4,444.	-	4,444.	200	3,300.	1,144.
Johnsons Market	5,000.	-	5,000.	200	3,300.	1,700.
Johnson, Dora G.	3,300.	870.	2,430.	150	2,475.	M
Jones, C. F. (E)	185,000.	-	185,000.	9340	154,110.	27,890.
Jones, Wm. A.	2,500.	840.	1,660.	100	1,650.	10.
Kaninberg, Olivia	250.	-	250.	10	165.	85.
Kardes, Louis	70.	-	70.	6	82.	-0-
Kebsch, Chas. E.	306.	-	306.	25	412.	-0-
Kentucky Book Mfg. Co.	650.	400.	250.	50	825.	-0-
Kiley, Kathryne (x)	48.	-	48.	2	33.	15.
Kerr. Robt. M.	400.	-	400.	50	825.	-0-
Kimbel, J. J.	4,850.	- (1)	4,850.	200	3,300.	1,550.
Kinnaird, W. D.	5,000.	3,325.	1,675.	200	3,300.	-0-
Kinsarey, C. A.	40,698.	-	40,698.	2300	37,950.	2,748.
Kinsarey, J. M.	41,186.	-	41,186.	5000	82,500.	-0-
Kirwan, Jas. C.	20,000.	13,200.	6,800.	100	16,500.	-0-
Klapheke, J. W.	9,183.	-	9,183.	360	6,270.	2,913.
Klapheke, Louis A.	1,275.	-	1,275.	50	825.	450.
Klapheke, Robt. H.	1,275.	-	1,275.	50	825.	450.
Klapheke, Vincent	1,275.	-	1,275.	50	825.	450.
Klein, Jno. T.	204.	-	204.	10	165.	39.
Knight, E. V.	10,150.	-	10,150.	1000	16,500.	-0-
Knoechelman, A. W.	225.	-	225.	10	165.	60.
Koehrner, R. E.	250.	-	250.	10	165.	85.
Kosse, Louis C.	1,175.	-	1,175.	65	1,072.	103.
Kramer, A.	10,000.	1,120.	6,880.	400	6,600.	2,280.
Langen, H. D.	1,936.	-	1,936.	100	1,650.	286.
Larsen, Hans C.	1,000.	-	1,000.	100	1,650.	-0-
Latta, A. E.	30,000.	10,000.	10,000.	550	9,075.	925.
Lauer, Chester	455.	-	455.	21	346.	109.
Leaney, Margaret	357.	-	357.	20	330.	27.
Lechleiter, F. J.	425.	-	425.	20	330.	95.
Lechleiter, Robt. E.	1,000.	-	1,000.	50	825.	175.
Lee, Edward E. (x)	29,000.	-	29,000.	1600	26,400.	2,600.
Leibold, Lillian	750.	500.	250.	30	495.	-0-
Leonhardt, Rose	5,500.	600.	2,900.	200	3,300.	M
Levi, Max	2,000.	2,365.	-	25	412.	-0-
Lincoln, Walter	200.	-	200.	10	165.	35.
Livingston, C. E.	4,081	-	4,081.	200	3,300.	781.
Luckett, G. H.	16,000.	-	16,000.	1000	16,500.	M
McBride, Grace	300.	-	300.	50	825.	-0-
McBride, J. S.	600.	-	600.	100.	1,650.	-0-
McCarthy, Wm. J.	250.	-	250.	30	495.	-0-
McGrath, H. V.	270.	-	270.	25	412.	-0-
McKown, Clyde D.	600.	-	600.	50	825.	-0-
McNulty, Wm. B.	375.	-	375.	15	247.	128.
Maloney, Monica	115.	-	115.	5	82.	33.
Malone, Mary C.	5,000.	-	5,000.	500	8,250.	-0-
Maloney, T. J.	150.	-	150.	10	165.	-0-
Marschal, C. T.	125.	-	125.	5	82.	43.
Marschak, M.	30,754.	-	30,754.	1200	19,800.	10,954.
Marshall, S. K., Jr.	2,228.	-	2,228.	300	3,300.	-0-
Mason, Malcolm	3,626.	450. (1)	3,176.	150	2,475.	701.
Mattingly, Alma	312.	216.	96.	10	165.	-0-
Mattingly, Elizabeth	105.	-	105.	5	82.	23.
Mattingly, L. J.	230.	-	230.	20	330.	-0-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

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SATRA SHEET MFG. 9-15.

Exhibit 20

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* September 17, 1930.

Name of Borrower.	Amount of Loan	Value of other Collateral	Net Amt. of Loan Co.	No. of Shs.	Value Bancoky.Co. 16.50	Collat. Value Short.
Means, J. A.	5,000.	-	5,000.	300	4,950.	50.
Meglemery, W. A.	4,000.	300.	3,700.	200	3,300.	400.
Menefee, Jos. T.	2,000.	- (1)	2,000.	100	1,650.	350.
Mengel, C. C.	48,000.	-	48,000.	3000	49,500.	M
Mengel, Edwin P.	9,997.	-	9,997.	600	9,900.	97.
Mengel, F. T.	3,100.	-	3,100.	200.	3,300.	
Mengel, Jos. T.	22,957.	-	22,957.	1000	16,500.	6,457.
Mengel, S. C.	22,957.	-	22,957.	1000.	16,500.	6,457.
Mercke, C. C.	5,101.	1,020.	4,081.	200	3,300.	781.
Mercke, Geo.	10,203.	2,000.	8,203.	400	6,600.	1,603.
Mercke, R. L.	13,256.	10,656.	2,600.	157	2,590.	10.
Mercke, Mrs. S. E.	16,325.	5,505.	10,820.	640.	10,560.	260.
Merriman, M. L.	26,643.	15,600.	11,043.	500	8,250.	2,793.
Metz, Louis F.	15,000.	-	15,000.	800	13,200.	1,800.
Miller, C. M.	375.	-	375.	18	247.	128.
Miller, Viola	200.	-	200.	10	165.	35.
Minrath, C. W.	200.	-	200.	50	825.	-0-
Monfried, L.	250.	-	250.	30	495.	-0-
Mongan, S. F.	130.	-	130.	10	165.	-0-
Mooney, Catherine (x)	13,547.	4,395.	9,152.	500	8,250.	902.
Moore, G. W.	2,500.	-	2,500.	350	5,775.	-0-
Morgan, Stewart (x)	850.	-	850.	50	825.	25.
Morrow, C. H.	8,325.	-	8,325.	400	6,600.	1,725.
Moritz, Elenor C.	135.	-	135.	25	412.	-0-
Mosdley, F. L. (x)	17,500.	3,200.	14,300.	700	11,550.	2,750.
Murphy, D. E.	9,183.	-	9,183.	1020	16,830.	-0-
Murphy, Mrs. D. J.	300.	-	300.	25	412.	-0-
Murphy, Peter J.	1,250.	-	1,250.	50	825.	425.
Nelligan (J.J.)Co.	650.	-	650.	40	660.	M
Newhouse, W. J.	11,000.	3,525.	7,475.	400	6,600.	875.
Newman, J. L.	9,000.	-	9,000.	500	8,250.	750.
Nitzken, Elmer J.	625.	-	625.	50	825.	-0-
Noe, A. L.	5,400.	550.	4,850.	250	4,125.	725.
Noe, Hattie L.	4,900.	-	4,900.	250	4,125.	775.
Obermeier, H. A.	10,560.	3,950.	6,610.	200	3,300.	3,310.
O'Brien, E. J., Jr.	50,758.	-	50,758.	3600	59,400.	M
O'Gara, Grace	350.	-	350.	25	412.	-0-
O'Sullivan, Daniel	25,379.	8,250.	17,129.	1000	16,500.	629.
Pelle, Florence	1,750.	918.	832.	22	363.	469.
Pilson, J.	220.	-	220.	10	165.	55.
Prestorino, H. O.	1,000.	-	1,000.	116	1,897.	-0-
Puthuff, G. F.	5,075.	- (1)	5,075.	200	3,300.	1,775.
Putnam, Lawrence	105.	-	105.	5	82.	23.
Queen, J. R.	150.	-	150.	10	165.	-0-
Ranser, A. F. (x)	30,000.	-	30,000.	1500	24,750.	5,250.
Ranser, C. M.	666.	210.	456.	25	413.	43.
Ranser, George	1,200.	-	1,200.	100	1,650.	-0-
Raque, E. J.	950.	-	950.	50	825.	125.
Reed, Stanley.	25,506.	-	25,506.	1000	16,500.	9,006.
Renau, W. L.	1,250.	280.	970.	50	825.	145.
Revenaugh, C. L. (x)	250.	-	250.	10	165.	85.
Reynolds, J. S.	1,150.	-	1,150.	62	1,023.	127.
Riley, W. M.	2,136.	300.	1,836.	100	1,650.	186.
Ritman, W. S.	525.	-	525.	25	412.	113.
Robinson, J. M.	1,800.	-	1,800.	100	1,650.	150.
Roby, Clema	70.	-	70.	5	82.	-0-
Rogers Bros.	16,000.	-	16,000.	1000.	16,500.	M
Rommell, E. S.	20,000.	-	20,000.	1120	18,480.	1,520.
Rommell, Daniel	20,000.	-	20,000.	1120	18,480.	1,520.
Rueff, Geo.	800.	-	800.	40	660.	140.
Ruffner, Geo.	109.	-	109.	5	82.	27.

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To the Comptroller of the Currency, EXTRA SHEET PAGE 6-16.
Washington, D. C

Examiner.

Exhibit 20

Form 1420.—Reports.
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8212 *Date of Report* September 17, 1930.

Name of Borrower.	Amount of Loan	Value of other Collateral	Net Amt. of Loan	No. of Shs.	Value Bancoky Co. @ 16.50	Collat. Value Short.
Ryan, Chas. J.	1,100.	-	1,100.	60	990.	110.
Ryan, ... F.	2,050.	750.	1,300.	100	1,650.	-0-
Sand, Alexander	26,223.	-	(1) 26,223.	1000	16,500.	9,723.
Saufley, S. M.	25,508.	2,000.	23,508.	1000	16,500.	7,008.
Seanland, Susan	995.	-	995.	48	792.	203.
Scharfenberg, ... H.	375.	-	375.	20	330.	45.
Shiekli, Solomon	4,400.	1,500.	2,900.	200	3,300.	M
Schlenk, ... A.	100	-	100	20	330.	-0-
Schneider, Earle	80.	-	80.	5	82.	-0-
Schopp, ... J.	750.	-	750.	50	825.	M
Schuberth, Ada L.	105.	-	105.	10	165.	-0-
Schulman, ...	450.	-	450.	25	412.	38.
Schulz, Lorains	160.	-	160.	10	165.	-0-
Seidenfade Amelia	7,000.	1,400.	5,600.	300	4,950.	650.
Selby Robt. C.	100.	-	100.	10	165.	-0-
Selligman, Alfred	2,550.	-	2,550.	180	2,970.	M
Selligman, Jennie	2,352.	-	2,352.	200	3,300.	-0-
Semonin-Goodman	2,000.	-	2,000.	100	1,650.	350.
Semple, Geo. C.	3,000.	-	3,000.	427½	7,054.	-0-
Semple, Lottie D.	1,479.	1,798.	-	60	990.	-0-
Seymour, Chas.	2,040.	-	2,040.	100	1,650.	390.
Shine, Jno. ...	34,200.	33,045.	1,155.	70	1,155.	M
Shinnick, Kate	8,451.	2,310.	6,141.	300	4,950.	1,190.
Simcoe, Sam H.	150.	50.	100.	10	165.	-0-
Simpson, Sam	16,000.	-	16,000.	2000	33,000.	-0-
Simpson, W. G.	28,600.	1,500.	27,100.	1340	22,110.	6,190.
Smith Newton	510.	-	510.	60	990.	-0-
Smith, Vertner	8,000.	-	8,000.	500.	8,250.	-0-
Speakman, A. J.	336.	-	336.	40.	660.	-0-
Speed, ...	29,000.	22,500.	6,500.	200	3,300.	3,200.
Spillman, L. C.	4,591.	-	4,591.	180	2,970.	1,621.
Stamble, Mrs. C. J.	140.	-	140.	10	165.	-0-
Steele, Gondit	125.	-	125.	5	82.	43.
Steltenpohl, C. B.	200.	-	200.	10	165.	35.
Stokes, E. M.	12,600.	5,600.	7,000.	400	6,600.	400.
Stone, Sam H.	20,000.	9,830.	10,170.	727	12,000.	M
Strong, Jesse F.	10,000.	8,730.	1,270.	300	4,950.	-0-
Tuber, J. D.	850.	-	850.	200	3,300.	-0-
Talamini, H. G.	20,000.	-	20,000.	1000	16,500.	3,500.
Tashgian, Herbert x	25,000.	-	25,000.	1000	16,500.	8,500.
Tayler, Major	3,300.	-	3,300.	180	2,970.	330.
Theobold, E. J.	25,508.	-	25,508.	1000	16,500.	9,008.
Thieman, Henry (x)	168,000.	-	168,000.	10000	165,000.	M
Thomas, John	1,200.	-	1,200.	50	825.	375.
Thomason, Mabel (x)	65.	-	65.	10	165.	-0-
Thompson, Paul	17,000.	-	17,000.	1000	16,500.	500.
Thompson, R. P.	7,500.	-	7,500.	300	4,950.	2,550.
Timmel, Edm.	225.	200.	25.	12	198.	-0-
Timmel, E. M.	475.	-	475.	30	495.	-0-
Turlina, E. F.	560.	500.	360.	40	660.	-0-
Treas, Fred	2,050.	-	2,050.	100	1,650.	400.
Truman, Orville (x)	1,250.	-	1,250.	50	825.	425.
Tuley, P. S.	21,000.	4,500.	16,500.	1000	16,500.	M
Tway, R. C.	51,016.	-	51,016.	2000	33,000.	18,016.
Van Natta, F.	750.	-	750.	50	825.	M
Vaughan, R. F.	16,500.	2,000.	16,500.	1000	16,500.	M
Veneman, C.E.	841.	-	841.	75.	1,237.	-0-
Vendome C. & B. Wks.	650.	-	650.	100	1,650.	-0-
Vols, A. A., Jr.	750.	-	750.	50	825.	M
Vols, H. A., Jr.	550.	-	550.	85.	1,402.	-0-
Vonoyo, Mrs. M.	250.	-	250.	10	165.	85.
Vonderhite, Chas.	4,000.	-	4,000.	200	3,300.	700.

To the Comptroller of the Currency,
Washington, D. C.

Examiner

EXTRA SHEET PAGE 8-17.

Exhibit 20

Form 148a—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 6812 *Date of Report* September 17, 1930.

Name of Borrower,	Amount of Loan	Value of other Collateral	Net Amt. of BancoKy Co.	No. of Shs.	Value BancoKy Co. @16.50	Collat. Value Short,
Wagner, Geo.	3,700.	-	3,700.	200	3,300.	400
Walsh, [illegible]	152,000.	175,300.	-.	1500	24,750.	-0-
Walsh, Misses	850.	-	850.	50	825.	25.
Walter, J. H.	406.	-	406.	20	330.	76.
Walter, Mary	148.	-	148.	15	247.	-0-
Washer, Ben C.	186,348.	96,750.	89,598.	1000	16,500.	43,098.
Watson, P. B.	4,500.	-	4,500.	200	3,300.	1,200.
Wedding, G. G.	7,700.	-	7,700.	500	8,250.	M
Weis Outfitting Co.	10,000.	-	10,000.	600	13,200.	-0-
Weis, Coleman G.	800.	-	800.	40	660.	140.
Wells, Prince	11,228.	-	11,228.	500	8,250.	2,978.
Welsh, Catherine	100.	-	100.	10	165.	-0-
Wigginton, Jas. L.	11,000.	-	11,000.	500	8,250.	2,750.
Wiley, Rodman	5,000.	1,500.	3,500.	200	3,300.	200.
Will, Wm.	200.	250.	-	10	165.	-0-
Williams, Anna	7,400.	1,000.	6,400.	360.	6,600.	M
Winn, M. J.	34,947.	-	34,947.	1400	23,150.	11,797.
Woodson, Urly	15,000.	19,150.	-	300	4,950.	-0-
Woodward, L. M.	1,200.	-	1,200.	50	825.	375.
Woolfolk, F. O.	39,242.	-	39,242.	1500	24,750.	14,492.
Wright, Louise (x)	825.	-	825.	25	412.	413.
Wurtele, Ethel	1,362.	-	1,362.	100	1,650.	-0-
Yager, Estell	2,700.	-	2,700.	180	2,970.	M
Yeager, J. C., Sr.	1,800.	-	1,800.	100	1,650.	150.
Young, S. B.	15,560.	13,345.	2,215.	50	825.	1,390.
Zurbuchmiede, W. T.	37,500.	-	37,500.	1700	28,050.	9,450.
	4,186,201	1,288,428	3,285,989.	179278	5,805,871.	

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EXTRA SHEET PAGE 6-18.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1464 - Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8318 *Date of Report* September 17, 1930.

FOURTH STREET BRANCH

LOANS SECURED IN WHOLE OR IN PART BY STOCK OF BANCOKENTUCKY CO.

Legend:
(x) Indicates Officer, Director or employee.
(1) * part collateral (unlisted) not priced.
(2) ✓ margin made good during examination.
M * margin short.

Name of Borrower	Amount of Loan	Value of other Collateral	Net Amt. on BancoKy.Co.	No. of shs.	Value BancoKy.Co. @ $16.50	Collat. Value short
Adams, Walter M.	686.00	280.	275.	25	412.	-0-
Adamson, C. F.	208.00	-	208.	10	165.	39.
Angermeier, A. G.	$1,800.00					
Appel, Robert R.	1,700.00	-	1,700.	150	2,475.	-0-
Appel, Walter G.	6,800.00	2,300.	4,500.	300	4,950.	M
Armstrong, Geo. R.	16,219.00	14,670.	1,549.	200	3,300.	M
Atkins, Wm. R.	500.00	447.	53.	50	825.	-0-
Autry, Goldie M.	1,600.00	5,070.	-	100	1,650.	-0-
Ayers, Juliet B.	250.00	-	250.	25	412.	-0-
Barnett, Robt. L.	72.00	-	72.	5	82.	-0-
Behrens, Clara L.	2,800.00	3,215.	-	50	825.	-0-
Behrens, Katherine S.	2,775.00	3,085.	-	50	825.	-0-
Belle, Ina M.	102.00	-	102.	10	165.	-0-
Bisman, J. H.	3,000.00	-	3,000.	250	4,125.	-0-
Board, Milton,	1,800.00	-	1,800.	200	3,300.	-0-
Bohannon, C. W.	220.00	-	220.	10	165.	65.
Boswell, J. Edgar,	9,000.00	4,850.	4,650.	300	4,950.	M
Bridges, Mina L.	600.00	-	600.	100	1,650.	-0-
Brown, Elizabeth B.	161,442.00	154,884.	-	800	3,300.	-0-
Brown, Wm.	200.00	-	200.	10	165.	35.
Byron, Henry Floyd,	1,100.00	-	1,100.	100	1,650.	-0-
Bryant, Mrs. Lillie M.	3,830.00	4,130.	1,700.	40	660.	1,040.
Bullitt, Thos. B.	9,511.00	15,365.	-	300	4,950.	-0-
Burke, Estella,	100.00	-	100.	50	825.	-0-
Chambers, M. D.	100.00	-	100.	10	165.	-0-
Chappell, Edwin H.	862.00	-	862.	50	825.	37.
Coleman, Wm. Z.	1,000.00	-	1,000.	50	825.	175.
Conard, Adelia L.	1,750.00	-	1,750.	100	1,650.	100.
Cooke, Edwin Goff,	800.00	-	800.	50	825.	-0-
Cooper, Jas. T.	150.00	-	150.	10	165.	M
Corcoran, C. Paul,	162.00	-	162.	10	165.	M
Davis, Paul A.	2,196.00	-	2,196.	100	1,650.	546.
Detweiler, Nina M.	750.00	630.	120.	30	495.	-0-
Doaker, Cornelius D.	1,275.00	-	1,275.	150	2,475.	-0-
Doudna, A. B.	4,300.00	5,990.	-	50	825.	-0-
Dyer, Frank H.	3,720.00	1,967.	1,753.	100	1,650.	103.
Elliott, David C.	100.00	-	100.	10	165.	-0-
Embt, Mary B.	2,500.00	1,100.	1,400.	100	1,650.	M
Farmer, Eugene F.	2,425.00	3,000.	-	25	412.	-0-
Frank, Louis	32,300.00	31,880.	-	880	14,520.	-0-
Finley, A. W.	5,800.00	12,460.	-	250	4,125.	-0-
Fitzpatrick, S.	1,500.00	2,500.	-	50	825.	-0-
Forsee, R. T., Jr.	300.00	413.	-	8	132.	-0-
Fugate & Enfield,	900.00	-	900.	200	3,300.	-0-
Fugate, I. T.	6,500.00					
Fulton, Garvin,	49,750.00	38,428.	11,322.	1000	16,500.	M

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To the Comptroller of the Currency,
Washington, D. C

Examiner.

KENTUCKY SHEET NO. 6-19.

Exhibit 20

Form 1466.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8312 *Date of Report* Sept. 17, 1930.

Name of Borrower	Amount of Loan	Value of other Collateral	Net Amt. on Bancoky. Co.	No. of shs.	Value Bancoky. @ $16.50	Collat. Value Short.
Oates, Christine P.	360.00	410.	0	40	660.	-0-
Giles, J. H.	12,950.00	16,800.	0	200	3,300.	-0-
Gipperich, Emma.Dorsey	1,500.00	446.	954.	65	1,072.	M
" Lula S.	8,325.00	8,025.	5,300.	200	3,300.	M
Gordon, Alice E.	4,480.00	4,932.	-	100	1,650.	-0-
Gordon, Angus W.	17.00	-	17.	10	165.	-0-
Gordon, Helen F.	15,200.00	15,480.	-	200	3,300.	-0-
Gostein, Chas.	80.00	-	80.	25	412.	-0-
Graf, Robt. J.	97,800.00	-	97,500.	2000	33,000.	4,500.
Gray, J. E.	3,000.00					
Green, Miss Allan Lake	200.00	-	200.	25	412.	-0-
Griswold, Alex. V.	7,745.00					
Hall, Wm. C.	12,500.00	-	12,500.	500	8,250.	4,250.
Hamilton, H. M.	748.00	1,069.	-	25	412.	-0-
Hancock, J. Duffy	1,300.00	-	1,300.	100	1,650.	-0-
Hanks, Herbert G.	14,690.00					
Harrison, J. H.	12,750.00	1,450.	11,350.	500	8,250.	3,050.
Hastings, Anna B.	2,337.00	2,282.	55.	100	1,650.	-0-
Hendon, G. A.	4,500.00	3,240.	1,260.	600	9,900.	-0-
Henry, M. J.	16,544.00	14,900.	1,644.	400	6,600.	-0-
Herrman, Louis J.	4,000.00	-	4,000.	250	4,125.	M
Herbel, Gilbert J.	75.00	-	75.	15	247.	-0-
Higgins, Bert	1,950.00	-	1,950.	200	3,300.	-0-
Higgins, John	2,300.00	-	2,300.	400	6,600.	-0-
Hoerth, Margaret	900.00	-	900.	110	1,815.	-0-
Hogan, Mary H.	7,400.00	6,480.	920.	100	1,650.	M
Hogan, M. J.	1,500.00	600.	900.	60	990.	M
Hoke, Enlow B.	11,500.00	2,000.	9,500.	500	8,250.	1,250.
Hosch, Warren F.	1,721.00	815.	906.	20	329.	576.
Howard, Edw. E.	700.00					
Howe, Thos. M.	1,428.00	-	1,428.	100	1,650.	M
Howes, Katherine C.	1,800.00	5,600.	-	50	825.	-0-
Humphrey, Herman	900.00	-	900.	100	1,650.	-0-
Huseman, Eliz. L.	1,200.00	1,325.	-	50	825.	-0-
Hutcherson, J. Bernard	2,000.00	90.	1,910.	100	1,650.	260.
Hutchins, Mary J.	14,197.00	13,225.	972.	200	3,300.	M
Jernyn, Jay	1,150.00	-	1,150.	106	1,752.	-0-
Jensen, J. E.	3,850.00	1,000.	2,850.	140	2,310.	550.
Jett, Emil C.	8,000.00	7,015.	985.	500	8,250.	-0-
Karreker, C. W.	8,800.00	7,814.	-	100	1,650.	-0-
Kelley, B. W.	850.00	-	800.	50	825.	-0-
Kelley, Robt. L.	2,100.00	-	2,100.	200	3,300.	-0-
Kemper, Robt. L.	960.00	1,250.	-	30	495.	-0-
Kigel, J. W.	1,297.00	-	1,297.	55	907.	390.
Kimmel, Eliz. W.	3,400.00	1,570.	1,830.	100	1,650.	180.
Kinsley, Edw. W.	1,994.00	-	1,994.	200	3,300.	-0-
Koby Drug Co.	750.00	-	750.	50	825.	M
Krezeise, Emma H.	500.00	-	500.	28	462.	38.
Krezeise, Thelma	99.00	-	99.	10	165.	-0-
Kuhn, Martin L.	9,870.00	16,679.	-	100	1,650.	-0-
Lewis, Mrs. Esmeralda B.	5,000.	-	5,000.	500	8,250.	-0-
Lichtner, Bessie M.	1,625.00	1,237.	-	25	412.	-0-
Lohman, Mrs. R. H.	300.00	-	300.	100	1,650.	-0-
MacCabe, Nora	1,900.00	5,389.	-	10	165.	-0-
McCarty, A. C.	1,000.00	-	1,000.	50	825.	175.
McKenna, J. J.	12,500.00	16,000.	-	100	1,650.	-0-
McLean, Eleanor S.	1,488.00	180.	1,308.	75	1,237.	51.
Mayes, Edw. S.	4,200.00	5,480.	?	100	1,650.	-0-
Mays, Wm. O.	96,485.00	106,500.	-	500	8,250.	M
Metz, Raymond L.	2,384.00	2,370.	14.	20	330	M
Miller, C. C.	1,350.00	2,040.	-	50	825.	-0-
Millen, Geo. M.	800.00	-	800.	100	1,650.	-0-
Mock, Mary S.	800.00	800.	-	35	577.	-0-

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-30.

Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* Sept. 17, 1930.

Name of Borrower	Amount of loan	Value of other coll.	Net Amt. on Deposit. Co.	No. of shs.	Value Deposit. Co. @ $16.80	Coll. Value Short.
Mitchell, Harold	487.00	-	487.	30	330.	157.
Moeller, Rudolph A.	809.00	-	809.	37	625.	184.
Moody, Jas. B.	325.00	-	325.	23	379.	M
Moore, Wickliffe B.	1,611.00	800.	1,611.	100	1,650.	M
Morris, Jos. W.	22,847.00	22,797.	4,617.	1000	16,800.	-0-
Morrow, Mildred	850.00	840.	10.	50	825.	-0-
Murray, Henry H.	840.00	2,250.	-	50	825.	-0-
Pearey, Chas. S.	15,948.00	15,948.	-	250	4,125.	-0-
Pearl, F. J.	14,100.00	7,090.	7,010.	300	4,950.	2,060.
Peters, Emelia	3,937.00	4,450.	-	16	264.	M
Petree, Neil	3,662.00	2,950.	712.	100	1,650.	-0-
Pinney, Anne	1,250.00	-	1,250.	100	1,650.	-0-
Pirtle, Wm. B.	2,000.00	-	2,000.	100	1,650.	350.
Priddy, J. E.	30,000.00	25,080.	4,920.	1000	16,500.	-0-
Quinn, Phillip F.	250.00	-	250.	50	825.	-0-
Ramage, J. R.	2,100.00	1,380.	720.	100	1,650.	-0-
Richardson, Cleves	2,800.00	2,800.	-	100	1,650.	-0-
Ripley, Eleanor, M.	925.00	2,447.	-	40	660.	-0-
Ripley, Robt. S.	975.00	862.	-	40	660.	-0-
Roper, Margaret	3,250.00	3,005.	-	100	1,650.	-0-
Salcman, Sam L.	6,050.00	5,272.	778.	100	1,650.	M
Samuel, F. W.	14,460.00	14,460.	40.	100	1,650.	-0-
Sanders, C. F.	10,000.00	11,521.	-	200	3,300.	-0-
Schmals, Robt. C.	800.00	-	800.	70	1,155.	-0-
Schnebel, Jacob J.	775.00	-	775.	100	1,650.	-0-
Schreiber, A. T.	825.00	7,950.	-	50	825.	-0-
Seligman, Jos.	8,000.00	7,800.	200.	600	9,900.	-0-
Simpson, P. H.	1,050.00	-	1,050.	100	1,650.	-0-
Simpson, Virgil E.	1,900.00	2,238.	-	180	2,970.	-0-
Richeson, H. H.	5,500.00	3,773.	2,727.	100	1,650.	1,077.
Riddell, J. E.	10,000.00					
Rodgers, J. T.	12,000.00					
Schwab, Paul E.	881.00	-	351.	20	330.	21.
Smith, Jas. R.	7,000.00	6,650.	350.	200	3,300.	-0-
Smith, J. A.	800.00	-	800.	20	330.	-0-
Speed, W. S.	280,000.00	304,400.	-	5000	82,500.	-0-
Spurling, R. G.	12,000.00	5,638.	6,362.	500	8,250.	-0-
Starks, Mrs. B. M.	41,000.00	40,714.	-	700	11,550.	-0-
Stone, Robin E.	400.00	-	400.	30	495.	-0-
Stroud, Mrs. A. R.	85.00	-	85.	25	412.	-0-
Sturgeon, Arthur E.	1,800.00	-	1,800.	50	825.	975.
Summers, Turner A.	4,000.00	-	4,000.	250	4,125.	M
Tallman, Susie E.	3,000.00	2,660.	340.	100	1,650.	-0-
Thomberg, M. H.	3,300.00	1,725.	1,575.	200	3,300.	-0-
Traeger, Geo. C.	480.00	-	480.	20	330.	150.
Trudeau, Harold B.	187.00	-	187.	10	165.	2.
Vanarsdale, Alvina	2,800.00	800.	1,700.	100	1,650.	50.
Vandivier, D. P.	1,590.00	840.	750.	50	825.	125.
Varner, J. H.	675.00	-	675.	50	825.	-0-
Warren, C. C.	5,750.00	1,944.	3,806.	300	4,950.	506.
Watkins, Ella D.	60.00	-	60.	4	66.	M
Watson, Charlotte J.	4,750.00	2,237.	2,513.	100	1,650.	863.
Weber, G. A.	1,400.00	910.	490.	100	1,650.	-0-
Wesley, E. P.	1,250.00	750.	500.	50	825.	-0-
Wilkerson, F. L.	2,537.00	390.	2,147.	100	1,650.	497.
Williams, A. G.	1,800.00	650.	1,150.	100	1,650.	-0-
Wilson, T. B.	185,800.00	226,000.	-	2000	33,000.	-0-
Wolpert, Allen W.	2,875.00	-	2,875.	200	3,300.	M
Wood, Edwin D.	8,250.00	8,700.	-	100	1,650.	-0-
Woodruff, Nata Lee	900.00	184.	716.	50	825.	-0-
Worcester, W. C.	1,025.00	-	1,025.	50	825.	200.
Yee, E. T.	25,737.00	5,063.	20,674.	1020	16,830.	2,824.
Young, Zella Ann	900.00	-	900.	65	1,072.	-0-
Zell	90.00	-	75.	10	165.	-0-

To the Comptroller of the Currency, Washington, D. C. — Examiner.

1,494,689.00	1,388,187.	254,693.	35,256	847,419.	

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EXTRA SHEET 1406 6-31.

Exhibit 20

Form 1489. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5512 *Date of Report* September 17, 1930.

SOLD LOANS. WITH BANCOKENTUCKY COMPANY. STOCK AS COLLATERAL

Name	Amount	Value of other Collat.	Net on Bancoky.Co.	No. of Shrs.	Value of Banco Ky.Co.
H. J. Angermeier,	$17,500.00	$7,580.00	$9,920.00	1,000	$16,500.00
E. D. Axton,	12,000.00	12,500.00	-0-	1,000	16,500.00
Anna F. Beck,	2,650.00	-0-	2,650.00	200	3,300.00
Peyton B. Bethel,	3,000.00	-0-	3,000.00	200	3,300.00
V. H. Byron,	3,900.00	4,220.00	-0-	100	1,650.00
Jas. M. Chappell,	5,101.67	876.00	4,225.67	200	3,300.00
Jno. W. Clements,	12,144.10	-0-	12,144.10	1,000	16,500.00
Mary K. Coody,	3,630.00	3,630.00	-0-	100	1,650.00
T. C. Coleman, Jr.	12,000.00	10,710.00	1,290.00	500	8,250.00
Jno. C. Connaughton,	5,500.00	5,650.00	-0-	100	1,650.00
Martin P. Corcoran,	4,081.33	1,050.00	3,031.33	200	3,300.00
J. P. Dant,	5,000.00	-0-	5,000.00	320	5,280.00
Harry Feiler,	6,700.00	-0-	6,700.00	400	6,600.00
Jno. C. Gates,	2,250.00	3,500.00	-0-	100	1,650.00
A. C. Graw,	3,300.00	1,942.00	1,358.00	200	3,300.00
Margaret M. Hagan,	1,110.00	-0-	1,110.00	40	660.00
E. Bruce Head,	5,000.00	-0-	5,000.00	500	8,250.00
E. D. Hossfield,	2,000.00	-0-	2,000.00	160	2,640.00
Wm. G. Hume,	1,500.00	750.00	750.00	100	1,650.00
John L. Klapheke	2,040.67	-0-	2,040.67	200	3,300.00
F. L. Lyons & Co.	119,980.00	173,700.00	-0-	1,000	16,500.00
Marie D. McGoodwin,	5,500.00	-0-	5,500.00	640	10,560.00
Jean N. Menefee,	2,500.00	770.00	1,730.00	100	1,650.00
Theresa Muellman,	7,000.00	-0-	7,000.00	400	6,600.00
Ida Marsh Nuzum,	3,000.00	-0-	3,000.00	200	3,300.00
Julia Obermeier,	2,000.00	1,800.00	250.00	100	1,650.00
Alex Schwabenton,	1,700.00	2,600.00	-0-	100	1,650.00
Geo. C. Semple,	5,000.00	-0-	5,000.00	713⅓	11,772.75
Gran W. Smith Sons,	2,000.00	1,300.00	700.00	100	1,650.00
L. C. Spillman,	3,000.00	1,800.00	1,200.00	580	8,580.00
Edith S. Taylor,	4,000.00	-0-	4,000.00	150	2,475.00
E. Leland Taylor,	18,000.00	-0-	18,000.00	1,700	28,200.00
C. T. Trueheart,	4,297.60	600.00	4,297.60	200	3,300.00
Barry A. Vols,	5,000.00	6,000.00 ?	-0-	500	8,250.00
Louis K. Webb,	7,800.00	8,948.00	-0-	100	1,650.00
Edgar B. Wells,	1,200.00	1,200.00	400.00	120	1,980.00
	299,488.37	282,886.00	107,357.37	15,883⅓	218,817.75

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To the Comptroller of the Currency,
Washington, D. C.

Exam

Exhibit 20

Form 1488. Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 5312 *Date of Report* September 17, 1930.

LOANS MADE DIRECT BY COUNTRY BANKS,
[illegible] BY NATIONAL BANK OF KENTUCKY FOR CONVENIENCE OF BORROWERS

Name	Amount	Value of Other Collat.	Net on BancoKy.Co.	No. of Shrs.	Value of BancoKy.Co.
Thos. Green,	$6,500.00	$4,983.00	$1,517.00	200	$3,300.00
J. H. Greer,	5,000.00	1,706.00	3,294.00	300	4,950.00
do	7,000.00	5,690.00	1,310.00	200	3,300.00
do	15,000.00	13,078.00	1,922.00	400	6,600.00
do	25,000.00	19,000.00	6,000.00	600	9,900.00
L. S. Harris,	5,000.00	3,894.00	1,106.00	100	1,650.00
do	5,000.00	950.00	4,050.00	340	5,610.00
do	7,000.00	6,907.00	93.00	220	3,630.00
J. J. Hayes,	3,350.00	2,090.00	1,250.00	100	1,650.00
do	5,000.00	6,700.00	-0-	200	3,300.00
do	13,000.00	9,050.00	3,950.00	500	8,250.00
A. E. Latta,	7,000.00	6,265.00	735.00	200	3,300.00
do	10,000.00	12,500.00	-0-	150	2,475.00
Phil J. Rogers,	4,250.00	3,870.00	380.00	50	825.00
E. B. Robertson,	5,000.00			400	6,600.00
Wakefield & Co.	5,000.00	3,311.00	1,689.00	200	3,300.00
do	18,000.00	16,443.00	1,557.00	500	8,250.00
	$146,100.00	116,347.00	29,953.00	4,660	76,890.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1488.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* September 17, 1930

LARGE LINES.

	Subtotal of Line.	Total of Line
CALDWELL AND COMPANY:		
Explanation of Symbols Used Below:		
(1) Collateral held by National Bank of Kentucky, Louisville, Ky.		
(2) Collateral held by Federal Reserve Bank, Louisville, Ky.		
(3) Collateral held by Fourth and First National Bank, Nashville, Tennessee.		
Caldwell and Company - Maker	$800,000.00	
Coll: 800,000 Shs., Inter-Southern Life Insurance Co. (2)		
Associates Life Companies, Inc. - Maker	600,000.00	
Coll: 600,000 Shs., Inter-Southern Life Insurance Co. (1)		
Bank of Tennessee, Nashville, Tennessee - Maker	600,000.00	
Coll: 87,000 Shs., Inter-Southern Life Insurance Co. (1)		
5,000 " Shares In The South (3)		
2,100 " Kentucky Rock Asphalt (3)		
1,100 " Fourth & First Banks, Inc. (3)		
2,800 " Missouri State Life Insurance Co. (3)		
$150,000.00 Bonds, Southern Department Stores (3)		
18,000.00 " Cottle County, Texas, Court House, 6% (3)		
15,000.00 " Lufkin County, Texas, Water Works, 5½% (3)		
24,000.00 " Attala County, Miss., Road 5½% (3)		
12,000.00 " Livingston Parish, La., School, 6% (3)		
21,000.00 " Hawkins County, Tenn., Road 5% (3)		
10,000.00 " Jefferson County, Ala., Road 5½% (3)		
		$ 1,800,000.00

(For details as to the remainder of the line, see "Line of BancoKentucky" and its various units).

During the progress of the examination, a loan of (a) $800,000.00 was granted Southern Banks, Inc., collateraled by 100,000 shares, Inter-Southern Life Insurance Company (1). Shortly before the close of the examination, another loan of (b) $300,000.00 was made to the same corporation on an additional block of 100,000 shares, Inter-Southern Life Insurance Company (1). This increased the total loans to Caldwell and Company and its affiliates on the sole security of Inter-Southern Life Insurance Company stock to $2,000,000.00, and a total line of $2,400,000.00.

This examiner construes this as an excessive loan in violation of law, as undoubtedly the loans to Bank of Tennessee, Associates Life, Inc., and Southern Banks, Inc., are for the use and benefit of Caldwell and Company. No statements of these three corporations were available for use of the examiner, and this is a part of the $2,500,000.00 commitment President Brown at one stage admitted (and later denied) was outstanding to Caldwell and Company on the security of Inter-Southern Life Insurance Company stock at $3.00 per share, when the market quotation on said stock is less than $2.00.

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The use of dummy corporations as the borrowers does not relieve them from being wholly accommodation loans, hence subject to

EXTRA SHEET PAGE 6-24.

To the Comptroller of the Currency, *Washington, D. C.* *Examiner.*

Exhibit 20

TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5213 *Date of Report* September 17, 1930

LARGE LINES

CALDWELL AND COMPANY (Cont'd)

grouping with the loans of the parent concern, all not to exceed the loan limit of the bank, viz., $500,000.00.

The first $500,000.00 loan (a) was run thru the books of the bank on the authority of Vice President Jones, without the approving notation of the requisite number of members of the Discount Committee. This was a flagrant abuse of official authority, but that the second loan for $500,000.00 (b) was run through the books of the bank, after the formation by the board of directors of the Executive Committee, which, in turn, had organized and established rules to govern all officers of the bank in granting loan accommodations, which rules were subsequently approved by the board of directors at a meeting at which President Brown presided and Vice President Jones was present, it rendered the position of these two officers as absolutely insubordinate to the authority of the board of directors.

In his conference with the Executive Committee of the bank, on October 23rd, 1930, this examiner emphasized the impropriety of this act on the part of the bank's two senior officials, in fact, stated to them that this act might be construed as misapplication of the funds of the bank, and urged that the board of directors not only discipline these officers by proper measures, but that the board of directors on its own initiative advise Caldwell and Company of the cancellation of any species of commitment which the officers of Caldwell and Company might think was outstanding to them and their affiliates by the National Bank of Kentucky. He suggested that the following resolution be adopted by the board of directors:

"RESOLVED that the Board of Directors of the National Bank of Kentucky of Louisville Kentucky, directs its Secretary to notify Caldwell and Company and Rogers Caldwell of Nashville, Tennessee, that any commitments for loans to him or his interests, which he may consider to be outstanding to him or his interests by the National Bank of Kentucky, of Louisville, Kentucky, are why by its Board of Directors cancelled."

The Executive Committee did not see fit to recommend the adoption of the above resolution by the board of directors. It did, however, in lieu thereof, adopt the two following resolutions:

(1) " It was moved by Mr. Speed, seconded by Mr. O'Brien and unanimously carried that Mr. Brown notify Mr. Rogers Caldwell that on account of the size of the loans to his Companies that this bank cannot make any additional loans to him or any of his Companies."

(2) " It was moved by Mr. Speed, seconded by Mr. Vogt and unanimously carried that in view of the fact that the last two loans of $500,000.00 each, one to Southern Banks, Inc., taken October 6, 1930 and one to Southern Banks, Inc., taken October 20, 1930, each secured by 100,000 shares of Inter Southern Life Insurance Company, were not approved by the board of directors or the Executive Committee that additional approved collateral be requested."

(See Sheet 11 - 4 et seq. for further comment on management of bank).

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The Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1436.—Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8818 *Date of Report* Sept. 17, 1930.

LARGE LINES.

Walnfield & Co. Line

Walnfield & Co.		Owned by A. E. Latta	559,000.00
Call:-	16,400 shs.	American Turf -	
	5,600 "	Standard Oil of Ky.	
	200 "	Aero Corp. Com.	
	484 "	Natl. Candy Com.	
	64 "	U. S. Fail B	
	50 "	Federal Chemical Com.	
	1,100 "	Willys Overland Com.	
	135 "	Utilities and Industrial Pfd.	
	10 "	Kentucky Utilities Pfd.	
	45 "	Louisville Public Warehouse Pfd.	
	45 "	Louisville Public Warehouse Com.	
	$1,000.00	Twin City Rapid Transit 5 - 52	
	11,000.00	Van Camp Packing Co. 6 - 48	
	100,000.00	C/D	
Latta, A. E.		Owner of Walnfield & Co.	20,000.00
Call:	400 shs.	Shares In the South, Com.	
	589 "	BancoKentucky.	
Speer, J. M.		Accommodation Walnfield & Co.	600,000.00
Call:-	2,400 shs.	National Candy, Com.	
	18,280 "	American Turf	
	2,000 "	Standard Oil of Ky.	
	270 "	Wells Kilhenn Coal Com.	
	80 "	L. & N.	
	11,000 "	Van Camp Packing 7% Pfd.	
	8,920 "	Van Camp Packing Com.	
Harris, J. J.		Accommodation Walnfield & Co.	186,000.00
Call:	8,700 shs.	Van Camp Packing Com.	
	4,000 "	American Turf -	
	100 "	BancoKentucky	
	100 "	Union Planters Natl. Bank & Tr. Co., Memphis, Tenn.	
	20 "	Empire Gas & Fuel Pfd.	
	100 "	Curtis Flying Service Com.	
	800 "	Chicago Great Western Com.	
	100 "	Willys Overland Com.	
	197 "	Louisville Gas & Electric A.	
	286 "	National Candy, Com.	
	800 "	North and South American Corp.	
Schweitzer, Francis G.		Accommodation Walnfield & Co.	115,000.00
Call:	600 shs.	National Radiator Com.	
	200 "	Home Publishing Com. A.	
	200 "	Consumers Co. 6% Prior Pf.	
	2,800 "	American Turf	
	400 "	Selected Industries Com.	
	800 "	Southern Surety $2.50 Par	
	400 "	Reyburn, Inc.	
	100 "	Shares In the South	
	1,000 "	Van Camp Packing Com.	
	200 "	" " " 6% Pfd.	
	1,000 "	Utilities & Industrial Corp. Com.	77
	80 "	Reynolds Investing Pfd.	
	800 "	Dinkler Hotels, Com.	
	42 "	Bankers Trust Co., Louisville, Ky.	
	200 "	Kentucky Rock Asphalt Com.	
	100 "	Cities Service Com.	
			1,479,000.00

During the examination this debt was increased by a further

To the Comptroller of the Currency,
Washington, D.C.

Examiner.

EXTRA SHEET PAGE 6-28.

Exhibit 20

Form 2 '30. Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8312 Date of Report Sept. 17, 1930.

loan of $55,000.00 collateraled by 500 shs. Van Camp Packing Co. Pfd. and 17,945½ shs. Van Camp Packing Co. Com.

After having estimated the values of the collaterals securing the various loans, it was revealed that while the collaterals were adequate to cover the loans, they did not afford the customary margins applicable to brokers loans. Vice President Jones agreed to have additional margin delivered which was done, but the value was not brought up to customary standards.

Investigation disclosed that Messrs. Wakefield and Co. were parties to a trade with the National Bank of Kentucky whereby stock of the Van Camp Packing Co. that cost Wakefield and Co. $18.50 per share was sold to the National Bank of Kentucky at a price of $22.00 per share resulting in a profit to Wakefield of $40,250.00. President Brown advised that this was done to reimburse them for a loss previously sustained on a sale of stock of the same company to Wakefield & Co. under which the bank had guaranteed them against a decline in price.

It was also revealed that the bank has been rebating to them the interest on that part of the loan collateraled by the $100,000.00 C/D. During the past several examinations of this bank the interest would be collected and at the close of the examination, or shortly thereafter, the amount collected would be rebated to Wakefield & Co. The supposed compensating balance represents nothing except an arbitrary entry. This official attempt at deception is quite apparent.

Large overdrafts appear from time to time in the account. In several instances these produced excessive loans without giving effect to the "accommodation notes."

An examination of the collateral discloses that a substantial portion of the stocks securing the loans is registered in the names of James B. Brown and Chas. F. Jones. This would seem to indicate that a portion of these loans was carried for the benefit of these two officers.

The continuous disregard for the provisions of the law in connection with the handling of this account demonstrates to your examiner its wholly undesirable character, and it is recommended that all the loans be collected and the account closed.

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EXTRA SHEETS 6-30.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

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Exhibit 20

Form 1436 - Reports
TREASURY DEPARTMENT
OFFICE OF COMPTROLLER OF THE CURRENCY

No. of Bank 8512 *Date of Report* September 17, 1930

OTHER LOANS ESPECIALLY MENTIONED,
(Parent Bank)

H. J. Angermeier — $3,000.00
Collateral: 1,000 shares, BancoKentucky,
400 " Van Camp Packing Company, Common,
50 " Charles Rosenheim Company, Louisville, Ky.,
150 " Electric Refrigeration Company, Louisville, Ky.,
800 " Louisville Ry. Company, Common,
500 " Kieler Electric Corporation, Common.
The stocks of the Charles Rosenheim Company and Electric Refrigeration Company are not listed.
$500.00 was paid on this loan during examination.

Emile Bourlier — 13,000.00
Collateral: 400 shares, BancoKentucky.
Sheet metal worker whose statement dated 9-2-30 shows: Current Assets $23,000.00; Fixed Assets $88,100.00; Current Debt $14,000.00; Mortgages $7,800.00; Net Worth $97,300.00.
Credit checkings are only fair. Management expresses the opinion that the concern is slipping.

H. G. Brooks and Company - Direct — 25,000.00
- Indirect — 1,050.90
Endorsed Horace G. Brooks.
Retail grocer, whose statement dated 1-1-30 shows: Current Assets $69,000.00; Fixed Assets $298,000.00; Current Debt $67,000.00; Mortgage Debt $84,000.00; Net Worth $216,000.00.
No change in the line since the preceding examination.

Callahan and Sons — 90,000.00
Endorsed R. L. Callahan.
Grain dealers whose statement dated 6-30-30 shows: Current Assets $110,000.00; Fixed Assets $252,000.00; Current Liabilities $79,000.00; Mortgages $40,000.00; Net Worth $244,000.00.
Current ratio is poor.

Downard Mining Sales Company — 5,000.00
Endorsed Paul Downard.
Statement dated 1-31-30 shows: Current Assets $60,000.00; Current Liabilities $47,000.00; Net Worth $255,000.00.
Included in the assets is an item of $230,600.00 representing holdings in the Harlan Fox Mining Company.
Current ratio is poor.

Herald Post Company - Direct — 305,000.00
- Indirect — 5,055.02
Endorsed James B. Brown.
Local newspaper owned by President Brown. No statement on file.
No change in the direct portion of the line since 6-25-27.
The company is habitually overdrawn, and at the commencement of the examination showed an overdraft which was covered after the commencement of the examination by a deposit of a check in the amount of $75,000.00 on President Brown's personal account. The examination of the bank began shortly after two o'clock, P.M., and this entry was not put through the work until about five o'clock, P. M.

W. J. Hughes & Sons Company - Direct — 40,000.00
- Indirect — 2,494.04
Lumber dealers whose statement dated 12-31-29 shows: Current Assets $256,000.00; Current Debts $90,000.00; Fixed Assets $295,000.00; Net Worth $454,000.00.
The showing of the statement is apparently satisfactory. However, the fact must be considered that the company sustained an operating loss of $65,697.00 during 1929.
The line has been steady since 7-25-27.

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To the Comptroller of the Currency, EXTRA SHEET PAGE 6-28. *Examiner.*
Washington, D. C.

Exhibit 20

Form 1000—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9813 *Date of Report* September 17, 1930

OTHER LOANS ESPECIALLY MENTIONED (Cont'd.)
(Parent Bank)

Indiana Cotton Mills, Cannelton, Indiana — $ 70,000.00
Company's statement dated 6-30-30 (audited) shows: Current Assets $170,000.00; Fixed Assets $342,000.00; Current Debt $71,000.00; Net Worth $241,000.00.
On the face of the statement, company makes a fair showing. However, the audit reveals that the company sustained an operating loss of $35,641.00 during the last year.

I. Sidney Jenkins and Company — 5,000.00
Real estate operators, whose statement dated 1-1-30 shows: Current Assets $11,000.00; Fixed Assets $139,000.00; Current Debt $55,000.00; Mortgages $43,000.00; Net Worth $72,000.00.
Company enjoys a good reputation. However, the debt is too high and the company sustained an operating loss of $6,373.00 during the last year.

Kentucky Lumber and Millwork Company - Direct — 60,879.99
- Indirect — 21,064.35
Company's statement dated 4-30-30 (audited) shows: Current Assets $171,000.00; Fixed Assets $138,000.00; Current Debts $98,000.00; Net Worth $212,000.00.
The company was contingently liable in the amount of $41,000.00.
The company's current ratio is poor and the statement is most unattractive after giving consideration to the item of $41,000.00 contingent debt.
Company is being required to liquidate gradually.

S. C. Mangal — 40,735.58
Collateral: 1,000 shares, BancoKentucky,
1,200 " Foreign and Domestic Veneer, "A" Common.
$15,487.50 of the above also bears the endorsement of C. R. Mangal.
Due to the unsettled condition of the lumber industry, it is difficult to attach any particular value to the stock of the Foreign and Domestic Veneer Corporation until the company shall have been successful in working out its own troubles.
An effort should be made to collect the entire debt.

Stimpson Computing Scale Company — 198,700.00
Company's statement dated 12-31-29 shows: Current Assets $586,000.00; Fixed Assets $226,000.00; Current Debts $275,000.00; Mortgages $147,000.00; Net Worth $430,000.00.
On the basis of the statement, the company's condition is not particularly bad. However, an operating loss of $33,000.00 was sustained for the period. This has necessitated a change in the style of scales to be manufactured in the future. Heretofore, the company's business has been largely confined to the manufacture of counter scales. These have been sold on long-time payment plans. This reflects itself in the item of $472,000.00 receivables included in the item of current assets.

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EXTRA SHEET PAGE 6-29.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* September 17, 1930.

OTHER LOANS ESPECIALLY MENTIONED.

FOURTH STREET BRANCH

A. C. Angermeier,		$21,800.00
Collateral: 200 shs RemcoKentucky Company		
100 " VanCamp Packing Co. Com.		
200 " VanCamp Packing Co. Pfd.		
260 " American Turf.		
275 " Chas. Rosenheim Co.		
The listed collateral has an estimated value of $9,970.00. The last named stock is closely held, with no market, and regarded of an unsatisfactory character for collateral purposes on the basis of the operating figures as shown by the credit files.		
Marie M. Hunt,		5,102.50
Endorsed by Sam P. Meyer, who will, in all probability, have to pay the note. Should be collateraled or collected.		
Jefferson Cafeteria,		12,000.00
Endorsed Chas. J. Boravenesser.		
Statement of 3/31/30 lists assets of land and buildings $67.4M, mortgaged for $22.1M, and machinery and fixtures $56.8M, with open debt of $20.6M. Loan is entirely capital and maker's debt is exceedingly heavy, and payments on this loan have been slow.		
Jones - Dabney Company	Direct	70,000.00
	Indirect	8,273.61
	Liability on Accept.	5,101.08
Statement of the concern dated 6/30/30 lists: Quick Assets $224.7M; Current Liabilities $119.1M; Plant $374.8M, unencumbered. Ratio is slightly below the standard and profits of the concern for 1929 were meager, being $6.3M. Dividends of $14,540.00 were paid.		
Ollie C. Lewis Miles,		22,438.70
Collateral: 100 shs Cornett Lewis Coal;		
200 " General Motors, Com.		
500 " Minneapolis, Moline Power Implement Co.		
The last two named stocks have a listed value of $13,600.00. It is claimed that the first named stock can be sold for at least $200.00 a share. These values give practically no margin of security, and in view of the situation in the coal industry, it is recommended that the loan have especial attention.		

The following loans do not have the standard margin of collateral.

Name of maker.	Amount of loan.	Estimated value of collateral.
Geo. H. Armstrong	$16,219.14	$17,970.00
Robert L. Barnett	72.12	82.50
J. Edgar Boswell,	9,000.00	9,500.00
Mrs. Clara Bridwell.	875.00	990.00
R. W. Bridwell,	425.00	480.00
Jas. A. Cahoe,	4,700.00	5,060.00
J. Morgan Chinn, Jr. & J. Morgan Chinn	4,000.00	4,448.00
Adelia L. Conrad,	1,550.00	1,680.00
Jas. T. Cooper,	150.00	165.00
C. Paul Corcoran,	152.70	165.00
Mrs. C. M. Demejian,	4,400.00	4,450.00
Richard B. Eckles,	141.07	150.00
Earl J. Edmondson,	4,000.00	4,250.00
Mary B. Embs,	2,500.00	2,750.00
Harold W. Estes,	2,780.00	2,958.00
Garvin Fulton,	49,780.80	54,726.00
Patty E. Garnett,	1,100.00	1,200.00
Emma Dorsey Gipperich,	1,500.00	1,515.00

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 6-30.

Exhibit 20

Form 1428.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* September 17, 1930.

OTHER LOANS ESPECIALLY MENTIONED, CONT'D.

FOURTH STREET BRANCH

Name of maker.	Amount of loan.	Estimated value of collateral.
Louis J. Herrman	4,000.00	4,125.00
Lula Stafford Gipperich,	$8,325.00	$8,325.00
J. E. Gray,	3,300.00	3,300.00
Margaret H. Guthrie,	175.00	182.00
A. M. Hardaway,	5,127.22	5,625.00
Thomas Hastings,	3,000.00	3,270.00
Olive W. Herrman,	1,050.00	1,140.00
Anna Z. High,	480.00	540.00
Loretta Hogan,	1,600.00	1,812.00
Mary H. Hogan,	7,875.00	8,080.00
M. J. Hogan,	1,500.00	1,590.00
Thos. M. Howe,	1,428.47	1,650.00
Mary J. Hutchins,	14,197.84	16,525.00
Laura S. Jacob,	778.30	903.84
Clarence L. Jones,	14,396.58	15,736.00
R. C. Kennedy,	69,750.00	74,515.00
Koby Drug Co.	750.00	825.00
Anna H. Krenelse,	500.00	502.00
Hallie V. Leavell,	2,648.30	3,060.00
J. B. Lukins,	11,400.00	12,925.00
Madelene McIntyre,	12,795.59	14,330.00
Jas. B. Moody,	325.00	379.50
Sickliffe B. Moore,	1,811.55	1,650.00
Emelia Peters,	3,937.50	4,694.00
Lee J. Pickal,	400.00	435.00
Chas. D. Quinn,	1,865.62	2,000.00
Chas. H. Ryan, Jr.	5,101.67	5,610.00
F. W. Semmell,	14,440.00	16,050.00
Leon L. Solomon,	10,400.00	11,050.00
Keith C. Spears,	7,000.00	7,725.00
R. C. Spurling,	12,500.00	13,885.00
Sam P. Stiles,	5,142.20	5,985.00
Arthur T. Sturgeon,	1,800.00	1,845.00
Turner A. Summers,	4,000.00	4,125.00
Theo. Van Zandt,	1,475.00	1,500.00
May L. Vaughn,	15,000.00	17,270.00
Sanford Vaughn,	9,000.00	9,022.00
Mrs. John D. Wakefield,	7,600.81	7,862.00
C. G. Warren,	5,750.00	6,444.00
Ella D. Watkins,	60.00	66.00
Allen J. Welpert,	2,875.00	3,390.00
Nata Lee Woodruff,	900.00	1,009.00
Oscar C. Wright Co., Inc.	7,500.00	8,250.00
Alma K. Young,	3,975.97	4,372.00

The following loans are not fully covered by collateral.

Name of maker.	Amount of loan.	Estimated value of collateral.
C. F. Adamson,	$803.13	$ 165.00
Esther Barth,	506.06	354.00
Tim C. Brown,	650.00	536.00
Sm. Brown,	200.00	165.00
Mrs. Lillie M. Bryant,	5,830.00	4,790.00
C. R. Burton,	5,800.00	4,250.00
Grayson C. Carpenter,	140.00	110.00
Edwin H. & James F. Chappell,	962.89	825.00
Harry N. Clarke	3,700.00	3,544.00

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To the Comptroller of the Currency,
Washington, D. C

EXTRA SHEET No. 6-31. Examiner.

Exhibit 20

Form 1489—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* September 17, 1930.

OTHER LOANS ESPECIALLY MENTIONED, CONT'D.

FOURTH STREET BRANCH.

Loans not fully covered by collateral, Cont'd.

Name of maker.	Amount of loan.	Estimated value of collateral.
Wm. Z. Coleman,	$ 1,000.00	$ 825.00
Frank H. Dyer,	3,720.16	3,617.00
Maude Lee Frank,	13,686.08	13,190.00
Robert J. Graf,	37,500.00	35,000.00
Wm. C. Hall,	12,500.00	8,250.00
J. H. Harrison,	12,720.00	9,700.00
Enloe B. Hoke,	11,500.00	10,250.00
J. Bernard Hutcheson,	2,000.00	1,740.00
J. E. Jansen,	3,860.17	3,310.00
Amelia C. Jungbluth,	1,500.00	1,150.00
Elizabeth W. Kimmel,	3,400.00	3,220.00
G. Fred Laib,	4,800.00	3,600.00
Al McCarty,	1,000.00	825.00
Mattie B. Middendorf,	16,563.00	14,432.00
Rudolph A. Moeller,	509.00	445.50
Cornelius J. Pfeiffer,	6,000.00	4,700.00
William B. Pirtle,	2,000.00	1,650.00
H. H. Richeson,	6,500.00	5,423.00
Louis C. Scanlon,	3,300.00	3,190.00
Paul E. Schwab,	381.41	330.00
Mrs. Clara M. Terstegge,	14,000.00	12,405.00
Geo. C. Greeter,	469.14	330.00
Alvina Vanarsdale,	2,500.00	2,450.00
D. P. Vandivier,	1,590.91	1,465.00
Charlotte J. Watson,	4,750.00	3,887.00
L. Gertrude Hiett,	300.00	288.00
F. L. Wilkerson,	2,537.50	2,040.00
Willard C. Worcester,	1,025.00	825.00
Jas. A. Lyman,	730.00	562.00
Harold B. Trudeau,	187.48	165.00
H. T. Yee,	24,980.31	21,963.00

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EXTRA SHEET : AGo 6-82.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Form 1438. Page 7
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

Exhibit 20

No. of Bank, 5312

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds or notes	Name of issuing corporation, character of mortgage, rate, and maturity		Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off (See note below)
	U.S. BONDS PLEDGED TO SECURE CIRCULATION.				
$2,500,000.00 2	U. S. Consols	30	2,500,000.00		
	U. S. BONDS PLEDGED.				
75,000.00 4½	Fourth Liberty Bonds		75,000.00		Pledged, Treas. U. S.
	MUNICIPALS				
15,000.00 4½	Port of New Orleans	41-42	14,400.00	14,850.00	To Secure Postal Savings
20,000.00 5	" " " "	36-37	20,000.00	19,800.00	" " " "
10,000.00 4½	City of Los Angeles	46	9,800.00	9,800.00	" " " "
14,000.00 5½	City of Louisville, Ky.	43	13,110.00	13,160.00	" " " "
20,000.00 4½	do. (Hospital)	51	20,400.00	21,400.00	" " " "
56,000.00 5½	do. (Refund.)	41	57,890.00	62,040.00	" " " "
10,000.00 4½	do. (School)	54	10,100.00	10,500.00	" " " "
25,000.00 4	do. (Sewer)	47	24,975.00	25,000.00	" " " "
25,000.00 5	do. (Sewer)	41	25,635.00	25,375.00	" " " "
10,000.00 4½	City of Omaha, Neb.	36	10,000.00	10,225.00	" " " "
22,000.00 4	City of Rock Mtn.N.C.	53	25,000.00	22,500.00	" " " "
100,000.00 4	City of Louisville(Sch.)	47	103,750.00	100,000.00	Repurchase Agreement, Bank of America, N.Y.C.
5,000.00 4½	do. (School)	54	5,258.00	5,450.00	
10,000.00 4	Tenn. Rfd. Ser "A"	49	9,800.00	9,736.00	
			345,618.00	349,844.00	
	PUBLIC UTILITIES				
110,000.00 6	Louisville Gas & El.	37	104,500.00	118,800.00	Repurchase Agreement, Stewart Dry Goods Co.
7,000.00 5	Louisville Home Tel.Co.	38	7,000.00	6,860.00	
800,000.00 4½	Louisville Ruys. 1st Mtg.	36	604,000.00	884,040.00	$650 M. Pledged, Trust Dept. $238,000. of these bonds are carried for the account of Messrs. Caldwell & Co., Nashville, Tenn., under a repurchase agreement. (See Large Lines)
200,000.00 5	Louisville Ruys.Genl.Mtg.	50	196,944.68	106,190.00	$173 M. Repurchase Agreement Stewart Dry Goods Co.
100,000.00 5	Buffalo Ry.	31	86,330.00	91,750.00	Repurchase Agreement, Bank of America.
100,000.00 5	Crosstown St. Ry.Buffalo	32	86,330.00	92,000.00	do. do.
			1,084,094.68	975,040.00	
	FOREIGN				
5,000.00 4	Porto Rican	35	4,950.00	4,975.00	To Secure Postal Savings
	RAILROADS				
500.00 5	Chi.Indpls. & Louisv. 'A'	66	441.25	512.50	
2,400.00 5	Internat'l.Ry. Ref.	62	1,560.00	960.00	
170,297.50 4½	Kentucky & Ind. Term.	61	143,383.74	154,998.02	Repurchase Agreement, Bank of America.
			145,384.99	156,470.52	
	SEE EXTRA SHEET	TOTAL,			84

The total of this schedule should agree with item 10 on the face of the report; but also list all other bonds held and group to balance with face of report, items 5, 6, 7.

Where items are indicated to be slow, doubtful, or worthless, give reason for such classification.

If necessary, continue on Form 1438, to be inserted here.

Note.—All stocks owned should be grouped and an explanation of how acquired set opposite each item; all slow and doubtful bonds should be grouped and carried into recapitulation on page 11, but avoid duplication; also those upon which interest is in default. Each group should be totaled, and the total of all securities indicated at the foot of the page.

Where stock has been taken for previous debt, state, if possible, the amount of the original indebtedness.

Exhibit 20

Form 1459
TREASURY DEPARTMENT
Office of Comptroller of the Currency
Examining Division

No. of Bank 9818 *Date of Report* September 17, 1930

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	MISCELLANEOUS.			
5,000.00	Bunkers Mtg. Co. Bond of Goldie Revits and Lillie Burg 5%	5,000.00	5,000.00	Slow - See Extra Sheet Page 7 - 5
3,375.00 6	1st Mtg. Real Estate Notes, J. H. Bickal 30-32	3,375.00	3,375.00	Slow - See Extra Sheet Page 7 - 5
285,000.00	Hotch, Rogers Caldwell, et al. Coll: $300,000.00 Murray Rubber Co. 1st Mtg. Bonds.	285,000.00	285,000.00	Doubtful - See Extra Sheet Page 7 - 5
25,000.00 61	Detroit & Canada Tunnel 48	24,187.50	23,125.00	Reparch.Agrmt. Bk. of America
180,000.00 6	Hugh B. Fleece, 1st Mtg. on 1264 acres in Allen County, Ky. 38	95,155.69	50,000.00	$50 M. Slow - $45,155.69 Loss. See Extra Sheet Page 7 - 4 D.P.C. E. E. Woods.
35,000.00	A. E. Latta	35,000.00	35,000.00	$25 M. Slow - $10 M. Doubtful See Extra Sheet Page 7 - 4
87,500.00 5	Liberty Washington Cedar St. Corp. 2nd Mtg.N.Y.C. 31-34	87,500.00	87,500.00	Slow - See Extra Sheet Page 7 - 4
6,000.00 6 10,093.92	Louisville Title Co. 30-32 Sundry first mortgage notes taken in payment for sale of part of E. E. Woods Farm in Allen Co., Ky.	6,000.00 10,093.92	6,000.00 10,093.92	Slow - See Extra Sheet Page 7 - 4
2,000.00	1st Mtg. real estate notes of Jas. S. Reynolds, Jr. 38	4,099.90	4,099.90	Slow - See Extra Sheet Page 7 - 4
947,027.25	State of Kentucky Warrants	947,027.25	947,027.25	5% Interest
		1,497,089.26	1,466,821.07	
	DEFAULTED BONDS			
15,000.00	Columbia Phosphate Mining Co., due 12-31-26	15,000.00	15,000.00	Slow - See Extra Sheet Page 7 - 5
300,000.00 6	Murray Rubber Co. note due 4-1-26. Coll: $300 M, Murray Rubber Co. Debentures	300,000.00	-0-	Loss - See Extra Sheet Page 7 - 5
		315,000.00	15,000.00	
	STOCKS & INTERESTS			
2,500.00	Louisville Provision Co. Part interest in purchase of note from Inter State Trust Co., New York	2,500.00	2,500.00	Slow - See Extra Sheet Page 7 - 5
	EXTRA SHEET PAGE 7-1			
	TOTAL,			

To the Comptroller of the Currency, Washington, D. C. 959

Examiner

Exhibit 20

Form 1428
TREASURY DEPARTMENT
Office of Comptroller of the Currency
Examining Division

No. of Bank 8818 Date of Report September 17, 1930

BONDS, SECURITIES, ETC.

Enter number of shares of stock or value of bonds, and state whether stocks, bonds, or notes	Name of issuing corporation, character of mortgage, rate, and maturity	Amount at which carried on books	Estimated market value	Indicate where taken for D. P. C., and where interest or dividend is not paid. Indicate those loaned or pledged, and if any are borrowed so state. List any valuable securities charged off
	STOCKS			
1,100 shares	Amer. T. & T. Co.	$65,000.00	$52,100.00	Repurchase Agreement 6-13-30 Louisville Natl. Co.
200 "	National Candy Co. Common	3,750.00	4,400.00	
52 "	Louisville Ry. Common	624.00	364.00	D. .C. Stella Van Dyke. $260.00 Loss. See Extra Sheet Page 7 - 8
998 "	International Planters Pfd.		48,341.00	)
2,795 "	" " Com.			)
900 "	Louisville Ry. Common		6,300.00	)
5 "	Louisv.Henderson & St.L.Pfd.	50,539.00	490.00	) $48,341.00 Slow -
7,200 "	Rich Patch Land Co.Par $1.			) $4,388.00 Loss.
500 "	Industrial Ownership Corp. Par $100.			) See Extra Sheet Page 7 -8
100,000 "	BancoKentucky Co.	1,870,180.00	1,627,650.00	$242,500.00 Loss. See Extra Sheet Page 7 - 8
31.19	Unmatured Coupons	31.19	31.19	
		2,179,094.19	1,919,896.19	
	RECAPITULATION.			
	Municipals	345,612.00	349,046.00	
	Public Utilities	1,084,094.88	978,040.00	
	Foreign	4,950.00	4,975.00	
	Railroads	145,804.99	154,470.88	
	Miscellaneous	1,497,039.26	1,482,881.07	
	Defaulted	898,000.00	15,000.00	
	Claims & Judgments	2,880.00	2,880.00	
	Stocks	2,179,094.17	1,919,896.19	
		5,845,955.10	4,906,723.76	
			937,226.24	Depreciation
			5,845,955.10	

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EXTRA SHEET PAGE 7-8

TOTAL

To the Comptroller of the Currency,
Washington, D. C.

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Examiner.

Exhibit 20

Form 1288—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* September 17, 1930

BONDS, SECURITIES, ETC. SUBJECT TO CRITICISM.

Par Value	Description	Amount	Slow	Doubtful	Loss
$ 5,000.00	Bonhore Mfg. Co, Bond of Goldie Ravits and Lillie Berg '31 This is a mortgage issue. The information furnished is to the effect that the property is good for the debt and that the bond will be paid.	$ 5,000.00	$5,000.00		
3,975.00	1st Mtg. Real Estate Notes, J. H. Bickel '30 - '32 Information furnished during this examination is to the effect that these notes are safe and will be paid.	3,975.00	3,975.00		
265,000.00	Notes, Rogers Caldwell, et al Coll: $265,000.00 Murray Rubber Co. 1st Mtg. Bonds. (See Large Line of Banc-Kentucky Company). The Murray Rubber Company operates a factory at Trenton, N. J. As disclosed by the last several reports of examination of this bank, the company's debt has been a source of much concern. Its affairs continue to grow progressively worse. Comparative statements as of July 31, 1930 and August 31, 1930, are attached herewith, together with an analysis of the Profit and Loss Account. (See Extra Sheets 7 - 7 and 7 - 8.) The exact status of the loan to Mr. Caldwell is not known. The interest is not being paid on it and the officers advised that the bank had agreed with Mr. Caldwell that no interest would be collected as long as the interest on the first mortgage bonds of the Murray Rubber Company was in default, nor would any attempt be made to collect from him until the security underlying the first mortgage bonds had been exhausted, hence your examiner can do nothing except estimate the loss as doubtful.	265,000.00		$265,000.00	

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EXTRA SHEET PAGE 7-8

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1003—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank [redacted] *Date of Report* September 17, 1930

[redacted], SECURITIES, ETC., OWNED BY OR HELD BY.

Par Value	Description	Amount	Slow	Doubtful	Loss
$180,000.00	Hugh B. Fleece, 1st Mtg. on 1,854 acres in Allen County, Ky. Mr. Fleece is a nominee, the bank being the real owner of the property which was acquired by foreclosure in settlement of E. H. Woods debt. Investigation from three sources discloses that the land is worth only about $40.00 an acre. The remainder was estimated as a loss.	$ 93,138.89	$ 50,000.00		$ 43,138.89
35,000.00	E. H. Lotts A. E. Lotts is a nominee. This debt really represents the bank's ownership of two small buildings fronting 44 feet on Main Street across the street from the present location of the National Bank of Kentucky. An appraisal was made of the property by the Louisville Trust Company and it was their opinion that it was only worth $25,000.00.	[redacted]	25,000.00	10,000.00	[redacted]
97,000.00	Liberty Washington Cedar Street Corporation, New York City, Second Mtg. 5½-34 These are second mortgage bonds on an office building in New York City. Up to the present time, all of the matching bonds and coupons have been paid.	97,000.00	97,000.00		
16,003.98	Sundry first mortgage notes taken in payment for sale of part of E. H. Woods Farm in Allen County, Kentucky. These notes were acquired by the bank in part payment of sales of some of the original E. H. Woods Farm.	16,003.98	16,003.98		
9,000.00	1st Mtg. real estate notes of Jno. S. Reynolds, Jr. 5% Mr. Reynolds is a nominee. This represents the bank's ownership of a vacant lot 160' x 160' at the corner of 61st and Michigan Ave., acquired by the bank in settlement of the old S. A. Singer debt. The property was appraised during examination at $60.00 a front foot.	4,000.00	4,000.00		

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EXTRA SHEET PAGE 9-4

To the Comptroller of the Currency,
Washington, D. C.

[redacted]
Examiner.

Exhibit 20

Form 1-B—Report
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank: 9818 Date of Report September 17, 1932

BONDS, SECURITIES, ETC. SUBJECT TO CRITICISM.

Par Value	Description	Amount	Slow	Doubtful	Loss
$ 15,000.00	Columbia Phosphate Mining Co. due 12-31-26 For comment on this issue, see Slow Loan Schedule.	$15,000.00	$15,000.00		
$80,000.00	Murray Rubber Company note, due 6-1-32 Coll: $200,000.00 Murray Rubber Company Debentures. See statement of the company attached hereto. Due to the fact that there seems to be absolutely nothing supporting this issue, the entire debt was estimated as a loss and taken out of the bank during examination.	$80,000.00			$80,000.00
3,000.00	Louisville Provision Co. This represents a participation in a $41,000.00 note that four local creditor banks purchased from the Inter State Trust Company, New York City, for $15,000.00. (See comment on company's line in Slow Loans).	3,000.00	3,000.00		
32 Shares	Louisville Ry., Common D.P.C. Stella Van Hyke. Stock quoted at $7.00 per share. Original debt $1,716.00.	$24.00			$40.00
500 "	International Planters, Ptd.				
5725 "	" " Com.				
900 "	Louisville Ry., Common,				
8 "	Louisv. Henderson & St.L. Ptd.	$9,289.00	$3,241.00		4,288.00
7200 "	Rich Patch Land Co. Par $1.00.				
200 "	Industrial Ownership Corp.				
	This group of stocks has been charged down from an original carrying value of $115,000.00. The shares of the Rich Patch Land Company, Industrial Ownership Corporation, and International Planters Common are believed to be worthless. The International Planters Corporation is in liquidation. It is estimated that the preferred stock, which has some $60.00 cumulative dividends due on it, will liquidate $180.00 a share. A liquidating dividend of $18.50 a share has heretofore been paid.				

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EXTRA SHEET PAGE 7-B

To the Comptroller of the Currency, Washington, D. C.

Examiner.

Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9818 *Date of Report* September 17, 1930

BONDS, SECURITIES, ETC., SUBJECT TO CRITICISM.

Par Value	Description	Amount	Slow	Doubtful	Loss
100,000 Shares	BancoKentucky Company As set out in a contract, under the head of Large Lines, the bank acquired this stock from Messrs. Caldwell and Company in exchange for the debt of the Kentucky Wagon Manufacturing Company, amounting to $1,687,680.00. Since the last examination, this bank has disposed of the 500 shares of preferred and 17,945½ shares common of the Van Camp Packing Company, carried at $307,940.16, for $4.00 per share. The resultant loss of $848,800.00 was added to the carrying value of the BancoKentucky Company stock. At close of examination, the item of $848,800.00 was restored to the bond account as an unadjusted loss, and was then charged to Undivided Profits.	$1,870,180.00			$848,800.00
	TOTAL	$3,089,017.81	$897,900.82	$878,000.00	$980,308.99
	Plus market depreciation in securities				108,225.35
					$917,534.34

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To the Comptroller of the Currency,
Washington, D. C. December.

Exhibit 20

TREASURY DEPARTMENT,
Office of Comptroller of the Currency.
Form 1564—Reports—Bk. Mats—V. C. Co. 6-28.

No. of Bank 9618 Date of Report September 17, 1930.

THE MURRAY RUBBER COMPANY.

COMPARATIVE BALANCE SHEET.

ASSETS.	AS OF AUG. 31st. 1930	AS OF JULY 31st, 1930
CURRENT ASSETS:-	$	$
Cash on Hand and In Banks	44,906.42	18,136.01
Notes Receivable	24,110.49	22,586.80
Acceptances Receivable,	6,142.05	15,117.15
Accounts Receivable, Less Reserve	404,613.14	429,616.70
Merchandise (Schedule 6)	636,369.99	612,402.68
TOTAL CURRENT ASSETS	$ 1,116,142.07	$ 1,101,798.74
INVESTMENTS:-		
Miscellaneous Stocks	$ 15,118.00	$ 15,118.00
FIXED ASSETS:-		
Land and Water Rights	276,912.45	276,912.45
Buildings	865,960.76	865,960.76
Machinery and Equipment	1,623,615.36	1,628,886.22
TOTAL FIXED ASSETS	$ 2,766,488.57	$ 2,771,759.43
PREPAID AND DEFERRED ASSETS:-		
Insurance, Taxes and Other Charges	25,806.17	25,873.15
Salesman's Expenses, Less Reserve	24,951.31	28,921.15
Discount on Bonds	45,277.76	45,588.88
Deferred Experimental Expense,	17,877.76	17,877.76
TOTAL PREPAID & DEFERRED ASSETS	115,962.96	122,989.58
TOTAL ASSETS	$ 4,013,708.62	$4,013,870.75
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES:-		
Accounts Payable	269,804.75	249,286.63
Notes Payable	540,464.97	557,949.40
Acceptances Payable	146,968.15	138,184.23
TOTAL CURRENT LIABILITIES	$ 957,237.87	$ 945,380.26
Reserve for Interest on Funded Debt	47,633.36	118,000.00
Reserve for Depreciation	1,106,119.46	1,106,161.06
Fifteen Year Debenture Bonds	1,150,000.00	1,150,000.00
Fifteen Year First Mortgage Bonds	500,000.00	500,000.00
CAPITAL STOCK:-		
No Par Preferred ($7.00 Cumulative Div.)		
Authorized - 10,000 shares		
Outstanding 872 shares		
No Par Common		
Authorized - 100,000 shares		
Outstanding 98,750 Shares		
Capital Surplus-Equity to Stockholders	251,517.94	200,069.41
TOTAL LIABILITIES AND CAPITAL	$ 4,013,708.62	$ 4,013,870.75

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To the Comptroller of the Currency, Washington, D. C. Examiner.

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Exhibit 20

TREASURY DEPARTMENT,
Comptroller of the Currency.
Form 1230.—Reports.—Ed. 8,000—7. C., Oct. 24-28.

No. of Bank 8818 *Date of Report* September 17, 1930.

THE MURRAY RUBBER COMPANY.

RECONCILIATION OF SURPLUS

AUGUST 31, 1930

Surplus Beginning of Month		$ 200,088.41
DEDUCTIONS:-		
Old Mechanical Inventory Adjustment	$ 4,836.47	
Per Tax - Government Claim	1,000.00	
Old Overdrafts of Salesmen Released	10,803.35	
Legal Fee in suit of F. J. Wolff, Radio Station "W O A I"	100.00	
Massachusetts Franchise Tax, 1929	100.00	
Operating Loss for the Month	2,209.05	
TOTAL DEDUCTIONS		18,448.85
		$ 181,640.56
ADDITIONS:-		
To Credit bank Liability for Interest on Debenture Bonds set up through monthly entries	67,083.33	
Dividend on Employees Liability Insurance Policy for Year ending April 30, 1930	2,737.13	
Profit on Equipment Sold	56.86	
TOTAL ADDITIONS		69,877.32
Surplus Ending of Month		$ 251,517.94

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To the Comptroller of the Currency,
Washington, D. C.

December.

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Exhibit 20

Form 1488.—Page 8
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 8218

REAL ESTATE OWNED (OTHER THAN BANKING HOUSE)

	Amount at which carried on books	Estimated actual market value
1. Aggregate taken for debts previously contracted, Property leased for branch - location abandoned	2,924.91	2,924.91
2. Aggregate amount acquired in violation of law,		
TOTAL,	2,924.91	2,924.91

(LIST EACH PARCEL, INCLUDING PARCELS NOT CARRIED ON BOOKS)

Description	Book value	Prior liens	Estimated value	Assessed value	Insurance	Annual income	Date acquired
Lease on property at 4th & Guthrie Sts., Louisville. Leased for branch site. Being re-leased at the rate of $108.33 per mo. TOTAL, (Profit on sub-lease)	2,924.91	-0-	2,924.91	-0-	-0-	1,299.96	8-1-25
	2,924.91	-0-	2,924.91	-0-	-0-	1,299.96	

BANKING HOUSE

1. Are banking house and furniture and fixtures carried at a fair valuation?
Banking quarters leased. Fixtures should be depreciated.
2. Is banking house suitable and convenient? Free of incumbrance and adequately insured?
Bank seem to move to new and modern quarters
3. Are vault and safe secure? Are contents adequately insured? Is banking room used by any other banking institution?
Fair Yes No

RESERVE

1. Was reserve with Federal Reserve Bank sufficient on date of examination? If not, give the deficiency in dollars.
Yes
2. How many times has bank been penalized for deficiency since previous examination, and what was total amount paid?
None

NOTE.—The directors should be advised of the provisions of Section 19 of the Federal Reserve Act, that no new loans may be made or dividends paid until the lawful reserve is intact.

BANK ACCOUNTS

1. State rate of interest received on open accounts.
1½ - 4%

2. State rate of interest paid on open accounts.
2½

OVERDRAFTS

1. State whether habitually granted. What amount is unsecured? Secured?
Freely granted - 211 a/c's OD $83,858.80 $11,540.98
2. Did you verify amount at date of examination?
Yes
3. Did you compare amount stated in last report of condition with amount shown by the books for same date?
Yes
4. Is overdraft account shown on the general ledger?
Yes
5. Does bank keep detailed daily record of overdrafts? Did you instruct?
Yes
6. List those remaining in bank six months or longer, and any others which are doubtful or a loss.

SEE EXTRA SHEET

7. Itemize overdrafts of officers and directors, employees, and their enterprises; state whether habitual.

None

CASH ITEMS

Does the bank keep an itemized detailed list of cash items? Did you instruct? 93

Describe any irregular items	Itemize losses estimated
SEE EXTRA SHEET	

Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8812 *Date of Report* September 17, 1930.

FOURTH STREET BRANCH

NATIONAL BANK OF KENTUCKY, LOUISVILLE

SEPTEMBER 17, 1930.

OVERDRAFT LOSSES.

Buna Burke	5-27-30	.10	Loss
Benj. F.Coleman	2-14-30	.03	Loss
B. Conley	1-27-30	.05	Loss
Ruby Dearing	2-14-30	.01	Loss
Geo. A. Lathery	1-27-30	.58	Loss
Chas. N. Lewis	6-5-30	85.20	Loss
Leo. Jacobson	1-7-30	.05	Loss
P. W. James	3-27-30	.04	Loss
Viola Katzman	3-27-30	.50	Loss
Mrs. Anna B. Kennedy	12-28-29	21.18	Loss
Clif C. Kennedy	3-27-30	.50	Loss
Wm. B. Ray	3-24-30	.25	Loss
E. P. Sands	2-26-30	3.00	Loss
S. L. Skaggs	12-17-29	.47	Loss
Mrs. H. K. Stone	2-10-30	.21	Loss
Anna Swan	4-7-30	.16	Loss
Mrs. Harriet L. Taylor	3-27-30	.14	Loss
Marvin Uri	1-18-30	.02	Loss
A. L. Wimp.	1-16-30	.71	Loss
Lon G. Morris	4-8-30	10.00	Loss
Wm. O. May	11-4-29	9.12	Loss

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 148—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9813 *Date of Report* September 17, 1930.

OVERDRAFTS.

Bancokentucky Company,	9/9/30	$4,157.78	
F. G. Breslin,	4/7/30	3,515.98	Slow.
F. Delflinger & Company,	1/14/29	11,540.76	Slow.
Franklin Title & Tr. Company	9/17/30	2,144.60	
Kentucky Wagon Company	7/21/30	24,979.21	Slow.
Khadler & Lucas,	1/15/30	10,211.26	Doubtful.
E. B. Norman & Company,	7/7/30	919.99	Doubtful.
Murray Rubber Company,	9/17/30	305.86	Doubtful.
Gail Parsons,	1/2/30	38.40	Slow.
C. A. Singer,	2/7/30	181.97	Loss.
W. B. Smith,	9/17/30	1,914.72	

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1488. Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8512 *Date of Report* Sept. 17, 1930.

FOURTH STREET BRANCH

CASH ITEMS.

Frank Patterson	9-11-30	$15.00	
Freda B. Shields	9-12-30	2.77	
W. M. Drunk	9-6-30	1.48	
Mrs. J. A. Rungon	9-10-30	2.45	
Dewey Rice	9-13-30	3.00	
Paul B. Dent	8-11-30	8.88	
Joe Calhoun	9-10-30	5.50	
Clarence Woodward	9-9-30	5.00	
Jack Fines Garage	8-27-30	12.10	
H. W. Mengel, Jr.	9-10-30	8.00	
Mrs. E. M. Rigsby	9-9-30	15.00	
G. W. Logan	7-18-30	11.80	
Louisville Club (Cpn.)	7-1-30	1.80	
Marmor Apartments (Cpns.)	7-25-30	30.00	
W. S. Thornberry, Jr. (Savings Expr.)	9-17-30	25.00	
E. L. Reynolds (Bookkeeper)	9-15-30	40.00	
John Morris (Janitor)	9-2-30	3.00	
Stella T. May	9-5-30	97.00	
Dorsey M. Fisher (Cks. lost)		9.83	
Virginia S. Baird (Cks. lost)		6.25	
C. B. Boyd (Dr. Ticket)	8-23-30	21.35	
J. C. Murphy	9-18-30	.12	
James B. Brown	11-5-30	150.00	Paid during Exam.
Meyer Levine			
(Endorsed Am. Tea & Coffee)	9-11-30	23.76	
J. Herman Block	9-9-30	75.00	
American Turf Assn.	3-4-30	1000.00	
James Colterall (Porter)	8-11-30	2.50	
R. W. Hess (Cash)	9-11-30	15.00	
Geo. W. Powell			
(Endorsed Kentucky Hotel)	9-11-30	70.00	
Otis Eyer			
(Endorsed Kentucky Hotel)	9-14-30	15.00	
Teller No. 11 Coupons Due	4-7-28	15.00	(Doubtful)
do. do. "	12-15-30	60.00	(Slow)
do. Rt. Item		16.84	(Loss)
Corbin Insurance Agency		872.09	
Teller No. 13 Cash short		1.00	
Erbe Hamburt		70.00	
Mattie R. Snider		13.95	
Davis Home (Bal. due on check)		20.00	
Item lost in mail (Teller No. 13)		3.12	

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 8-8

Exhibit 20

Form 1488—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8812 *Date of Report* September 19, 1930.

IRREGULAR CASH ITEMS.

BancoKentucky Company,	$4,305.56	For interest on loan of $1,000M. in New York for 31 days.
do	600.00	Dated 8-22-30 draft of Liberty Bank and Trust Company, Covington, Ky., with 3 shares their stock attached.
do	1,400.00	Dated 8-13-30 - same - 7 shares att'd.
do	600.00	Dated 8-26-30 - same - 3 shares att'd.
do	2,172.00	Dated 8-20-30 - draft of Maurice L. Galvin with 48 shares of stock of Pearl Market Bk. & Tr. Co., Cincinnati attached.
do	798.50	Dated 7-13-30 - same - 4 shares att'd.
do	155.90	Debit ticket, dated 4-22-30 for expenses James and ZurSchmiede to Chicago.
do	12,500.00	Dated 8-7-30 - bill rendered by Wakefield and Company for 500 shares Banco.
Expense Items	1,695.45	Sundry expenses 9-5-30 to 9-17-30.
Citizens Bank, Cumberland, Kentucky.	218.53	Debit ticket for 10 shares Transamerica Corporation bought from W. L. Lyons & Co.
A. Horton & Company.	266.00	Dated 9-9-30. Endorsed Standard Fruit & S. S. Co.
A. W. Knoechelmann (Employee)	20.00	Advance against salary.
A. F. Klunder(Employee)	35.00	do
Lynn Miller	40.00	Postdated check.
Harold Mitchell (Employee)	65.00	Advance against salary.
P. J. Murphy (Employee)	30.00	do
Wilbur I. Newhouse (Employee)	9.50	Balance due on returned check.
Hattie B. Speed.	112.16	Check dated 9-11-30.
Giles B. Van Cleave.	7,086.80	7-8-30 Paid Kentucky Title Company.
do	676.02	do 1929 State & County Taxes.
do	742.39	do 1929 City Taxes.
do	630.84	do 1930 City Taxes.
W. T. ZurSchmiede (Cashier)	100.00	Personal check paid during examination.

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BALANCE SHEET PAGE 8-4.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1428 Rev.
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 5512

CAPITAL STOCK

1. If stock ledger and stock certificate books are not properly kept and amount outstanding stock does not agree, give particulars.
   Properly kept
2. If bank owns any shares of its own stock, so state and advise how and when acquired.
   None owned
3. If bank holds any shares of its own stock as collateral, state whether taken for previous debt or otherwise.
   None held
4. Is stock registered by outside registrar?
   No
5. Is stock of this bank, assigned in blank by a borrower, claimed to be held in safekeeping?
   None found

Note.—Examiner should note and report if surrendered certificates are not properly assigned, canceled, and attached to stubs and also whether any stock certificates are signed in blank.

DIVIDENDS AND SURPLUS (Sections 5199 and 5204, U. S. Revised Statutes)

Give (1) Date of declaration of last dividend. 6-30-30 Payable? 7-1-30 Annual dividend rate is 16 %

(2) Amount of last dividend, $ 160,000.00 (3) State when reported. 7-10-30

1. Was last report of earnings and dividends correct? If not, give details.
   Yes
2. State whether bank includes all interest received with gross earnings (item 1) and all interest paid with expenses (items 2b and 2c) as required.
   Yes
3. State whether any profits are irregularly carried on the individual ledger, in special accounts, or charged off the books.
   None found
4. Is itemized expense account kept, and did you inspect that account and interest-paid account to date of previous examination?
   Kept - Inspected
5. Do the directors or examining committee approve expense account periodically and, if so, how frequently? Do the minutes record such action? Audited annually by Humphrey Robinson & Co., Public Accountants
6. Did you inspect all earnings accounts from date of last examination?
   Superficially
7. State amount of losses charged off since last examination on loans, $ Bonds, $ Other, $
   SEE EXTRA SHEET
8. State amount recovered on charged-off assets since last examination.

INDIVIDUAL DEPOSITS

1. State minimum and maximum rate of interest paid on open accounts. Certificates of deposit.
   None
2. Whether a proper record of all certificates of deposit, cashier's checks, and certified checks issued is regularly kept in a book for that purpose.
   Yes
3. Does bank retain all canceled certified checks or take receipts for any delivered?
   Yes
4. If bank conducts "savings department," give method of verifying pass books and rate of interest, and state whether interest is paid quarterly, semiannually, or annually, and date last credited.
   As presented - 3% semi-annually - July 1st, 1930.
5. State whether previous notice of savings deposit withdrawals are provided for and number of days' notice provided for.
   60 days
6. Give total of dormant ledger. How are withdrawals safeguarded?
   $66,901.96 Checked by Auditing Dept.
7. State whether surrendered certificates are properly canceled and filed in numerical order for auditing.
   Yes
8. State whether certificates, cashier's checks, certified checks, individual, savings, and dormant ledgers were audited at this examination, and were certificates of deposit checked against list taken at previous examination.
   All except Savings, Individual Ledgers and Dormant Ledgers of Main Bank
9. State whether a numerical list of outstanding certificates of deposit was made for use at next examination.
   Yes

REDISCOUNTS AND BORROWED MONEY (See Section 5202, U. S. R. S.)

1. Has the bank any liabilities which are not shown upon the books? If so, list.
   None found
2. Does bank borrow habitually, and if so, whether from Federal Reserve Bank or elsewhere.
   Yes - Fed. Res. Bank and elsewhere
3. Average borrowings since last examination.
   $428M - R/P; $390M R/P Agreements.

List outstanding liabilities for money borrowed whether on bills payable, rediscounts, open accounts, certificates of deposit, bonds sold under repurchase agreement, or otherwise. Also list bonds borrowed.

Where borrowed	Amount	Date of borrowing	Date of maturity	Interest rate	Security pledged. If bills receivable, state amount	Form of borrowing	State whether authorized by the board of directors
Reserve bank:							
War Finance Corporation:							
TOTAL,						98	
Other: Bk. of Amer.	1,380,000.00	8-14	11-10	5%	Bonds sold under R/P Agree.		
Stewart D. G. Co.	200,000.00	7-2	1-2	4.65	do.		Yes
Gty. Trust Co. NY. TOTAL,	574,666.29	Var.	Var.		Foreign dfts. sold with		
GRAND TOTAL,	2,154,666.29				agreement		

Exhibit 20

Form 1576—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 *Date of Report* September 17, 1930

LOSSES AND RECOVERIES.

Date	Description	Loans	Stocks & Bonds	Other	Recoveries.
5/6/30	Shapin Mfg. Company				41.18
5/17/30	#43049 David Baird & Son	10,000.00			
5/17/30	#32154 Chester Clark	90.00			
5/17/30	#44886 L. J. Dittmer,	3,369.30			
5/17/30	#15976 Eureka Products Company	4,000.00			
5/17/30	45880 Leo F. Fath,	475.55			
5/17/30	#32889 Louis P. Hyman & Co.	6,800.00			
5/17/30	45865 Knadler & Lucas	25,000.00			
5/17/30	#42896 Sam B. Metcalfe	152.25			
5/17/30	#30882 Mrs. H. C. Middleton,	300.00			
5/17/30	#34088 Norma M. Newhouse,	100.00			
5/17/30	#30838 Geo. R. Newman,	680.00			
5/17/30	#34189 S. G. Rosenfield,	52.50			
5/17/30	#32884 Simpson Realty Company	597.13			
5/17/30	#37885 C. N. Singer	2,953.79			
5/17/30	#11821 Peoples Bank, Springfield, Tennessee	74.66			
5/17/30	# OD do			600.50	
5/17/30	Claim do	12,433.25			
5/17/30	Badger Aluminum Company	218.52			
5/17/30	Other Stocks		52,317.00		
5/17/30	Graphite Products Corp.	616.50			
5/17/30	Other Real Estate 4th St.			7,680.04	
5/17/30	Overdrafts (4th Street)			86.86	
5/17/30	#1866 Dora Fields,	6,000.00			
5/17/30	#16812 F. R. Hodapp,	100.00			
5/17/30	#24821 H. F. Jutz,	50.00			
5/17/30	#21080 Thos. Jefferson Memorial	500.00			
5/17/30	#23605 Mrs. R. R. Maxwell,	30.61			
5/17/30	E. R. Thompson,	2,004.80			
5/17/30	#29962 W. C. Young,	1,680.00			
5/17/30	#29856 Alvin Wells	238.80			
5/17/30	W. C. Wright & Herman Weiner	181.07			
5/17/30	Check Catherine Wilson,			7.18	
5/17/30	Check Geo. Page			10.00	
5/17/30	NO Chk Savings Acct #17[illegible]4			47.50	
5/17/30	NO Check L. L. Riley,			20.00	
5/22/30	Chester D. Clark,				15.00
5/22/30	S. J. McBride,				3.33
6/2/30	Cpns Lou C. E. Bond #[illegible]748				30.00
6/5/30	Shelley Shuster,				17.50
6/6/30	Edward Weindel,				1,031.10
6/13/30	S. J. McBride,				6.34
6/16/30	J. W. Stoll,				367.42
6/23/30	Shapin Mfg. Company,				82.70
7/12/30	W. E. Grant,				1,391.09
7/22/30	Shapin Mfg. Company,				82.90
7/30/30	C. M. Adams,				9.60
7/31/30	Chester D. Clark,				10.00
8/8/30	Shelley D. Schuster,				17.50
8/12/30	Sam Metcalfe,			99	153.95
8/14/30	Shapin Mfg. Company,				82.70
9/6/30	Shapin Mfg. Company,				82.70
9/9/30	Sundry Overdrafts (4th St.)			13.47	
		78,882.75	52,317.00	8,814.95	3,365.84

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1466.—Page 10
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—EXAMINING

No. of Bank, 9818

BOOKS AND ACCOUNTS

GENERAL LEDGER.

1. Is satisfactory general ledger kept? By whom kept? Is daily statement taken?
   Yes — Mr. Williams — Yes
2. Are accounts with correspondent banks reconciled at least monthly? By whom?
   Yes — Miss Wright (Auditing Dept.)
3. Are reconcilements verified? By whom? Is reconcilement book kept?
   No — Yes
4. Are the general and control accounts carried on the general ledger? If not, give full explanation.
   Yes
5. Are loans and discounts proved at least monthly? Does custodian verify?
   Yes — No
6. Are certificates of deposit proved frequently by listing outstanding items?
   Yes
7. Does the employee verifying them issue the certificates?
   No

INDIVIDUAL AND SAVINGS LEDGERS.

1. State whether bank properly safeguards itself by rotating employees, by having pass books or statements balanced by clerks other than bookkeepers.
   Statements issued by auditing department.
2. Is satisfactory individual ledger kept.
   Yes
3. State whether bank verifies balances with depositors periodically.
   Monthly statements issued
4. State form of individual and savings ledgers.
   Loose leaf - machine posted
5. State how often individual or savings ledgers are proved.
   Monthly
6. Whether by some one other than clerk keeping same.
   Auditing department
7. Is balancing of pass book or statement noted on the ledger? In what manner?
   Yes — New statements headed up
8. Is any employee permitted to receive deposits and make entries in the individual or savings ledger? State name.
   Yes — Miss Hagen (Savings)
9. Are officers and employees required to take annual vacations?
   Yes
10. Is interest properly credited every six months on savings accounts?
    Yes

IN GENERAL.

1. Are paid and canceled drafts filed satisfactorily?
   Yes
2. Are proper entries made in Redemption Fund and Circulation Accounts? If not, were instructions given?
   Yes
3. Are the books so kept that the examiner can readily make a thorough and complete examination?
   Yes
4. Is the bookkeeping and clerical system antiquated or imperfect? Give your views in this connection.
   Satisfactory
5. Is all business for each calendar day included in proper account for that date?
   Books closed at 3:00 P. M. - bank stays open until 5:00 P. M.
6. Are erasures made of entries on books by the use of acid or otherwise? If so, did you give proper instructions?
   None noted
7. Does the bank keep a liability ledger? How often balanced? Is it a practicable book?
   Yes — Monthly — Yes
8. Does bank keep record by number of circulating notes, and, if not, did you give proper instructions?
   Yes

INFORMATION IN CONNECTION WITH MANAGEMENT AND SUPERVISION BY DIRECTORS

1. State how often directors meet as board, and day of week or date of month usually held.
   Weekly - Friday
2. In what manner do they authorize or approve loans or discount?
   Loans made since last meeting.
3. State whether they have an active discount committee. Are their meetings and actions properly recorded?
   Yes, but ineffective — No
4. State whether they have an active examining committee. Is complete and satisfactory report on file?
   Annual audit by Public Accountants — Yes
5. Give date of last committee examination. Do minutes record report? Are active officers only on committee?
   12-14-29
6. State whether loans and discounts to their firms and corporations are specially acted upon by the board.
   No — 100
7. Are the by-laws adequate? Are their provisions regularly observed by the officers and directors?
   No — See Sheet 11 at end.
8. Was copy of report of last examination by examiner considered by directors and noted on minutes?
   Committee on report appointed 9-22-30. President Brown reported on 9-19-30.
9. Are important letters from the Comptroller, whether addressed to the board or an officer, and replies thereto noted in the minutes?
   No

Exhibit 20

Form 1488 — Page 11
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY — EXAMINING

No. of Bank, 9513

AFFILIATED BANKS

1. State whether there is an affiliation with any State bank, savings bank, or trust company through a controlling ownership of stock by the same shareholders, by practically the same management, or in any other manner, giving name of affiliated bank.

Stock is trusteed with that of the Louisville Trust Co., Louisville, Ky.

2. If transfer of certificates of stock of the national bank transfers ownership of stock of the affiliated bank, state that fact.

Yes

3. State whether stock of affiliated bank owned by shareholders of national bank is held by them individually or as a corporation.

Individually

4. State whether stock of affiliated bank is trusteed for benefit of shareholders of national bank.

Yes

5. State whether any director or other officer of this bank is an officer of any other bank, giving full information, and if a violation of Clayton Act, so state.

SEE EXTRA SHEET

ITEMS FOR SAFE KEEPING

Is a proper record kept of securities left for safe-keeping? Yes

Were securities checked against such records? Yes

RECAPITULATION—LOSSES, ETC.

Resources	Slow	Doubtful (loss probable, but not estimated)	Estimated losses	Estimated value of assets not shown on books
All loans and discounts, Overdrafts, Premium on U. S. Bonds, Bonds, securities, etc., Banking house, Furniture and fixtures, Other real estate, Cash Items, Shortages, Judgments, Unpaid Bills,	SEE EXTRA	SHEET		
TOTAL,				

Were estimated losses charged off during examination?

List items requiring attention and note any corrections made or promised during examination.

SURPLUS, UNDIVIDED PROFITS, ETC.

Surplus fund,	2,000,000.00
Net undivided profits,	300,306.01
All reserve accounts,	549,347.39
TOTAL,	2,849,653.40

SEE EXTRA SHEET

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Examiner.

Chief Examiner.

I certify on honor that all of the schedules on this report of examination have been carefully added, and the reserve computed and found correct as stated on page 1.

Chief Clerk.

To the COMPTROLLER OF THE CURRENCY,
Washington, D. C.

Exhibit 20

Form 1486—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 9513 *Date of Report* Sept. 17, 1920.

DIRECTOR OF THIS BANK SERVING AS DIRECTOR OF OTHER BANKS.

Name of Director	Name and Location of Bank	Total Deposits, Capital, Surplus and Undivided Profits.
James B. Brown	National Bank of Ky., Louisville	$46,331,578.00
do.	Louisville Trust Co., Louisville	22,548,920.00
do.	Pearl Mkt. Bank & Tr. Co., Cincinnati	12,712,770.00
do.	Brighton Bank & Tr. Co., Cincinnati	14,781,010.00
do.	Peoples Liberty Bank & Tr. Co. Covington, Ky.	9,899,400.00
do.	Central Sav. Bk. & Tr. Co. Covington, Ky.	2,894,780.00
do.	Ashland National Bank, Ashland, Ky.	4,612,080.00
do.	First National Bank, Paducah, Ky.	3,646,180.00

Serving without permission and in violation of the Clayton Act.

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To the Comptroller of the Currency,
Washington, D. C.

Examiner.

EXTRA SHEET PAGE 11-1

Exhibit 20

TREASURY DEPARTMENT.
Office of Comptroller of the Currency.
Form 1220.—Reports.—Ed. 11-30—F. C. Co. 30-31.

No. of Bank 8518 *Date of Report* September 17, 1930.

RECAPITULATION---LOSSES, ETC.

Resources	Slow	Doubtful	Estimated losses.	Estimated value of assets not shown on books
All loans & discounts:				
Parent Bank	$ 3,918,909.49	$ 361,332.70	$ 388,780.45	
Fourth Street Branch	141,193.01	27,618.72	9,580.82	
Overdrafts:				
Fourth Street Branch			131.30	
Parent Bank	39,469.45	11,486.13	131.97	
Bonds, securities, etc.,	257,909.82	275,000.00	270,308.69	
Banking house,	35,000.00			
Furniture and fixtures,	147,880.87			
Other real estate,	2,984.91			
Cash items:				
Fourth Street Branch	60.00	15.00	15.54	
Parent Bank		10,830.90		
Depreciation, Bonds & Securities			106,982.65	
Fourth National Bank, Macon, Ga. (Debit Banks)			2,335.14	
Total,	4,548,967.25	686,438.45	1,356,178.56	

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EXTRA SHEET PAGE 11-B

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1488. Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 5312 *Date of Report* September 17, 1930.

STATEMENT OF

FOURTH STREET BRANCH,

NATIONAL BANK OF KENTUCKY, LOUISVILLE,

SEPTEMBER 17, 1930.

ASSETS.

Loans & Discounts	$2,479,049.94
Demand Loans	1,503,670.72
Trade Acceptances	5,101.08
Cash Drafts	2,058.93
Overdrafts	4,243.65
Cash	96,966.58
Clearings	23,388.18
Due from Main Office	2,890,393.59
	$7,006,852.65

LIABILITIES.

Individual Deposits	$5,125,095.92
Savings Deposits	1,105,302.85
Christmas Savings	75,062.85
Certificates of Deposit	678,010.00
Cashier's checks	11,292.03
Certified Checks	14,089.32
	$7,006,852.65

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EXTRA SHEET PAGE 11-6

To the Comptroller of the Currency,
Washington, D. C.

Exhibit 20

Form 1464—Revised
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank 8818 Date of Report September 17, 1930

CONFIDENTIAL

Estimated Losses:

Disposed of as follows:

Charged to Undivided Profits - Van Camp Loss	$242,500.00	
Part Lewis Humphrey	7,754.74	$250,254.74
Sold to BancoKentucky Co. for cash -		
Murray Rubber Co. Debentures	550,000.00	
Part Lewis Humphrey	50,000.00	600,000.00
(x) To be sold to BancoKentucky Co. - Various debtors (See Directors' Letter)		400,000.00
To be charged to Undivided Profits		227.54
Total covered by examiner's letter dated October 11, 1930, to directors		$1,250,482.28
Other items to be charged out:		
Losses in Overdrafts - 4th St. Branch		121.50
Parent Bank		121.97
Losses in Cash Items - 4th St. Branch		16.54
Depreciation in bond account - Covered by Reserve for Contingencies		106,932.65
* Total *		$1,357,654.74

* This amount exceeds the loss column on Sheet #11 by $1,482.50. This is accounted for by items in examiner's letter to directors dated October 11, 1930, to be sold to BancoKentucky Company, but not classed as losses above - (Difference in Thos. Harred note $82.50 and J. S. Reynolds Real Estate $1,400.00)

(x) Should this sale to BancoKentucky Company not be consummated within a reasonable time, it will be in order that these items be charged off, which will necessitate a reduction in the Surplus Account of bank.

Doubtful Loans:

The unceasing efforts of the management to secure a reduction in these criticised lines, as well as to strengthen them with additional collateral, is urged. Lacking this vigorous effort, many of these items apparently represent present losses.

Slow Loans:

The same vigorous attention should be given the items classed as slow.

Especially Mentioned Loans:

Many of the items under this heading are apparently in precarious condition and merit the best efforts of the officers.

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EXTRA SHEET PAGE 11-4

To the Comptroller of the Currency, Washington, D. C. Examiner.

Exhibit 20

Form 1548 Treasury
TREASURY DEPARTMENT
Office of Comptroller of the Currency

No. of Bank [redacted] *Date of Report* September 17, 1929

CRITICISED

Remarks [illegible]:

Attention of the management and board of directors is directed to the fact that losses suffered on loans and lines of credit made in violation of law constitute the personal liability of the members of the board of directors who approve such loans. Furthermore, the lines of credit criticised under this heading constitute elements of present and potential danger.

Concentrations:

	Amount	No. Shares	Percent of Total Stock Outstanding.
Total of Loans Secured in Whole Or in Part by Stock of BanceKentucky	$5,690,861.00	212,564	8.62
Total of Loans Secured in Whole Or in Part by Stock of American Turf	4,017,120.00	110,605	22.
Total of Loans Secured in Whole Or in Part by Stock of Inter-Southern Life Ins. Co.	2,400,000.00	667,000	20.
	$12,107,981.00		

This total is admittedly not an exact one, since there are duplications on some items where stocks of BanceKentucky Company and American Turf are held to secure the same loans, but the figure is sufficiently large to call attention to the fact that there is an undue concentration in loans of this bank on the security of these stocks. None of the loans included in this tabulation are eligible for rediscount at the Federal Reserve Bank, and the same is true of practically all of the other collateral loans held by the bank. This emphasizes the above heading.

Poor Current Position:

Reference to the statement of the bank discloses that its cash position was none too good at the start of the examination, and at the close of the examination the bank's borrowings had increased to practically $6,000,000.00. When the statement of the officers of the bank, that it held only approximately $4,000,000.00 of loans that were eligible for rediscount at the Federal Reserve Bank, is given consideration in connection with the fact that in years past this bank has owed at various times in excess of $17,000,000.00, the elements of danger in this poor current position are apparent.

Your examiner is advised that this bank has contracted to purchase from the Louisville Trust Company a new banking house at a cost of $857,000.00, which is contracted to be paid in cash. This will prove a further drain on the bank's cash resources.

Management:

As stated in the two meetings of the board of directors, this examiner considers the condition of the bank, as reflected in the foregoing paragraphs, constitutes a severe indictment of its official management. Developments during the examination, as disclosed in the foregoing pages of this report, of large loans made on non-liquid collateral by President Brown and Vice-President Jones, partially at least in violation of the express instructions of the board of directors, constitutes a condition which this examiner cannot pass. In his meetings with the board of directors and the newly created executive committee, this examiner emphasized this condition, and he reiterates it here for the purpose of impressing on the board of directors their obligation to fulfill their oaths of office by operating the bank in conformity with conservative practices and within the law and the regulations of the Comptroller of the Currency.

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EXTRA SHEET PAGE 11-5

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

COMPARATIVE STATEMENT OF EARNINGS [illegible] AND TO [illegible] IV, 1920, INCL.

	1919	1920	1921	1922	1923	1924
GROSS REVENUE	$ 1,988,679.19	2,429,755.43	2,252,429.94	2,129,098.82	2,897,125.60	2,421,298.64
INTEREST PAID	674,393.83	684,359.05	716,868.98	684,995.63	772,899.67	752,975.42
EXPENSES	495,288.43	489,416.42	479,156.65	475,874.95	580,625.06	534,997.25
TAXES	197,652.45	180,389.26	240,055.28	208,177.93	204,590.06	242,713.42
TOTAL INT., EXPENSES & TAXES	1,367,814.69	1,604,144.91	1,436,456.94	1,228,680.49	1,809,698.89	1,610,686.37
NET CURRENT EARNINGS	640,864.50	825,610.52	816,973.00	894,418.33	837,415.01	820,726.27
NET LOSSES	194,914.12	38,080.87	240,748.34	16,978.28	2,128.84 (Cr.)	8,618.07
NET PROFIT	445,950.38	796,529.65	597,224.66	879,438.81	840,538.25	815,118.20
DIVIDENDS PAID	400,000.00	400,000.00	425,000.00	800,000.00	800,000.00	800,000.00
INCREASE IN SURPLUS ACCOUNTS	45,950.38	396,529.65	172,224.66	79,438.81	340,538.25	315,118.20

	1925	1926	1927	1928	1929	Sept.17,1930	TOTAL-FEBRUARY 3, 1919, TO SEPTEMBER 17, 1930.
GROSS REVENUE	$ 2,348,543.61	2,319,127.02	2,417,918.01	2,388,871.75	2,664,006.45	1,854,201.83	$ 37,975,995.47
INTEREST PAID	747,389.68	708,726.82	672,141.98	691,621.82	1,146,485.19	490,561.19	9,864,072.20
EXPENSES	628,654.38	639,896.38	630,181.67	641,286.82	647,226.86	475,225.88	8,808,726.91
TAXES	178,898.19	183,363.98	111,894.61	86,986.01	86,280.18	79,118.89	1,919,181.70
TOTAL INT., EXPENSES & TAXES	1,568,926.19	1,471,695.21	1,422,628.40	1,419,894.17	1,882,201.89	1,032,906.96	17,971,980.81
NET CURRENT EARNINGS	844,510.62	847,431.81	895,089.61	892,297.88	781,804.56	801,295.77	9,403,884.86
NET LOSSES	261,068.89	405,992.22	291,184.61	248,217.89	36,847.04	230,996.96	2,182,274.91
NET PROFIT	495,280.73	443,439.89	605,904.89	552,070.29	745,257.52	170,298.79	7,221,209.97
DIVIDENDS PAID	500,000.00	500,000.00	605,000.00	640,000.00	640,000.00	280,000.00	5,940,000.00
INCREASE IN SURPLUS ACCOUNTS	4,779.27 (Incl)	56,560.41 (Incl)	1,095.50 (Incl)	188,929.71 (Incl)	105,257.52	149,401.21 (Incl)	1,281,209.97

TOTAL CAPITAL, SURPLUS & UNDIVIDED PROFITS - FEB. 3, 1919 — $3,940,686.84
" " " " " " - SEPT. 17, 1930 — 5,220,948.81

INCREASE IN SURPLUS ACCOUNTS — 1,281,209.97

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981

EXHIBIT SHEET PAGE 11-7

Exhibit 20

Form 1481
TREASURY DEPARTMENT
Office of Currency - Examining Division

No. of Bank, [redacted]

ACCEPTANCES

1. Does the bank make acceptances for account of customers? None

2. In accepting drafts for customers under the provisions of the Federal Reserve Act, does the bank require an adequate written agreement or guarantee from its customer to provide funds to meet the acceptance at maturity?

3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of such acceptances?

4. Does the bank purchase its own acceptances? If so, state amount now held.

5. Are purchases of its own acceptances included in loans and discounts?

6. Remarks.

LETTERS OF CREDIT AND TRAVELERS' CHECKS

1. Does the bank issue letters of credit and travelers' checks? Issue letters of credit

2. In issuing letters of credit and travelers' checks does the bank require an adequate written agreement or guarantee from its customer?
Issue letters of credit against guaranty and collateral. Also for cash.

3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of letters of credit and travelers' checks outstanding or honored?

Yes

Exhibit 20

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Form 1559—Reports—Bd. 10-1500—U. S. Gov. 10-30.

No. of Bank 9512 *Date of Report* September 17, 1930.

COPY

Louisville, Kentucky,
October 11, 1930.

The Board of Directors,
The National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

In reference to the meeting held with you yesterday afternoon, I append below a list of the assets on which loss is estimated for the purposes of the current examination, which items are to be removed from the assets of the bank by sale to The BancoKentucky Company or by charging them to the Undivided Profit account of the bank.

In those where the amount of loss estimated is only a portion of the line of the maker, a participation in the [illegible] is to be sold to the BancoKentucky Company, such sold portion to become a junior claim on assets of maker by proper subrogation agreement executed by the said purchaser.

Maker	Amt. to be charged off.	Maker	Amt. to be charged off.
Ayers, Maude	$ [illegible]	Pepper, Wm.	$47,603.01
Badger Aluminum Co.	4,[illegible].00	Reed, Edwin C.	250.00
Boyd, E. B.	[illegible].00	Rand, Alexander	8,975.00
Buschmeyer, C.H.H.	[illegible].00	Schaetzich, H. T.	12,000.00
Buschmeyer, Henry	[illegible].00	Steele, Condit	47.50
Campbell, Wm. D.	47,[illegible].01	Strickland, J. L.	4,750.00
Carter Guaranty Co.	13,[illegible].97	Walter, Jno. H.	96.13
Central Paint & Roofing Co.	1,[illegible].00	Warden, E. K.	6,800.00
Duffin, James R.	12,[illegible].00	Fleece-Real Estate	45,135.00
Eureka Products Co.	1,[illegible].00	Mercy Rubber Debentures	250,000.00
Fehr, Frank, Trustee	1,[illegible].00	Louisville Ry. Bonds	250.00
Flowers, Miss	[illegible].84	Planters Intl. Stock	4,500.00
Graham, F. S.	5,[illegible].00	Reynolds, J. S. Real Estate	1,400.00
Haag, A. W.	[illegible].00	Fourth N. Bk., Macon	3,385.14
Harlan Coal Co.	9,[illegible].00	Branch Lines:	
Harrod, Thos.	[illegible].00	Bahnsman, C. W.	85.52
Humphreys, Lewis C.	21,[illegible].74	Fields, W. J.	300.00
Kentucky Refrigerating Co.	60,[illegible].00	Hartner, Albert	3,100.00
Kindler & Lucas	20,[illegible].00	Kellener, Anna L.	1,150.00
Lynch, Wm.	[illegible].00	Lewis Chas. H.	945.00
McDermott, J. A.	[illegible].00	Reinach, Alfred	300.00
McNulty, Wm. B.	127.50	Thomson, E. R.	1,800.00
Mann Ins. Agency	2,[illegible].00	Willis, W. H. - Real Estate	1,950.00
Marcobek, M.	[illegible],120.10		$1,057,544.25
Miller, Floyd	1,[illegible].00		
Morgantown-Garson Bank. Co.	1,546.90		
Nesbitt, Albert	2,[illegible].00		
Newman, Geo. R.	1,440.00		

Referring further to the 100,000 shares of the capital stock of the BancoKentucky Co. carried as an asset by your bank at $1,870,120., beg to advise that in my judgment $818,000.00 of the carrying value represents the capitalization of the $818,000.00 loss sustained by the bank in the sale of the Van Camp Packing Co. stock, and that the action of the officers in capitalizing this loss by an arbitrary appreciation of the 100,000 shares of BancoKentucky stock acquired in the sale of the Kentucky Wagon Co. asset to Gilliam & Co. was entirely irregular, if not in fact a violation of law.

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To the Comptroller of the Currency, [illegible] Page 11-6
Washington, D. C.
Examiner.

Exhibit 20

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Form 2287—Reports—Ed. 11-29—U. S. Gov. 11-29.

No. of Bank 2212 *Date of Report* September 17, 1930

OHY (Cont'd.)

The Board of Directors of the National Bank of Kentucky authorized the sale of the Kentucky Wagon Co. asset to Caldwell & Co. for 100,000 shares of BancoKentucky stock, but there is no record of it at any time having authorized the capitalization of the loss in sale of Van Camp stock.

For the purposes of this examination, therefore, the undersigned suggests that the proper procedure is to reverse the entry whereby this Van Camp loss was capitalized, returning the $848,800. item to the bond account as an un-adjusted loss, and then to charge it off to the Undivided Profit account.

You are advised that in his report of this examination, a loss of $848,800.00 is being estimated in the above items, and that should your Board refuse to write off the amount of $848,800. as requested, the undersigned will recommend to the Comptroller of the Currency that your bank be placed on the list for more frequent examinations.

Your attention is called to the fact that in the deliberations of your Board with the undersigned, the agreement of the examiner that the BancoKentucky Co. buy the criticised items listed above, and the charge off of the small amount in excess of $1,000,000. sold to the BancoKentucky Co., was predicated on the assurances of President Brown and the Directors that active efforts would be immediately put in force to bring about a consolidation of the National Bank of Kentucky and the Louisville Trust Company, in the consummation of which other items considered as in an unsatisfactory condition by the Examiner will be eliminated from the books of the National Bank of Kentucky.

A reply to this communication advising of compliance or non-compliance with the above recommendation, over the individual signatures of the Directors is hereby requested.

Respectfully,

(Signed). Robert Stell

Chief National Bank Examiner,
Eighth Federal Reserve District.

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EXTRA SHEET PAGE 11-0

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

TREASURY DEPARTMENT,
Office of Comptroller of the Currency,
Form 1556—Reports—R. S. Sec. 5211, U. S. Code 36-43.

No. of Bank 8518 Date of Report September 17, 1930

COPY.

NATIONAL BANK OF KENTUCKY OF LOUISVILLE, KENTUCKY.

Louisville, Ky., October 24, 1930.

Hon. Comptroller of the Currency,
Washington, D. C.

Sir:

In reply to the letter of Chief National Bank Examiner Robert Neill, addressed to this board on October 11, 1930, the undersigned directors of The National Bank of Kentucky make the following report:

#1 The item of $248,800 representing loss in the Van Camp Packing Company stock, which had been added to the carrying value of the BancoKentucky Company stock owned by the National Bank of Kentucky has been charged to the Undivided Profit Account, thereby creating a deficit in that account, which deficit we are confident will be covered by current earnings within the next sixty days.

#2 The $250,000.00 represented by debentures of the Harvey Rubber Company and a participation of $20,000.00 in the note of Louis C. Humphreys for $27,734.74 have been this day sold to the BancoKentucky Company, this bank having received in payment therefor check of the BancoKentucky Company for $600,000 against its adequate balance on the books of this bank. The remainder of $7,734.74 of the Humphreys' item has been charged to Undivided Profits.

#3 This board is assured by Messrs. James B. Brown, Charles F. Jones and W. T. Mc Schmidt, officers of the BancoKentucky Company, the first two named being members of this board and the last named its secretary, that active and bonafide efforts are being made by them as officers of the BancoKentucky Company to borrow $400,000, which is to be used by the BancoKentucky Company for the purpose of purchasing, under the terms set forth in letter of October 11, 1930, the remaining items described therein.

#4 The entire 100,000 shares of BancoKentucky Company stock acquired by this bank in exchange for the Kentucky Wagon Company indebtedness is now being carried on the books of the bank at $1,687,600, the amount of the Kentucky Wagon Company indebtedness as of the date of the transfer. We agree that this carrying value will not be increased unless and until the market value of the BancoKentucky Company stock shall exceed the present carrying value.

#6 This Board of Directors in the entirety and through its recently created Executive Committee is undertaking to pass on all loans made by the bank, and to consider and pass on all lines of credit, commitments, contracts and major expense items incident to the operation of this bank. The heavy line of credit to Caldwell and Company and affiliated interests, which the examiner advises this board is in his opinion an excessive loan in violation of law, will not be increased - in fact our President has been directed to call for additional collateral on existing loans. $600,000 of this indebtedness which has come into the bank since the commencement of the present examination, has not been approved by this board. Of this amount $250,000 was loaned after the creation by this board of the Executive Committee for the purpose, as one of its functions, of passing on loan applications. President Brown and Vice-President James assume the entire responsibility for this loan from the bank's funds.

(Continued) 111

EXTRA SHEET PAGE 11-30

To the Comptroller of the Currency,
Washington, D. C.

Exhibit 20

TREASURY DEPARTMENT
Office of the Comptroller of the Currency
From THE Inspector in charge, U. S. Nat. Bks.

No. of Banks [redacted] *Date of Report* September 17, 1929

COPY (Cont'd.)

6 We believe and represent that active and bona fide efforts are being made to consummate a merger of this bank with the Louisville Trust Company and on the completion of such merger, it is anticipated that other slow and doubtful paper criticized by the examiner will be eliminated from the assets of this bank.

7 This letter is copied in full in the minutes of this meeting.

Respectfully,

Signed:

James B. Brown	Geo. M. Clark
Anthony J. Carroll	H. B. Crosby
Theodore P. Jones	J. J. Reyes
E. E. Pomeroy	J. S. Akers
Henry Vest	H. J. Abercrombie
	G. P. Jones

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EXTRA SHEET PAGE 11-11

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 5208 D
TREASURY DEPARTMENT
Comptroller of the Currency

Examiner ..... hours
Assistant See Extra Sheet hours

National Bank of Kentucky, Louisville, Ky.
(Title and location of bank)

Examined by Robert Neill Date September 17, 1930 No. of Fed. Res. Dist. -8-

No. of Bank 9918

BALANCE SHEET OF ACTIVITIES IN TRUST DEPARTMENT

ASSETS		LIABILITIES	
1. Investments (other than No. 2)	$ 4,699,999.26	1. Private Trust Accounts	$ 1,888,041.84
2. Deposits in Savings Banks @ %		2. " " " Income	81,104.48
3. Deposits in other Banks @ %		3. Court Trusts (Executor, Administrator, etc.)	2,999,995.76
4. Deposits in Commercial or Savings Dept. of own Bank @ %	150,996.21	4. " " Income	68,894.96
5. Cash on hand (Held in Trust Dept.)		5. Profits due Bank	
6. Advances to Trusts	19,499.71	6. Other Liabilities (List)	
7. Other Assets (List)		Checks Outstanding	20,943.23
Accrued Interest on Investments purchased	1,162.32		
Error 9-6-30 - Coll'n.a/c John Campbell	137.71		
After hour credit	1,990.76		
TOTAL	4,869,181.97	TOTAL	4,869,181.97

CORPORATE TRUSTS

1. Total amount of collateral trust bonds outstanding where bank acts as trustee $10,729,920.00
   (a) Ledger value of securities deposited in Trust Department to secure same $11,897,126.20
2. Total amount of other bonds, etc., outstanding under deeds of trust or mortgages to bank as trustee 1,480,000.00
3. Ledger value of securities held for account of sinking funds ..... None
4. Total amount of sinking funds uninvested (Include in 2, 3, 4, or 5) 66,182.22
5. Face amount of unissued bonds held: (a) Certified ..... $ 2,000.00
   (b) Uncertified $75,000.00
6. Face amount of canceled bonds held 80,225,520.00
   (a) Are receipts filed for all canceled bonds delivered?
   Yes
   (b) Are certificates filed for all cremated bonds?
   None cremated

IN GENERAL

No. of individual trusts 97 No. of corporate trusts 16

1. What trust powers have been granted to bank? Full powers 113
2. What trust powers is bank now exercising? Escrow, Trustee, Depositary, Executor, Co-executor, Administrator, Agent, Agent for Trustee, Committee and Guardian.
3. Has bank established a separate trust department under management of officer or officers designated by, and whose duties are prescribed by, the board of directors?
   Yes
4. Does trust department keep an adequate, separate, and distinct set of books and records of all fiduciary activities, both individual and corporate, and are such books and records so kept as to permit of a thorough and satisfactory audit?
   Yes
5. Are securities held in trust kept separate and distinct from securities owned by bank, and are securities of each trust kept separate and distinct from one another? Securities pledged by bank to secure trust deposits are kept with securities of bank.

Exhibit 20

Form 148b.—Reports
TREASURY DEPARTMENT
Office of Comptroller of the Currency.

No. of Bank 5812 *Date of Report* September 17, 1930.

TIME OF ASSISTANTS EMPLOYED IN EXAMINATION OF TRUST DEPARTMENT

Cowan	96 hours
Hare	4 "
Dodds	4 "
Holshuey	8 "
Cassell	8 "

EXTRA TRUST SHEET PAGE 1-1.

To the Comptroller of the Currency,
Washington, D. C.

Examiner.

Exhibit 20

Form 1061 B
TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY

No. of Bank 8812

6. Are securities of this department under joint custody of two or more bonded officers or other employees designated by the directors?
Yes

(a) Do bonds of officers and other employees of trust department now in force adequately cover their duties as such?
Bank's blanket bond for $700M covers all officers and employees.

7. Are there on file—

(a) Original instruments creating each trust or properly authenticated copies thereof?
Yes

(b) Properly receipted vouchers evidencing payments under each trust?
Yes

(c) Properly evidenced reports to courts, or others, accounting for trusts?
Yes

8. Do State laws require deposit of securities with State authorities, and, if so, has bank complied therewith?
No

9. Has bank deposited with trust department U. S. bonds or other securities approved by the Federal Reserve Board sufficient to cover trust funds awaiting investment or distribution and deposited by this department in the banking department? See below. List securities pledged. If collateral insufficient did you obtain correction?

NAME	PAR VALUE	MARKET VALUE
6½ Louisville Ry. 1st Mtge. 25	500,000.00	500,000.00
The bonds above pledged are kept with those of the bank. However, one of the officers of the trust committee must always be present to have access to the bank's bonds.		
Total,	500,000.00	500,000.00

9a. When trust funds are deposited in other banks are they placed therein as individual deposits in the name of the bank as trustee? If not, did you instruct bank?

10. Does bank receive in the trust department deposits of current funds subject to check or the deposit of checks, drafts, etc., for collection or exchange purposes? No

11. Are all investments of trust funds authorized or approved by the directors or a committee of same especially designated for that purpose?
Yes

12. Is opinion of competent counsel obtained and filed in all important matters pertaining to trusts, both individual and corporate?
Yes

13. Where trust instruments specify character of investments, are investments made in accordance with such provisions?
Yes

14. Where trust instruments expressly leave investments to discretion of bank or its officers or directors, in what manner are investments authorized or approved, and in what manner is such authority or approval recorded?
Authorized and approved by Trust Committee, and recorded in minute book.

15. Where trust instruments neither specify nor expressly leave the character of investments to the bank, its officers, directors, etc., are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

16. Where trusts are under court order, are investments made strictly in accordance with the terms thereof?
Yes

17. Where court has by general order left investments to discretion of bank, or if in such cases general discretion is permitted by the laws of the State, are investments confined to securities in which fiduciaries in the State may lawfully invest?
Yes

18. Have any trust funds been loaned to any officer, director, or employee of the bank?
No

19. Are trust funds invested in securities or concerns in which officers, directors, or employees are interested? If so, list in detail.
No

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20. Has the trust department, in any case, purchased from the banking department any of its assets as investments for trust funds, or has the trust department sold to the banking department any trust assets? If so, give full information and details.
E. S. Locke $1,500.00 note secured by $2,000.00 . . . B. purchased from bank. Resold to the banking department during examination.
Previous report set out certain items which have since been disposed of.

21. Give date when audit or examination of trust department books and securities was made by or for the directors?
Auditing department of bank examines twice a year. Local clearing house examiners make an audit annually.

22. Did you make a thorough examination of this department, auditing the trusts and verifying the securities?
Yes.

23. List criticisms, if any. (1) The bonds pledged by the bank to secure the trust funds on deposit should be deposited with the trust department and segregated from those of the bank. Promises were made that this criticism would be corrected before the next examination.

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Exhibit 20

TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY—WASHINGTON DIVISION

No. of Bank, 5318

ACCEPTANCES

1. Does the bank make acceptances for account of customers? None
2. In accepting drafts for customers under the provisions of the Federal Reserve Act, does the bank require an adequate written agreement or guarantee from its customer to provide funds to meet the acceptance at maturity?
3. Does the bank properly show on its books and in its reports of condition its liability, and its customers' liability to it, on account of such acceptances?
4. Does the bank purchase its own acceptances? If so, state amount now held.
5. Are purchases of its own acceptances included in loans and discounts?
6. Remarks.

LETTERS OF CREDIT AND TRAVELERS' CHECKS

[illegible] letters of credit and travelers' checks? Yes.

[illegible]s of credit and travelers' checks does the bank require an adequate written agreement or guarantee from its customer?

Yes

[illegible] property show on its books and in its reports of condition its liability, and its customers' liability to it, on account of [illegible]redit and travelers' checks outstanding or honored?

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Exhibit 20

TREASURY DEPARTMENT,
Office of Comptroller of the Currency,
Bank Exam. Division—Ed. 6-10—3-C. 6m. 8-29.

No. of Bank 9218 Date of Report September 17, 1930.

CRITICISMS.

By-Laws:

The creation, during this examination, by the board of directors of an executive committee to oversee the conduct of the bank between meetings of the board of directors, calls for an amendment to the by-laws. The duties and powers of such committee should be fully set forth in such by-laws, empowering it to make recommendations to the board relative contracts, salaries of executives and employees, advertising, and other items of major expenditure, as well as passing on and approving new loans and investments and renewals of existing loans.

If the existing by-laws does not provide for periodical examinations of the bank by a committee from the board of directors, it is suggested that it be so amended.

Prospective Merger:

It was explained to this examiner that a merger of the National Bank of Kentucky with the Louisville Trust Company of Louisville is in prospect, and inasmuch as both banking corporations are, to all intents and purposes, 100% owned by the BancoKentucky Company, it should prove easy of consummation.

Assurance that this merger is in good faith, in process of consummation and that on consummation of such merger the questionable paper in this bank will be eliminated from its assets, has actuated a more liberal classification of many loans than would otherwise have been made, notably on loans secured by stock of the BancoKentucky Company and American Turf, in which adequate security or margin is now lacking.

Dividend Policy:

Attention of the board is directed to the statutory inhibition against the payment of dividends unless the undivided profits of bank exceed by the amount of the dividend the amount of statutory bad debts owned by the bank at date of declaration of dividend. As a matter of conserving earnings to provide for losses, a reduction in the present dividend rate of 10% per annum should be given serious consideration by the board of directors.

Attention is directed to the condensed earning statement of the bank for the past ten years made a part of this report.

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EXTRA SHEET PAGE 11-6

To the Comptroller of the Currency,
Washington, D. C.

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Exhibit 21

Louisville, Ky. May 31, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky of Louisville held this day there were present the following directors.

R. Lee Callahan, Stuart E. Duncan, William S. Speed, Henry Vogt, George M. Clark, Thomas J. Minary, Samuel W. Coons, James Garnett, Charles H. Bohmer, Henry D. Ormsby, Allen P. Dodd, William Short, John B. Pirtle, T. Kennedy Helm, Saunders P. Jones, James J. Hayes, Milburn P. Kelly, James B. Brown, Anthony J. Carroll, Charles C. Mengel, Oscar E. Bloch, John Stites, Arthur M. Rutledge, Angereau Gray, Henry J. Angermeier, John S. Akers.

The following directors were absent - Joseph H. Durham, Baylor O. Hickman, Clarence C. Hieatt, Walter I. Kohn, Brainard Lemon, S. Clay Lyons, Edward J. O'Brien, Jr.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank, Louisville Trust Company, and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of May 29, 1929, read.

Maturities of $5000.00 and over of the two succeeding weeks read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. June 7, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky of Louisville held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, Oscar E. Bloch, Arthur M. Rutledge, Saunders P. Jones, Charles H. Bohmer, Allen P. Dodd, S. Clay Lyons, Henry D. Ormsby, Angereau Gray, James J. Hayes, Milburn P. Kelly, Joseph H. Durham, Henry J. Angermeier, William S. Speed, Thomas J. Minary, Samuel W. Coons, James Garnett, Clarence C. Hieatt, John Stites, William Short, T. Kennedy Helm, John S. Akers, Baylor O. Hickman, James B. Brown, John B. Pirtle.

The following directors were absent- R. Lee Callahan, George M. Clark, Stuart E. Duncan, Walter I. Kohn, Brainard Lemon, Edward J. O'Brien, Jr., Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 6, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.
Mr. Brown's proposition to form a new Company with a proposed capital of $20,000,000. organized to own stock of other corporations, all, or any part, buy and sell securities, original and refinancing, etc., was submitted to the Board of Directors and the Board expressed themselves as favorable and on motion duly seconded and unanimously carried the President was authorized to proceed along the lines outlined

There being no further business on motion the meeting adjourned.

President. Secretary.

Exhibit 21

Louisville, Ky. June 14, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky of Louisville held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, James Garnett, Arthur M. Rutledge, T. Kennedy Helm, Clarence C. Hieatt, James J. Hayes, Joseph H. Durham, Milburn P. Kelly, Baylor O. Hickman, Henry Vogt, Saunders P. Jones, George M. Clark, Charles H. Bohmer, John B. Pirtle, William Short, John Stites, Thomas J. Minary, Samuel W. Coons, Walter I. Kohn, Henry D. Ormsby, Allen P. Dodd, Angereau Gray, Henry E. Angermeier, John S. Akers, William S. Speed.

The following directors were absent- Oscar E. Bloch, James B. Brown, R. Lee Callahan, Stuart E. Duncan, Brainard Lemon, S. Clay Lyons, Edward J. O'Brien, Jr.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 13, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried a quarterly dividen of 4% was declared payable July 1, 1929, to stockholders of record June 15, 1929.

There being no further business on motion the meeting adjourned.

Vice President. Secretary.

Louisville, Ky. June 21, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, R. Lee Callahan, Milburn P. Kelly, James J. Hayes, Samuel W. Coons, Thomas J. Minary, Henry J. Angermeier, George M. Clark, William Short, James Garnett, Henry Vogt, Charles H. Bohmer, Anthony J. Carroll, John Stites, Oscar E. Bloch, Arthur M. Rutledge, Angereau Gray, S. Clay Lyons, Allen P. Dodd, James B. Brown, John S. Akers, Clarence C. Hieatt.

The following directors were absent- Stuart E. Duncan, Joseph H. Durham, T. Kennedy Helm, Walter I. Kohn, Brainard Lemon, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby, John B. Pirtle, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 20, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved:

On motion duly seconded and unanimously carried the following resolution was adopted -

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Exhibit 21

RESOLVED, that it is the sense of this Board that a corporation of the character as outlined by the President at this meeting be formed.

RESOLVED, further, that the President be and he is hereby requested to report to the Board such details as may be necessary in connection with the organization of said corporation, together with his recommendations in regard to all matters connected therewith.

The Louisville Trust Company offered to sell to the National Bank of Kentucky the property now occupied by it known as 421 West Market Street for Eight Hundred & Fifty Thousand($850,000.00) Dollars, more or less, which offer was accepted.

It was agreed that the National Bank of Kentucky shall occupy said property and that the Louisville Trust Company shall occupy the building at the southwest corner of Fifth & Market Streets and that the removals to the respective locations shall be made as soon as the necessary alterations to said building at Fifth & Market Streets are completed.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. June 28, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky of Louisville held this day there were present the following directors.

Anthony J. Carroll, Allen P. Dodd, John Stites, T. Kennedy Helm, Arthur M. Rutledge, Angereau Gray, Charles C. Mengel, John B.Pirtle, William Short, Charles H. Bohner, Oscar E. Bloch, William S. Speed, George M. Clark, Baylor O. Hickman, Henry Vogt, Joseph H. Durham, R. Lee Callahan, Walter I. Kohn, Thomas J. Minary, Samuel W. Coons, James J. Hayes, Milburn P.Kelly, James B. Brown, John S. Akers, Henry D. Ormsby.

The following directors were absent- Henry J. Angermeier, Stuart E. Duncan, James Garnett, Clarence C. Hiatt, Saunders P. Jones, Brainard Lemon, S. Clay Lyons, Edward J. O'Brien, Jr.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 27, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

President. Secretary.

Exhibit 21

Louisville, Kentucky, July 5, 1929

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky, of Louisville, held this day, there were present the following directors::

John S. Akers, H. J. Angermeier, Oscar E. Bloch, Chas. H. Bohmer, James B. Brown, R. Lee Callahan, Geo. M. Clark, Samuel W. Coons, Joseph H. Durham, James Garnett, Angereau Gray, James J. Hayes, T. Kennedy Helm, Baylor O. Hickman, C. C. Hiatt, Saunders P. Jones, Milburn P. Kelly, Charles C. Mengel, Thomas J.Minary, Henry D. Ormsby, Arthur M. Rutledge, William Short and Henry Vogt.

The absent directors being - Anthony J. Carroll, Allen P. Dodd, Stuart E. Duncan, Walter I. Kohn, Brainard Lemon, S. Clay Lyons, E. J. O'Brien, Jr., John B. Pirtle, William S. Speed and John Stites.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 3, 1929, read.

Maturities of $5,000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried the following resolution was adopted:

"RESOLVED, That, H. J. Angermeier, Vice-President, H. D. Ormsby, Vice-President or John S. Akers, Vice-President, are hereby jointly and severally authorized and empowered to sell and assign the following United States bonds registered on the books of the Treasury Department in the name of PETER DOOLEY and which are held by this corporation in a fiduciary capacity or which it is otherwise empowered to sell and assign:
4TH LIBERTY LOAN #1030643 - $100.00 - name PETER DOOLEY
And it is further resolved, that the said National Bank of Kentucky hereby ratifies and confirms the assignment of the above described bond heretofore or hereafter made by the above named officers."

There being no further business on motion the meeting adjourned.

PRESIDENT

SECRETARY

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Exhibit 21

Louisville, Kentucky,
July 12th, 1929

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

John S. Akers, H. J. Angermeier, Oscar E. Bloch, James B. Brown, R. Lee Callahan, George M. Clark, Samuel W. Coons, Joseph H. Durham, James Garnett, Angereau Gray, James J. Hayes, T. Kennedy Helm, Baylor O. Hickman, Clarence C. Hiatt, Walter I. Kohn, Milburn P. Kelly, S. Clay Lyons, Charles C. Mengel, Thomas J. Minary, H.D.Ormsby, Arthur M. Rutledge, William Short, John Stites and Henry Vogt.

The following directors were absent: - Charles H. Bohmer, Anthony J. Carroll, Allen P. Dodd, Stuart E. Duncan, Saunders P. Jones, Brainard Lemon, Edward J. O'Brien, Jr., John B. Pirtle and William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky and The Louisville Trust Company, as of July 11th, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

PRESIDENT SECRETARY

Louisville, Kentucky,
July 19, 1929

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

John S. Akers, H. J. Angermeier, Oscar E. Bloch, Charles H. Bohmer, James B. Brown, R. Lee Callahan, George M. Clark, Samuel W. Coons, Joseph H. Durham, James Garnett, Angereau Gray, James J. Hayes, T. Kennedy Helm, Baylor O. Hickman, Clarence C. Hiatt, Walter I. Kohn, Milburn P. Kelly, S. Clay Lyons, Thomas J. Minary, Edward J. O'Brien, Jr., H. D. Ormsby, John B. Pirtle, Arthur M. Rutledge, William Short and John Stites.

The following directors were absent: -Anthony J. Carroll, Allen P. Dodd, Stuart E. Duncan, Saunders P. Jones, Brainard Lemon, Charles C. Mengel, William S. Speed and Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 18, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Exhibit 21

There being no further business on motion the meeting adjourned.

PRESIDENT _____ SECRETARY _____

Louisville, Ky, July 26, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

Henry J. Angermeier, William Short, Edward J. O'Brien, Jr., Walter I. Kohn, Thomas J. Minary, Samuel M. Coons, Joseph H. Durham, Oscar E. Bloch, R. Lee Callahan, Clarence C. Hieatt, Allen P. Dodd, James Garnett, S. Clay Lyons, Henry D. Ormsby, Angereau Gray, John S. Akers, James B. Brown, George M. Clark.

The following directors were absent- Charles H. Bohmer, Anthony J. Carroll, Stuart E. Duncan, James J. Hayes, Baylor O. Hickman, Saunders F. Jones, Milburn P. Kelly, Charles C. Mengel, John B. Pirtle, Arthur M. Rutledge, William S. Speed, John Stites, Henry Vogt, T. Kennedy Helm.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 25, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried a quarterly dividend of 4% was declared payable October 1, 1929, to stockholders' of record September 16, 1929.

On motion duly seconded and unanimously carried the following resolution was adopted:

"RESOLVED, that this Board ratifies and approves the loan of $500,000.00 made to this bank July 18, 1929, by the Guaranty Trust Company of New York and further ratifies and approves the act of H. D. Ormsby, Vice President, in executing this Bank's note therefor of date July 18, 1929, payable on or before sixty days after date upon which the following described assets of the Bank are pledged as collateral security-namely Shaffer Oil & Refining Co. note $100,000.00 due August 19, 1929; Louisville Gas & Electric Company First Mortgage 5% Bonds $100,000.00 par value, State of Kentucky Warrants amounting to $306,351.51.

The President appointed a committee, composed of the entire Board of Directors of this bank, to draft a resolution on the death of Director Brainard Lemon.

There being no further business on motion the meeting adjourned.

PRESIDENT _____ SECRETARY.

Exhibit 21

Louisville, Ky. Aug. 2, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

Henry J. Angermeier, Charles H. Bohmer, William Short, James Garnett, Thomas J. Minary, Samuel W. Coons, George M. Clark, Milburn P. Kelly, Joseph H. Durham, R. Lee Callahan, Clarence C. Hieatt, Allen P. Dodd, Oscar E. Bloch, T. Kennedy Helm, Angereau Gray, John S. Akers

The following directors were absent- James B. Brown, Anthony J. Carroll, Stuart E. Duncan, James J. Hayes, Baylor O. Hickman, Saunders P. Jones, Walter I. Kohn, S. Clay Lyons, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby, John B. Pirtle, Arthur M. Rutledge, William S. Speed, John Stites, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of August 1, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved

There being no further business on motion the meeting adjourned.

J. B. Atherton — C. T. Jones

Vice President. Secretary.

Louisville, Ky. August 9, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Henry J. Angermeier, Charles H. Bohmer, George M. Clark, William Short, Arthur M. Rutledge, Walter I. Kohn, Samuel W. Coons, Edward J. O'Brien, Jr., R. Lee Callahan, James J. Hayes, Milburn P. Kelly, Joseph H. Durham James Garnett, Allen P. Dodd, Oscar E. Bloch, Angereau Gray, John S. Akers, James B. Brown.

The following directors were absent- Anthony J. Carroll, Stuart E. Duncan, T. Kennedy Helm, Baylor O. Hickman, Clarence C. Hieatt, Saunders P. Jones, S. Clay Lyons, Charles C. Mengel, Thomas J. Minary, Henry D. Ormsby, John B. Pirtle, William S. Speed, John Stites, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of August 8, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

President. Secretary.

Exhibit 21

Louisville, Ky. August 16,1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

William Short, Charles H. Bohmer, John Stites, Walter I. Kohn, Samuel W. Coons, Henry J. Angermeier, Edward J. O'Brien, Jr., Joseph H. Durham, Milburn P. Kelly, James J. Hayes, Clarence C. Hieatt, Arthur M. Rutledge, Oscar E. Bloch, Allen P. Dodd, James Garnett, Henry D. Ormsby, John S. Akers.

The following directors were absent - James B. Brown, R. Lee Callahan, Anthony J. Carroll, George M. Clark, Stuart E. Duncan, Angereau Gray, T. Kennedy Helm, Baylor O. Hickman, Saunders P. Jones, S. Clay Lyons, Charles C. Mengel, Thomas J. Minary, John B. Pirtle, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of August 15, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

H D Ormsby — C T Jones

V-President. Secretary.

Louisville, Ky. August 23, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Clarence C. Hieatt, Henry D. Ormsby, James J. Hayes, Milburn P. Kelly, Walter I. Kohn, Samuel W. Coons, Edward J. O'Brien, Jr., William Short, John Stites, Arthur M. Rutledge, Oscar E. Bloch, Charles H. Bohmer, Allen P. Dodd, Henry J. Angermeier, James B. Brown, John S. Akers, James Garnett.

The following directors were absent- R. Lee Callahan, Anthony J. Carroll, George M. Clark, Stuart E. Duncan, Joseph H. Durham, Angereau Gray, T. Kennedy Helm, Baylor O. Hickman, Saunders P. Jones, S. Clay Lyons, Charles C. Mengel, Thomas J. Minary, John B. Pirtle, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of conditoon of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of August 22, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

The report of the examination of this bank by the National Bank Examiner, John S. Wood, as of May 25, 1929, was submitted to the Board of Directors by the President, discussed, received and filed. Also report of examination of this bank by Humphrey Robinson & Co., as of December 14, 1928, was read to the Board by the President, fully discussed, received and filed.

There being no further business on motion the meeting adjourned.

/ — C T Jones

President. Secretary.

Exhibit 21

Louisville, Ky. August 30, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors

James Garnett, Clarence C. Hieatt, Joseph H. Durham, James J. Hayes, Henry J. Angermeier, Milburn P. Kelly, Samuel W. Coons, Edward J. O'Brien, Jr., William Short, T. Kennedy Helm, R. Lee Callahan, Thomas J. Minary, Anthony J. Carroll, Henry D. Ormsby, Angereau Gray, Arthur M. Rutledge, John Stites, Allen P. Dodd, John S. Akers.

The following directors were absent - Oscar E. Bloch, Charles H. Bohmer, James B. Brown, George M. Clark, Stuart E. Duncan, Baylor O. Hickman, Saunders P. Jones, Walter I. Kohn, S. Clay Lyons, Charles C. Mengel, John B. Pirtle, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of August 29, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

J. J. Angermeier — President.

C. F. Ford — Secretary.

Louisville, Ky. September 6, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Clarence C. Hieatt, Milburn P. Kelly, Stuart E. Duncan, James J. Hayes, R. Lee Callahan, Edward J. O'Brien, Jr., Walter I. Kohn, Thomas J. Minary, Samuel W. Coons, Joseph H. Durham, John Stites, Charles H. Bohmer, William Short, George M. Clark, Henry J. Angermeier, William S. Speed, Arthur M. Rutledge, Henry D. Ormsby, Allen P. Dodd, James Garnett, Anthony J. Carroll, T. Kennedy Helm, John S. Akers, Angereau Gray, Oscar E. Bloch.

The following directors were absent- James B. Brown, Baylor O. Hickman, Saunders P. Jones, S. Clay Lyons, Charles C. Mengel, John B. Pirtle, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of September 5, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

J. J. Akers — V. President.

C. F. Ford — Secretary.

Exhibit 21

Louisville, Ky. September 13, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

James Garnett, Anthony J. Carroll, T. Kennedy Helm, Allen P. Dodd, Arthur M. Rutledge, Oscar E. Bloch, S. Clay Lyons, Henry D. Ormsby, Henry J. Angermeier, William S. Speed, R. Lee Callahan, Baylor O. Hickman, William Short, Thomas J. Minary, John Stites, Clarence C. Hieatt, Samuel W. Coons, Walter I. Kohn, George M. Clark, Joseph H. Durham, Milburn P. Kelly, James J. Hayes, Henry Vogt, John S. Akers, Stuart E. Duncan.

The following directors were absent - Charles H. Bohmer, James B. Brown, Angereau Gray, Saunders P. Jones, Charles C. Mengel, Edward J. O'Brien,Jr. John B. Pirtle.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of September 12, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried the following resolution was adopted:

BE IT RESOLVED, that J. J. Hayes, Vice President, be authorized to endorse and forward to the United States Veterans Bureau, Washington, D. C. for collection note of M. L. McCreary, Veteran, amount $200.00 plus $6.00 interest with Service Certificate attached as collateral.

There being no further business on motion the meeting adjourned.

H J Angermeier — V. President.

Secretary.

Louisville, Ky. September 20, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

John Stites, Charles C. Mengel, Oscar E. Bloch, Charles H. Bohmer, James Garnett, Milburn P. Kelly, S. Clay Lyons, Allen P. Dodd, Angereau Gray, Henry J. Angermeier, Saunders P. Jones, Henry D. Ormsby, T. Kennedy Helm, Thomas J. Minary, Henry Vogt, Baylor O. Hickman, Arthur M. Rutledge, Samuel W. Coons, George M. Clark, R. Lee Callahan, Stuart E. Duncan, Joseph H. Durham, James J. Hayes, John S. Akers, James B. Brown, Clarence C. Hieatt.

The following directors were absent- Anthony J. Carroll, Walter I. Kohn, Edward J. O'Brien, Jr., John B. Pirtle, William Short, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of September 19,1929, read.

Maturities of $6000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

President.

Secretary.

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Exhibit 21

Louisville, Ky. September 27, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Charles M. Bohmer, Allen P. Dodd, Oscar E. Bloch, Arthur M. Rutledge, Anthony J. Carroll, S. Clay Lyons, Angereau Gray, Clarence C. Hieatt, James Garnett, John Stites, T. Kennedy Helm, Henry J. Angermeier, William S. Speed, George M. Clark, Henry Vogt, R. Lee Callahan, Stuart E. Duncan, Edward J. O'Brien, Jr., Walter I. Kohn, Baylor O. Hickman, Thomas J. Minary, Milburn P. Kelly, James J. Hayes, Joseph M. Durham, John S. Akers, James B. Brown.

The following directors were absent- Samuel B. Coons, Saunders P. Jones, Charles C. Mengel, Henry D. Ormsby, John B. Pirtle, William Short.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of September 26, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried the following resolution was adopted:

RESOLVED, that this Board ratifies and approves the loan of $1,000,000.00 made to this bank September 21, 1929, by the Guaranty Trust Company of New York and further ratifies and approves the act of H. D. Ormsby , Vice President, in executing this Bank's note therefor of date September 21, 1929, payable on or before sixty days after date upon which is pledged certain bonds and notes as collateral.

On motion duly seconded and unanimously carried the following resolution was adopted:

On motion of Baylor O. Hickman seconded by Walter I. Kohn and unanimously carried the President was authorized to take proper steps to denationalize the National Bank of Kentucky and incorporate the Bank of Kentucky under a State Charter.

There being no further business on motion the meeting adjourned.

President.

Cashier.

Exhibit 21

Louisville, Ky. October 4, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

James J. Hayes, Milburn P. Kelly, Joseph H. Durham, Samuel W. Coons, Henry J. Angermeier, Thomas J. Minary, Clarence C. Hieatt, James Garnett, George M. Clark, Stuart E. Duncan, Henry Vogt, R. Lee Callahan, Allen P. Dodd, Arthur M. Rutledge, Charles H. Bohmer, Oscar L. Bloch, John Stites, Anthony J. Carroll, Angereau Gray, S. Clay Lyons, T. Kennedy Helm, James B. Brown, John S.Akers.

The following directors were absent - Baylor O. Hickman, Saunders P. Jones, Walter I. Kohn, Charles C. Mengel, Edward J. O'Brien, Jr. Henry D. Ormsby, John B. Pirtle, William Short, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of October 5, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

President. Cashier.

Louisville, Ky. October 11, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Walter I. Kohn, Edward J. O'Brien, Jr. Joseph H. Durham, Milburn P. Kelly, James J. Hayes, Henry J. Angermeier, James Garnett, Henry Vogt, Stuart E. Duncan, George M. Clark, William S. Speed, R. Lee Callahan, Oscar L. Bloch, Anthony J. Carroll, Charles C. Mengel, Arthur M. Rutledge, Clarence C. Hieatt, Allen P. Dodd, S. Clay Lyons, Angereau Gray, T. Kennedy Helm, John S. Akers, Thomas J. Minary, Samuel W. Coons, John Stites.

The following directors were absent - Charles H. Bohmer, James B. Brown, Saunders P. Jones, Henry D. Ormsby, John B. Pirtle, William Short.

Minutes of last meeting were read and said minutes And all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of October 10, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Mr, Jones reported that by resolution of the stockholders at the meeting held on October 7, 1929, National Bank of Kentucky had been authorized to dissolve and a certified copy of the resolution had been sent forward to the Comptroller of Currency. He also reported that Articles of Incorporation of the State Bank, to be known as

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The Bank of Kentucky, had been prepared and were ready for execution by the Directors;and that the Articles would be filed as soon as possible following their execution. As part of the program for converting the National Bank into a State Bank, it was necessary that a contract be executed between the two banks and the Trustees, a copy of which was then read to the meeting in detail, as follows:

AGREEMENT made and entered into this 11th day of October, 1929, between NATIONAL BANK OF KENTUCKY, a banking association organized under the laws of the United States, party of the first part; THE BANK OF KENTUCKY, a corporation organized under the laws of the State of Kentucky, party of the second part; and HENRY VOGT, STUART E. DUNCAN, T. J. MINARY, ALLEN DODD, CHARLES H. BOHMER, and BEN J. METCALFE, Trustees under the Agreement between the stockholders of the National Bank of Kentucky and The Louisville Trust Company, dated April 22, 1927, parties of the third part.

W I T N E S S E T H :

WHEREAS, by resolution, concurred in by more than two-thirds of its outstanding stock, at a meeting held at Louisville, Kentucky, on October 7, 1929, first party has been authorized to dissolve under Sections 5220 and 5221 of the United States Revised Statutes, and

WHEREAS, second party has been organized under the laws of the Commonwealth of Kentucky(Section 589, Carroll's Kentucky Statutes) , for the purpose of acquiring all the assets and assuming all the liabilities(except circulation) of the first party to the end that first party may be converted into a State Bank, pursuant to the provisions of said laws, and

WHEREAS, third parties are the owners and holders of 38406 shares, out of 40,000 shares issued and outstanding, of first party's capital stock, holding same as Trustees under the Agreement aforesaid, and having been duly authorized under the terms of said Agreement to enter into this contract for the purposes hereinafter set forth,

NOW, THEREFORE, the premises considered, and for other good and valuable considerations, the first party hereby bargains, sells, conveys and transfers to the second party all of its assets of every kind, character and description, and agrees to execute and deliver to second party, upon demand, proper deeds, conveyances, bills of sale, assignments and/or other instruments evidencing such transfer and sale as may be appropriate or necessary to vest second party with legal title thereto.

IN CONSIDERATION WHEREOF, second party hereby assumes and agrees to discharge and satisfy all obligations and liabilities of first party, whatsoever, excepting that second party does not assume or agree to discharge the outstanding circulation of first party, but it is agreed that first party shall, as provided by the Acts of Congress, deposit within six months from date of Liquidation with the Comptroller of Currency, lawful money of the United States sufficient in amount to retire and discharge said circulation.

2. First party now has outstanding 40,000 shares of its capital stock, par value $100.00 each, of which 38,406 shares are held by third parties as Trustees under said Trust Agreement, 320 shares are held by the present Directors of the Bank as required by law (thirty-two Directors holding 10 shares each), and the remaining 1274 shares are held by five individual stockholders. It is agreed that all of said outstanding shares shall be called in for cancellation and retirement, and, in lieu thereof, second party shall issue its entire capital stock, consisting of 40,000 shares, to the above-named holders of first party's shares, ratably, upon surrender of the old certificates for cancellation.

3. Third parties shall substitute the certificates,evidencing second party's stock, for the certificates of first party,in the indivisible trust estate created under said Agreement, and, thereafter, the said certificates of second party's stock shall be held by third parties subject to the terms and conditions of said Trust Agreement, and for the uses and purposes therein set forth, with full powers in relation to the management and control

thereof , as in the first instance given in said Agreement in respect of the shares of the National Bank of Kentucky.

IN TESTIMONY WHEREOF, first party has caused this Agreement to be executed by James B. Brown, President, attested by C. F. Jones, Cashier, thereunto duly authorized by the Board of Directors of first party by resolution dated October 11, 1929; and second party has caused this Agreement to be executed by James B. Brown, President, attested by C. F. Jones, Cashier, thereunto duly authorized by the Board of Directors of second party by resolution dated October ,1929; and third parties have caused this instrument to be executed by Henry Vogt, Chairman of the Trustees, and attested by John Akers, Secretary, thereunto duly authorized at a meeting of the Trustees held on October 11, 1929, pursuant to consent given by the Advisory Committee under date of October 4, 1929 - all done at Louisville, Jefferson County, Kentucky, this 11th day of October 1929.

NATIONAL BANK OF KENTUCKY
By James B. Brown, President.

Attest:
C. F. Jones, Cashier.

THE BANK OF KENTUCKY
By James B. Brown, President.

Attest:
C. F. Jones, Cashier.

THE TRUSTEES UNDER TRUST AGREEMENT
DATED APRIL 22,1927
By HENRY VOGT, CHAIRMAN.

Attest:
John S. Akers, Secretary.

On motion duly seconded and unanimously carried , a resolution was then adopted authorizing the officers of National Bank of Kentucky to execute this contract on behalf of this Bank.

On motion duly seconded and unanimously carried the following resolution was adopted:

"WHEREAS, after due and legal notice, the shareholders of this association owning two-thirds of capital stock have voted to place the association in voluntary liquidation, and

WHEREAS, this vote has been duly certified to the Comptroller of the Currency, and

WHEREAS, under the provisions of Section 5 of the Act approved December 23, 1913, and known as the Federal Reserve Act, this association is required to surrender for cancellation all of its holdings of the capital stock of the Federal Reserve Bank of St. Louis, and to terminate its membership in said Bank.

NOW, THEREFORE, BE IT RESOLVED, That C. F. Jones, Cashier the duly elected liquidating agent, be, and he is hereby, authorized, empowered, and directed to apply to the said Federal Reserve Bank for the cancellation of 1000 shares of stock allotted to and held by this association, and to receive and receipt for any balance due this association by said Federal Reserve Bank on account of cash paid subscriptions, or otherwise, and any securities or other valuables belonging to this association, and to do such acts as may be necessary to adjust and settle the accounts between this association and the said Federal Reserve Bank. "

On motion duly seconded and unanimously carried the following resolution was adopted:

"RESOLVED: that the Comptroller of Currency be, and he hereby is, authorized to withdraw $2,500,000.00 of United States bonds, deposited with the Treasurer of the United States by this Bank to secure circulation, and described as follows:

$2,500,000.00 2% Consols

and that be, and he(they) is (are) hereby, authorized to sell, assign, and transfer the same , and to appoint one or more attorneys for that purpose. "

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There being no further business -- otion the meeting adjourned.

V. President. Secretary.

Louisville, Ky. October 18, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, Stuart E. Duncan, Joseph M. Durham, R. Lee Callahan, George M. Clark, Samuel W. Coons, Clarence C. Hieatt, James Garnett, Thomas J. Minary, Henry J. Angerneier, James J. Hayes, Milburn P. Kelly, Arthur M. Rutledge, John Stites, Charles C. Mengel, Anthony J. Carroll, Allen P. Dodd, Henry D. Ormsby, T. Kennedy Helm, James B. Brown, John S. Akers, William S. Speed, Angereau Gray, Edward J. O'Brien, Jr.

The following directors were absent- Oscar E. Bloch, Charles M. Bohmer, Walter I. Kohn, S. Clay Lyons, John B. Pirtle, Wm. Short, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of October 17, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. October 25, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, John Stites, Oscar E. Bloch, Arthur M. Rutledge, Allen P. Dodd, Henry D. Ormsby, Angereau Gray, Milburn P. Kelly, James J. Hayes, Edward J. O'Brien, Jr., Thomas J. Minary, Walter I. Kohn, Clarence C. Hieatt, R. Lee Callahan, Joseph M. Durham, Baylor O. Hickman, Henry Vogt, Charles M. Bohmer, William S. Speed, George M. Clark, T. Kennedy Helm, Henry J. Angerneier, John S. Akers.

The following directors were absent - James B. Brown, Samuel W. Coons, Stuart E. Duncan, James Garnett, Saunders P. Jones, S. Clay Lyons, John B. Pirtle, William Short.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of Bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of October 24, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board

and unanimously approved.

On motion duly seconded and unanimously carried the following resolution was adopted:

RESOLVED, that this Board ratifies and approves the loan of $1,000,000.00 made to this bank October 21, 1929, by the Guaranty Trust Company of New York and further ratifies and approves the act of H. D. Ormsby, Vice.President, in executing this Bank's note therefor of date October 21, 1929, payable on or before sixty days after date upon which is pledged sundry notes aggregating $1,106,129.82 as collateral.

There being no further business on motion the meeting adjourned.

J J Angermeier — President.

Secretary.

Louisville, Ky. November 1, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, Henry Vogt, Stuart E. Duncan, John Stites, George M. Clark, William S. Speed, R. Lee Callahan, Joseph H. Durham, Edward J. O'Brien, Jr., Henry J. Angermeier, Thomas J. Minary, Samuel W. Coons, Walter I. Kohn, Clarence C. Hiatt James Garnett, Milburn P. Kelly, James J. Hayes, T. Kennedy Helm, Arthur M. Rutledge, Allen P. Dodd, Charles H. Bohmer, Charles C.Menge Anthony J. Carroll, Angereau Gray, Henry D. Ormsby, John S. Akers, James B. Brown.

The following directors were absent- Oscar E. Bloch, S. Clay Lyons, John B. Pirtle, William Short.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of October 31, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.
Loans of $50,000.00 and over read.
There being no further business on motion the meeting adjourned,

President.

Secretary.

Exhibit 21

Louisville, Ky. November 8, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, George M. Clark, Henry Vogt, James Garnett, T. Kennedy Helm, John Stites, Samuel B. Coons, Thomas J. Minary, Henry J. Angermeier, R. Lee Callahan, Stuart E. Duncan, Joseph H. Durham, Edward J. O'Brien, Jr., James J. Hayes, Clarence C. Hieatt, Milburn P. Kelly, Arthur M. Rutledge, Allen P. Dodd, Oscar E. Bloch, Charles H. Bohmer, William S. Speed, Charles C. Mengel, Anthony J. Carroll, Henry D. Ormsby, Angereau Gray, John S. Akers, James B. Brown.

The following directors were absent- Walter I. Kohn, S. Clay Lyons, John B. Pirtle, William Short.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of Bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of November 7, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried the following resolutions were adopted:

RESOLVED, That any two of the following officers, the President, Vice Presidents and Cashier of this Bank be and they hereby are and shall be now and hereafter respectively authorized to effect loans at any time for this bank from the Chemical Bank & Trust Company, and for such loans to make, execute and deliver promissory notes, commercial paper and other written obligations of this Bank; and as security for the repayment of such loans to assign, transfer, endorse and deliver any and all securities, stocks, commercial paper, bills receivable and property, real, personal, or any other kind, at any time held by this Bank or subject to its control; also to sell to or discount or rediscount with said Chemical Bank & Trust Company, any and all commercial paper, bills receivable, securities and other instruments and evidences of debt at any time held by this Bank or subject to its control; and to that end to endorse and (or) assign, transfer and deliver the same.

RESOLVED, That, the President, Vice President(s) , Cashier and Assistant Cashier(s) and any other person duly authorized to sign on behalf of this Bank, or either one of them, be and they hereby are and shall be severally authorized to sign any and all checks, drafts and (or) other orders for the payment and withdrawal of any and all moneys, credits, items and property of any kind at any time held for account of this Bank by the said Chemical Bank & Trust Company; until this authority shall be revoked and written notice of such revocation be properly received by the said Chemical Bank & Trust Company.

RESOLVED, That all loans, discounts, rediscounts and other advances heretofore obtained from or held by the said Chemical Bank & Trust Company, and charged against this Bank on the books of the said Chemical Bank & Trust Company and any now held by that Trust Company, are hereby approved, ratified and confirmed.

There being no further business on motion the meeting adjourned.

President.

Secretary.

Louisville, Ky. November 15, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

John Stites, T. Kennedy Helm, Henry Vogt, William S. Speed, Henry J. Angermeier, George M. Clark, Baylor O. Hickman, Saunders P. Jones, R. Lee Callahan, Samuel W. Coons, Milburn P. Kelly, Stuart E. Duncan, James J. Hayes, Arthur M. Rutledge, Oscar E. Bloch, Charles C. Mengel, Anthony J. Carroll, Angereau Gray, Walter I. Kohn, Henry D. Ormsby, Allen P. Dodd, John S. Akers.

The following directors were absent- Charles H. Bohmer, James B. Brown, Joseph H. Durham, James Garnett, Clarence C. Hieatt, S. Clay Lyons, Thomas J. Minary, Edward J. O'Brien, Jr., John B. Pirtle, William Short.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of Bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of November 14, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

J. S. Akers
President.

C. F. Jones
Secretary.

Louisville, Ky. November 22, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

George M. Clark, Henry Vogt, Oscar E. Bloch, R. Lee Callahan, Stuart E. Duncan, Saunders P. Jones, Baylor O. Hickman, Thomas J. Minary, Samuel W. Coons, Walter I. Kohn, Clarence C. Hieatt, John Stites, Henry D. Ormsby, Milburn P. Kelly, James J. Hayes, T. Kennedy Helm, Arthur M. Rutledge, Allen P. Dodd, Charles H. Bohmer, Charles C. Mengel, Anthony J. Carroll, James Garnett, Angereau Gray, S. Clay Lyons, John S. Akers, James B. Brown.

The following directors were absent- Henry J. Angermeier, Joseph H. Durham, Edward J. O'Brien, Jr., John B. Pirtle, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of November 21, 1929, read.

Overdrafts of $100.00 and over and maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

The resignation of Mr. Wm. Short as Director of the National Bank of Kentucky was read to the Board by the Secretary and on motion duly seconded and unanimously carried same was accepted with regret.

There being no further business on motion the meeting adjourned.

President

C. F. Jones
Secretary.

Exhibit 21

Louisville, Ky. November 29, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

James J. Hayes, Samuel M. Coons, Edward J. O'Brien, Jr., Henry J. Angermeier, Joseph H. Durham, Stuart E. Duncan, Thomas J. Minary, Walter I. Kohn, Clarence C. Hieatt, John Stites, Saunders F. Jones, Oscar E. Bloch, Henry Vogt, George M. Clark, William S. Speed, R. Lee Callahan, Anthony J. Carroll, Charles C. Mengel, Arthur M. Rutledge, Allen P. Dodd, James Garnett, Angereau Gray, Henry D. Ormsby, James B. Brown, John S. Akers, T. Kennedy Helm, Milburn P. Kelly.

The following directors were absent- Charles H. Bohmer, Baylor O. Hickman, S. Clay Lyons, John B. Pirtle.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of November 28, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried the following resolution was adopted:

BE IT RESOLVED, that J. J. Hayes, Vice President, be authorized to endorse and forward to the United States Veterans Bureau, Washington, D. C. for collection note of James Edward Frantz, Veteran, Amount $155.00 plus $2.02 interest with Service Certificate attached as collateral.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. December 6, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Milburn P. Kelly, Joseph H. Durham, James J. Hayes, Allen P. Dodd, R. Lee Callahan, George M. Clark, Walter I. Kohn, Thomas J. Minary, T. Kennedy Helm, William S. Speed, Clarence C. Hieatt, Arthur M. Rutledge, Oscar E. Bloch, Charles C. Mengel, Anthony J. Carroll, John Stites, Angereau Gray, Henry J. Angermeier, James Garnett, Henry D. Ormsby, John S. Akers.

The following directors were absent, Charles H. Bohmer, James B. Brown, Samuel M. Coons, Stuart E. Duncan, Baylor O. Hickman, Saunders F. Jones, S. Clay Lyons, Edward J. O'Brien, Jr., John B. Pirtle, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of December 5, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved

Exhibit 21

3-8-a

DEPOSITORY BOND

KNOW ALL MEN BY THESE PRESENTS: That the National Bank of Kentucky, of Louisville, Kentucky,

Chas. H. Bohmer, R. L. Callahan, Geo. M. Clark,

S. E. Duncan, T. K. Helm, H. J. Angermeier, James B. Brown, Henry Vogt

Saunders P. Jones, John Stites, Walter I. Kohn, J. S. Akers,

E. J. O'Brien, Jr., C. C. Mengel

do hereby become surety and do hereby pledge their real and personal property individually and collectively as surety and are individually and collectively held and firmly bound unto the Commonwealth of Kentucky for the use and benefit of the Commissioners of Sewerage of Louisville in the sum of One Hundred Thousand ($100,000.00) Dollars, for payment of which said principal and surety hereby individually and collectively bind themselves upon conditions as follows:

WHEREAS, the said principal has been designated by said Commissioners of Sewerage of Louisville, a depository in which may be deposited money, checks or drafts, belonging to said Commissioners, or under their control, during the period of one year commencing July 1st, 1929, and ending June 30th, 1930, and said principal has agreed to pay interest on the daily balances of said deposits at the rate of 3-1/2% per annum, entered monthly and to execute bond with approved surety for the safety of all money deposited with it, and for the prompt payment of such money and interest when demanded by proper check or order.

NOW, THEREFORE, the condition of this obligation is such that if the said principal shall safely keep and promptly pay on proper check or order all money deposited with it by the Commissioners of Sewerage of Louisville during the year commencing July 1st, 1929, and ending June 30th, 1930, including said interest and including all monies and interest thereon now on deposit to the credit of said Commissioners, then this obligation shall be null and void, otherwise it shall remain in full force and effect and the sureties individually and collectively will immediately fulfill their obligation.

Signed and sealed this 27th day of December, 1929.

Attest: C. F. Jones, Cashier.

NATIONAL BANK OF KENTUCKY

By James B. Brown, President.

Chas. H. Bohmer

R. L. Callahan

Geo. M. Clark.

S. E. Duncan

T. K. Helm,

H. J. Angermeier

James B. Brown

Henry Vogt

Saunders P. Jones

John Stites

Walter I. Kohn

J. S. Akers

E. J. O'Brien, Jr.

C. C. Mengel.

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KNOW ALL MEN BY THESE PRESENTS that we, the NATIONAL BANK OF KENTUCKY, IN LOUISVILLE, KENTUCKY, as principal, and James B. Brown Henry Vogt, John Stites, Saunders P. Jones, R. L. Callahan, Walter I. Kohn, Geo. M. Clark, S. E. Duncan, T. K. Helm, H. J. Angermeier, J. S. Akers, E. J. O'Brien, Jr., C. C. Mengel.

as sureties, are held and firmly bound unto the City of Louisville, Kentucky, in the sum of Five Hundred Thousand ($500,000.00) Dollars, for which payment well and truly to be made we bind ourselves firmly by these presents. The condition of this obligation is such, that,

WHEREAS, the CITY OF LOUISVILLE, pursuant to Statute, in such cases made and provided, having requested and received bids from various banks for the general and special deposits of the City of Louisville during the year 1930, has selected the National Bank of Kentucky, in Louisville, Kentucky, as its depository for the funds and monies of the City of Louisville, Kentucky, and

WHEREAS, said NATIONAL BANK OF KENTUCKY, IN LOUISVILLE, KENTUCKY, has agreed and does hereby agree to keep said money so deposited subject to call, payable on the check of the properly constituted authorities of the City of Louisville, and to execute bond, secured by approved sureties, for the keeping of said money so deposited and the prompt payment thereof with interest thereon at the rate of three and ninety-one-one hundredths (3.91 100%) percent per annum on the daily balances, payable monthly.

NOW, THEREFORE, in consideration of the premises and acting on a resolution duly and properly adopted at a regular meeting of the Board of Directors of said National Bank of Kentucky, in Louisville, Kentucky, authorising the President or any of the Vice Presidents of the Bank to execute in its name and under its corporate seal a bond to the City of Louisville, secured by approved sureties, the said NATIONAL BANK OF KENTUCKY, IN LOUISVILLE, KENTUCKY, as principal, and

James B. Brown, Henry Vogt, John Stites, Saunders P. Jones, R. L. Callahan, Walter I. Kohn, Geo. M. Clark, S. E. Duncan, T. K. Helm, H. J. Angermeier, J. S. Akers, E. J. O'Brien, Jr., C. C. Mengel.

as sureties, acknowledges itself and themselves indebted to the Commonwealth of Kentucky for the use and benefit of the CITY OF LOUISVILLE in the penal sum of Five Hundred Thousand ($500,000.00) Dollars; upon condition, however, that if the NATIONAL BANK OF KENTUCKY, IN LOUISVILLE, KENTUCKY, shall faithfully perform the duties as depository and shall safely keep and promptly pay over, upon the proper and duly authorized check or order, of the City of Louisville, all of its monies that have heretofore been or may hereafter be deposited with said Bank by the City of Louisville, together with interest thereon at the rate of three and ninety-one one hundredths (3.91/100%) percent per annum on daily balances, then this obligation to be null and void, otherwise to remain in full force and effect, and the said NATIONAL BANK OF KENTUCKY, IN LOUISVILLE, KENTUCKY, further agrees from time to time and when demanded that it will furnish to the proper

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authorities of the City of Louisville a certificate from the Clearing House Examiner of the condition of said Bank as of the day of the last examination of the bank's affairs and the said sureties do hereby jointly and severally agree and bind themselves, their heirs and personal representatives that the principal mentioned in this bond will perform each and every covenant of this agreement.

IN TESTIMONY WHEREOF said NATIONAL BANK OF KENTUCKY, IN LOUISVILLE, KENTUCKY, has hereunto, by proper and duly constituted authorities caused this bond to be signed by its President and attested by its Cashier, under its corporate Seal, and said

James B. Brown, Henry Vogt, John Stites, Saunders P. Jones, R. L. Callahan, Walter I. Kohn, Geo. M. Clark, S. E. Duncan, T. K. Helm, H. J. Angermeier, J. S. Akers, E. J. O'Brien, Jr. C. C. Mengel.

(SEAL)

have hereunto subscribed their names this 27th day of December, 19 29

ATTEST: C. F. Jones, Cashier.

Cashier.

NATIONAL BANK OF KENTUCKY

By James B. Brown
President

James B. Brown
Henry Vogt
John Stites,
Saunders P. Jones
R. L. Callahan
Walter I. Kohn
Geo. M. Clark

S. E. Duncan
T. K. Helm
H. J. Angermeier
J. S. Akers
E. J. O'Brien, Jr.
C. C. Mengel

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. December 13, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Allen P. Dodd, James J. Hayes, Edward J. O'Brien, Jr., Milburn P. Kelly, Henry J. Angermeier, Stuart E. Duncan, Joseph H. Durham, R. Lee Callahan, Walter L. Kohn, Thomas J. Minary, Clarence C. Hieatt, John Stites, Henry Vogt, George M. Clark, William S. Speed, Saunders P. Jones, Samuel M. Coons, James B. Brown, T. Kennedy Helm, Arthur M. Rutledge, Oscar E. Bloch, Charles H. Bohmer, Charles C. Mengel, Anthony J. Carroll, James Garnett, Henry D. Ormsby, Angereau Gray, John S. Akers.

The following directors were absent- Baylor O. Hickman, John B. Pirtle, S. Clay Lyons.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of December 12, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried a quarterly dividend of 4% was declared payable January 2, 1930, to stockholders of record December 23, 1929.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. December 20, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, Joseph H. Durham, R. Lee Callahan, George M. Clark, Henry Vogt, Charles H. Bohmer, Samuel M. Coons, Thomas J. Minary, Baylor O. Hickman, Edward J. O'Brien, Jr., Milburn P. Kelly, John Stites, Henry J. Angermeier, James J. Hayes, T. Kennedy Helm, James Garnett, Arthur M. Rutledge, Clarence C. Hieatt, Oscar E. Bloch, Charles C. Mengel, Anthony J. Carroll, William S. Speed, Walter L. Kohn, Angereau Gray, Henry D. Ormsby, John S. Akers.

The following director were absent -James B. Brown, Allen P. Dodd, Stuart E. Duncan, S. Clay Lyons, John B. Pirtle.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of December 19, 1929, read.

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Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried, it was recommended that 25% of a month's salary be paid to the employes of the bank with a minimum of $10.00. Officers excluded.

There being no further business on motion the meeting adjourned.

Vice President.

Secretary.

Louisville, Ky. December 27, 1929.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Henry J. Angermeier, Milburn P. Kelly, Henry D. Ormsby, James J. Hayes, Clarence C. Hieatt, Walter I. Kohn, Thomas J. Minary, Samuel W. Coons, Edward J. O'Brien, Jr., Stuart E. Duncan, R. Lee Callahan, George M. Clark, William S. Speed, Henry Vogt, John Stites, Saunders P. Jones, Baylor O. Hickman, T. Kennedy Helm, Arthur M. Rutledge, Oscar E. Bloch, Charles H. Bohmer, Charles C. Mengel, Anthony J. Carroll, Angereau Gray, James Garnett, John S. Akers, James B. Brown.

The following directors were absent- Allen P. Dodd, Joseph H. Durham, S. Clay Lyons, John B. Pirtle.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of December 26, 1929, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried the following resolution was adopted :

RESOLVED, that the President or any of the Vice Presidents be and are hereby authorized to execute a bond on behalf of the National Bank of Kentucky as principal in the sum of $100,000.00 running to the Commonwealth of Kentucky for the use and benefit of the Commissioners of Sewerage of the City of Louisville which is a bond requested by the Commissioners to cover deposits made with the National Bank of Kentucky.

On motion duly seconded and unanimously carried it was resolved that -

WHEREAS, the City of Louisville, pursuant to Statutes, in such cases made and provided, having requested and received bids from various banks for the general and special deposits of the City of Louisville during the year 1930 , has selected the National Bank of Kentucky of Louisville as its depository for the funds and moneys of the City of Louisville.

NOW THEREFORE BE IT RESOLVED, that the President or any of the Vice-Presidents of this Bank, be and they are hereby authorized to execute in the name of this bank and under its corporate seal, a bond to the City of Louisville in the penal sum of Five Hundred Thousand ($500,000.00) Dollars.

There being no further business on motion the meeting adjourned.

President. Secretary.

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Louisville, Ky. January 3, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, R. Lee Callahan, William S. Speed, Henry Vogt, John Stites, Clarence C. Hieatt, Walter I. Kohn, Samuel W. Coons, Thomas J. Minary, Edward J. O'Brien, Jr., Stuart E. Duncan, James J. Hayes, Anthony J. Carroll, Charles C. Mengel, Oscar E. Bloch, Charles H. Bohmer, Arthur M. Rutledge, Allen P. Dodd, T. Kennedy Helm, James Garnett, Angereau Gray, Milburn P. Kelly, Henry D. Ormsby, Henry J. Angermeier, John S. Akers, George M. Clark

The following directors were absent - James B. Brown, Joseph H. Durham, S. Clay Lyons, John B. Pirtle.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of January 2, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

On motion duly seconded and unanimously carried, Messrs. E. A. Hewett, R. F. Warfield and Hal. T. Jefferson were appointed Judges of the Stockholders' meeting to be held January 14, 1930, with power to fill any vacancy in case anyone of the above mentioned cannot serve.

There being no further business on motion the meeting adjourned.

H J Angermeier — President.

C F Jones — Secretary.

Louisville, Ky. January 10,1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Henry D. Ormsby, James J. Hayes, Milburn P. Kelly, Stuart E. Duncan, R. Lee Callahan, Joseph H. Durham, Edward J. O'Brien, Jr., Henry J. Angermeier, Thomas J. Minary, Walter I. Kohn, Clarence C. Hieatt, Charles H. Bohmer, George M. Clark, Henry Vogt, Baylor O. Hickman, Saunders P. Jones, T. Kennedy Helm, Arthur M. Rutledge, Oscar E. Bloch, Charles C. Mengel, Anthony J. Carroll, John Stites, James Garnett, Angereau Gray, James B. Brown, John S. Akers.

The following directors were absent - - Samuel W. Coons, Allen P. Dodd, Joseph H. Durham, John B. Pirtle, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of January 9, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

The resignation of Mr. S. Clay Lyons as Director of the National Bank of Kentucky was read to the Board by the Cashier and on motion

duly seconded and unanimously carried same was accepted with regret.

The Board of Directors recommend that the number of directors to serve for the ensuing year be fixed at nineteen.

There being no further business on motion the meeting adjourned.

President. Secretary

Louisville, Ky. January 13, 1930.

At the special meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Clarence C. Hiatt, Walter I. Kohn, Edward J. O'Brien, Jr., Joseph H. Durham, Henry J. Angermeier, R. Lee Callahan, Stuart E. Duncan, Samuel W. Coons, Thomas J. Minary, Charles H. Bohmer, George M. Clark, Henry Vogt, John Stites, Baylor O. Hickman, James J. Hayes, James B. Brown, Anthony J. Carroll, Charles C. Mengel, Oscar K. Bloch, Henry D. Ormsby, Allen P. Dodd, T. Kennedy Helm, Angereau Gray, James Garnett, John S. Akers.

The following directors were absent - John B. Pirtle, Arthur M. Rutledge William S. Speed, Milburn P. Kelly, Saunders P. Jones.

This special meeting was called by the President forthe purpose of discussing the operating expenses of the bank and it was the opinion of the Board of Directors that there should be a substantial reduction.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. January 17, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, John S. Akers, Henry D. Ormsby, James J. Hayes, Henry J. Angermeier, Thomas J. Minary, Edward J. O'Brien, Jr., Samuel W. Coons, George M. Clark, Joseph H. Durham, Stuart E. Duncan, R. Lee Callahan, Baylor O. Hickman, James B. Brown, Henry Vogt, Charles F. Jones.

The following directors were absent- Saunders P. Jones, Charles C. Mengel, William S. Speed.

Minutes of regular meeting also minutes of special meeting as of January 13, 1930, were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of Bank as of January 16, 1930, and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of January 16th read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned Sine die.

President. Secretary

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Louisville, Ky. January 17, 1930.

The Secretary of the Board read to the meeting the proceedings of the shareholders' meeting held on January 14, 1930, including the certificate of the judges of the election, showing the nineteen(19) directors elected for the ensuing year.

Thereupon the following directors being present, took and subscribed to the oath required by law, and took their seats in the Board.

Those present - Anthony J. Carroll, John S. Akers, Henry D. Ormsby, James J. Hayes, Henry J. Angermeier, Thomas J. Minary, Edward J. O'Brien, Jr., Samuel M. Coons, George M. Clark, Joseph H. Durham, Stuart E. Duncan, R. Lee Callahan, Baylor O. Hickman, James B. Brown, Henry Vogt, Charles F. Jones.

On motion Mr. Stuart E. Duncan was asked to preside over the meeting, and Mr. Charles F. Jones was appointed Secretary of the meeting.

The Chairman announced that the next business before the Board was the election of officers.

Thereupon, Mr. James B. Brown was elected President.

Messrs. John S. Akers, Henry J. Angermeier, Frank I. Dugan, Logan L. Fontaine, James J. Hayes, Henry D. Ormsby, E. B. Robertson, Henry Thiemann, and Charles F. Jones were elected Vice Presidents to serve at the pleasure of the Board.

Mr. W. T. ZurSchmeide was elected Cashier to serve at the pleasure of the Board.

The following additional officers were elected to serve at the pleasure of the Board. Messrs. Oscar A. Block, Henry R. Grant, David W. Grey, Thomas Green, Edward E. Lee, F. L. Moseley and A. P. Ramser, Assistant Cashiers.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. January 24, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Henry J. Angermeier, Thomas J. Minary, Samuel M. Coons, George M. Clark, Joseph H. Durham, R. Lee Callahan, Stuart E. Duncan, Charles F. Jones, Baylor O. Hickman, Edward J. O'Brien, Jr., James B. Brown, James J. Hayes, Henry D. Ormsby, John S. Akers, Henry Vogt.

The following directors were absent - Saunders P. Jones, William S. Speed and Charles C. Mengel.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of January 23, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion of Mr. Henry Vogt, seconded by Mr. George M. Clark and unanimously carried the following resolution was adopted;

RESOLVED; that the President be and he is hereby authorized and directed to enter the subscription of the National Bank of Kentucky to the Community Chest Fund in the City of Louisville, Kentucky, in the sum of $2500.00 for the year 1950.

It was moved by Mr. R. Lee Callahan, seconded by Mr. Stuart E. Duncan and unanimously carried, that Mr. Henry D. Ormsby be given a leave of absence of four months.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. January 31, 1950.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, Henry J. Angermeier, Thomas J. Minary, George M. Clark, Stuart E. Duncan, R. Lee Callahan, Joseph H. Durham, James J. Hayes, Charles F. Jones, Charles C. Mengel, Anthony J. Carroll, James B. Brown, John S. Akers.

The following directors were absent- Samuel M. Coons, Edward J. O'Brien, Jr., Henry D. Ormsby, Henry Vogt, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of January 30, 1950, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

President. Secretary.

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Louisville, Ky. February 7, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, Thomas J. Minary, Henry J. Angermeier, Stuart E. Duncan, R. Lee Callahan, George M. Clark, Saunders P. Jones, Charles F. Jones, James J. Hayes, James B. Brown John S. Akers.

The following directors were absent - Samuel W. Coons, Joseph H. Durham, Baylor O. Hickman, Edward J. O'Brien, Jr., Henry D.Ormsby, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of February 6, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

The report of the examination of this bank by the National Bank Examiner, Russell Mooney, as of December 30, 1929, was submitted to the Board of Directors by the President, discussed, received and filed.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. February 14, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, Charles F. Jones, Thomas J. Minary, R. Lee Callahan, George M. Clark, Stuart E. Duncan, Saunders P. Jones, James J. Hayes, James B. Brown, John S. Akers, Henry J. Angermeier.

The following directors were absent- Samuel W. Coons, Joseph H. Durham, Baylor O. Hickman, Edward J. O'Brien, Jr., Henry D. Ormsby, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of February 13, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

There being no further business on motion the meeting adjourned.

President

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Louisville, Ky. February 21, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Charles C. Mengel, Charles F. Jones, James B. Brown, Thomas J. Minary, Henry J. Angermeier, George M. Clark, Stuart E. Duncan, R. Lee Callahan, James J. Hayes, John S. Akers, Edward J. O'Brien, Jr. Anthony J. Carroll.

The following directors were absent - Samuel M. Coons, Joseph H. Durham, Baylor O. Hickman, Saunders P. Jones, Henry D. Ormsby, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of February 20, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

There being no further business on motion the meeting adjourned.

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President. Secretary.

Louisville, Ky. February 28, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, Stuart E. Duncan, R. Lee Callahan, George M. Clark, Thomas J. Minary, Edward J. O'Brien, Jr., James J. Hayes, Charles F. Jones, Henry J. Angermeier, Anthony J. Carroll, Henry D. Ormsby, Charles C. Mengel, John S. Akers, James B. Brown.

The following directors were absent- Samuel M. Coons, Joseph H. Durham, Baylor O. Hickman, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of February 27, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

Upon motion made duly seconded and unanimously carried the Board of Directors approved the National Bank of Kentucky in participating to the extent of $600,000.00 in the underwriting of the First Mortgage Bonds of the Louisville Railway Co.

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There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. March 7, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

James B. Brown, Stuart E. Duncan, Henry Vogt, Charles C. Mengel, Charles F. Jones, Thomas J. Minary, William S. Speed, James J. Hayes, Henry J. Angermeier.

The following directors were absent- John S. Akers, R. Lee Callahan, Anthony J. Carroll, George M. Clark, Samuel W. Coons, Joseph H. Durham, Baylor O. Hickman, Saunders P. Jones, Edward J. O'Brien, Jr. Henry D. Ormsby.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of March 6, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky., March 14, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Henry Vogt, Saunders P. Jones, Charles F. Jones, Baylor O. Hickman, William S. Speed, James B. Brown, Stuart E. Duncan, James J. Hayes, R. Lee Callahan, Henry D. Ormsby, George M. Clark, Thomas J. Minary, Anthony J. Carroll, Edward J.O'Brien,Jr.

The following directors were absent- Samuel W. Coons, Henry J. Angermeier, John S. Akers, Joseph H. Durham, Charles C.Mengel.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of March 13, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion duly seconded and unanimously carried a quarterly

dividend of 4% was declared payable April 1, 1930 to stockholders of record March 24, 1930.

There being no further business on motion the meeting adjourned.

President. Secretary.

Louisville, Ky. March 21, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles F. Jones, Henry Vogt, Baylor O. Hickman, William S. Speed, Saunders P. Jones, Stuart E. Duncan, R. Lee Callahan, George M. Clark, Samuel W. Coons, Thomas J. Minary, Henry J. Angermeier, James J. Hayes, John S. Akers.

The following directors were absent- James B. Brown, Joseph H. Durham, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of March 20, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion of Mr. Carroll, seconded by Mr. Duncan the following resolution was unanimously adopted,

WHEREAS, at a meeting of the Board of Directors of this bank held on September 27, 1929, a resolution was adopted authorizing the voluntary liquidation thereof under Sections 5220 and 5221 of the United States Revised Statutes. And,

WHEREAS, it is the opinion of this Board that the plan formerly agreed upon to surrender the national charter of this bank and convert same into a State Bank, under the laws of the Commonwealth of Kentucky, shall be now abandoned, and that said banking association should remain and continue to be a member of the National System.

NOW THEREFORE, BE IT RESOLVED: That said resolution of September 27, 1929, be, and the same is hereby reconsidered and rescinded in its entirety, to the end that the National Bank of Kentucky shall remain a member of the National Banking System.

There being no further business on motion the meeting adjourned.

President. Secretary.

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Louisville, Ky. March 28, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Charles C. Mengel, Henry Vogt, Henry J. Angermeier, Stuart E. Duncan, R. Lee Callahan, George M. Clark, Samuel W. Coons, Thomas J. Minary, Edward J. O'Brien, Jr., James J. Hayes, John S. Akers, Baylor O. Hickman, Saunders P. Jones, James B. Brown.

The following directors were absent- Anthony J. Carroll, Joseph H. Durham, Charles F. Jones, Henry D. Ormsby, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of March 27, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

There being no further business on motion the meeting adjourned.

H J Angermeier
Vice -President.

W. B. Tomlinson asst
Secretary.

Louisville, Ky. April 4, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, Henry Vogt, William S. Speed, R. Lee Callahan, Joseph H. Durham, Samuel W. Coons, George M. Clark, Thomas J. Minary, Henry J. Angermeier, Saunders P. Jones, Baylor O. Hickman, James J. Hayes, Edward J. O'Brien, Jr. Charles F. Jones, John S. Akers.

The following directors were absent- James B. Brown, Stuart E. Duncan, Henry D. Ormsby.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of April 3rd, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

On motion duly seconded and unanimously carried the following resolution was adopted.

BE IT RESOLVED, that J. J. Hayes, Vice President, be authorized to endorse and forward to the United States Veterans Bureau, Washington, D. C. for collection note of Jos. P. Limbach, Veteran, amount $149.00 plus $4.47 interest with Service Certificate attached as collateral.

There being no further business on motion the meeting adjourned.

C. Jones W. Kuhlmann

Vice -President. Secretary.

Louisville, Ky. April 11, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, Baylor O. Hickman, Saunders P. Jones, William S. Speed, R. Lee Callahan, Joseph H. Durham, George M. Clark, Samuel M. Coons, Thomas J. Minary, Henry J. Angermeier, Edward J. O'Brien, Jr., James J. Hayes, Charles F. Jones, John S. Akers.

The following directors were absent- James B. Brown, Stuart E. Duncan, Henry D. Ormsby, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of April 10, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

C. Jones W. Kuhlmann

Vice President. Secretary.

Exhibit 21

Louisville, Ky. April 18, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, William S. Speed, Henry Vogt, Stuart E. Duncan, R. Lee Callahan, Joseph H. Durham, George M. Clark, Samuel W. Coons, Thomas J. Minary, Henry J. Angermeier, James J. Hayes, Henry D.Ormsby, Edward J. O'Brien, Jr., Anthony J. Carroll, Charles C. Mengel, Charles F. Jones, John S. Akers.

The following directors were absent- James B. Brown, Baylor O. Hickman.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of April 17, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

Vice President. Secretary.

Louisville, Ky. April 25, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, Henry Vogt, Stuart E. Duncan, R. Lee Callahan, Joseph H. Durham, George M. Clark, Thomas J. Minary, Henry D. Ormsby, Charles C. Mengel, Henry J. Angermeier, James J. Hayes, Charles F. Jones.

The following directors were absent- John S. Akers, James B. Brown, Anthony J. Carroll, Samuel W. Coons, Edward J. O'Brien,Jr. William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of April 24, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. May 2, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

William S. Speed, Henry J. Angermeier, Henry Vogt, Baylor O. Hickman, R. Lee Callahan, George M. Clark, Stuart E. Duncan, Thomas J. Minary, Samuel B. Coons, Joseph H. Durham, James J. Hayes, Henry D. Ormsby, Anthony J. Carroll, Charles C. Mengel, Edward J. O'Brien, Jr., Charles F. Jones, John S. Akers.

The following directors were absent- James B. Brown, Saunders P. Jones.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of May 1, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

_____ Chairman. W. Boyle Lamme Secretary.

Louisville, Ky. May 9, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, William S. Speed, Henry Vogt, James B. Brown, Thomas J. Minary, Samuel B. Coons, George M. Clark, R. Lee Callahan, Stuart E. Duncan, Henry J. Angermeier, Joseph H. Durham, James J. Hayes, Henry D. Ormsby, Charles C. Mengel, Anthony J. Carroll, Charles F. Jones, John S. Akers.

The following directors were absent - Baylor O. Hickman, Edward J. O'Brien, Jr.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of May 8, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

_____ Chairman. W. Boyle Lamme Secretary.

Exhibit 21

Louisville, Ky., May 16th, 1930

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

JOHN S. AKERS, HENRY J. ANGERMEIER, JAMES B. BROWN, R. LEE CALLAHAN, ANTHONY J. CARROLL, GEORGE M. CLARK, SAMUEL W. COONS, STUART E. DUNCAN, JOSEPH H. DURHAM, JAMES J. HAYES, CHARLES F. JONES, CHARLES C. MENGEL, THOMAS J. MINARY, HENRY D. ORMSBY, WILLIAM S. SPEED, HENRY VOGT.

The following directors were absent:: BAYLOR O. HICKMAN, SAUNDERS P. JONES and EDWARD J. O'BRIEN, JR.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky and The Louisville Trust Company, as of May 15th, read.

Maturities of $5,000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion made by William S. Speed, seconded by Mr. Stuart E. Duncan, and unanimously carried, it was resolved that if stock of the Van Camp Packing Company is not sold by July 16th, 1930, the amount at which it is carried on the books will be charged to market value as of that date, provided the market value is lower than the book value. Mr. John S. Wood, Chief Examiner, was present at the meeting and discussed the large lines with the Board.

There being no further business on motion the meeting adjourned.

Secretary

Chairman

Louisville, Ky. May 23, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, William S. Speed, Henry Vogt, R. Lee Callahan, Stuart E. Duncan, Joseph H. Durham, George M. Clark, Samuel W. Coons, Thomas J. Minary, Henry J. Angermeier, James J. Hayes, Edward J. O'Brien, Jr., Henry D. Ormsby, Charles F. Jones, John S. Akers.

The following directors were absent - James B. Brown, Baylor O. Hickman, Saunders P. Jones.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of May 22, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

A motion was made by Mr. Henry Vogt, seconded by Mr. Joseph H. Durham, and unanimously carried, authorizing the President to appoint a

Committee of three directors, who are not officers of the bank, to go over the reports of examination of the bank and make its report to the Board.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. May 29, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles C. Mengel, Henry Vogt, Saunders P. Jones, Stuart E. Duncan, Charles F. Jones, Joseph H. Durham, George M. Clark, Thomas J. Minary, Samuel W. Coons, Henry J. Angermeier, Baylor O. Hickman, Henry D. Ormsby, James J. Hayes, John S. Akers, Edward J. O'Brien, Jr., R. Lee Callahan.

The following directors were absent- James B. Brown, William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of May 28th, 1930 read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. June 6, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, Stuart E. Duncan, William S. Speed, Henry Vogt, Samuel W. Coons, Joseph H. Durham, James J. Hayes, Henry D. Ormsby, Edward J. O'Brien, Jr., Charles F. Jones, Henry J. Angermeier, Charles C. Mengel, Anthony J. Carroll, John S. Akers, Thomas J. Minary.

The following directors were absent- James B. Brown, R. Lee Callahan, George M. Clark, Baylor O. Hickman.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 5, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board

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and unanimously approved.

Overdrafts of $100.00 and over read.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. June 13, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Baylor O. Hickman, Saunders P. Jones, Charles F. Jones, Henry Vogt, Anthony J. Carroll, Charles C. Mengel, Stuart E. Duncan, George M. Clark, Samuel W. Coons, Thomas J. Minary, Henry J. Angermeier, Henry D. Ormsby, Joseph H. Durham, James J. Hayes, John S. Akers, William S. Speed.

The following directors were absent- James B. Brown, R.Lee Callahan, Edward J. O'Brien, Jr.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 12, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

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Louisville, Ky. June 20, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, R. Lee Callahan, Joseph H. Durham, Stuart E. Duncan, George M. Clark, James J. Hayes, Henry D. Ormsby, Thomas J. Minary, Charles F. Jones, William S. Speed, Charles C. Mengel, Anthony J. Carroll, Henry J. Angermeier, John S. Akers.

The following directors were absent- James B. Brown, Edward J. O'Brien, Jr., Samuel M. Coons, Baylor C. Hickman, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 19, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion of Mr. R. Lee Callahan seconded by Mr. William S. Speed, and unanimously carried the following resolution was adopted -

RESOLVED, that this Board hereby ratifies and approves the repurchase agreement entered into with the Bank of America, New York, of date June 18, 1930, under which certain securities named in the agreement were sold to said bank for the sum of $1,350,000.00 with privilege to repurchase on or before August 14, 1930, for $1,350,000.00 plus interest from date at 4% per annum.

On motion of Mr. R. Lee Callahan seconded by Mr. Saunders P. Jones and unanimously carried the following resolution was adopted -

RESOLVED, That in accordance with the provisions of Treasury Department Circular No. 92, revised, of October 1,1928. this Bank (trust company) makes application for the deposit of public moneys with it from time to time under the Act of Congress approved September 24,1917, as amended, the aggregate amount of such deposits not to exceed at any one time $5,000,000.00 and assign and agree to pledge from time to time to and with the Federal Reserve Bank of St. Louis, as fiscal agent of the United States , as collateral security for such deposits as may be made from time to time, pursuant to such application, securities of the character and amount required by said circular;an

RESOLVED, That the President, or any Vice President, or Cashier, of the undersigned Bank(trust Company) is hereby authorized to make application assignment and agreement as aforesaid, and from time to time to deliver to and pledge with said Federal Reserve Bank, or any custodian or custodians appointed by it, securities of the undersigned bank(trust company of a character and amount at least sufficient to secure such deposits according to the terms of said Treasury Department circular, and from time to time to withdraw securities and to substitute other securities and to pledge and deposit additional securities.

On motion of Mr. Anthony J. Carroll seconded by Mr. George M. Clark, and unanimously carried, the regular quarterly dividend of 4% was declared payable July 1, 1930, to stockholders of record June 27,1930.

On motion of Mr. Saunders P. Jones seconded by Mr. Thomas J. Minary and unanimously carried, it was agreed to sell to Caldwell & Company, all rights, interests in or obligations of the Kentucky Wagon Manufacturing Company and National Motors Corporation owned by the National Bank of Kentucky for One Hundred Thousand(100,000) shares of the BancoKentucky Company capital stock Par Value $10.00 per share.

There being no further business on motion the meeting adjourned.

Chairman.

Secretary.

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Louisville, Ky. June 27, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Joseph H. Durham, Henry D. Ormsby, James J. Hayes, Stuart E. Duncan, George M. Clark, Thomas J. Minary, Samuel W. Coons, Baylor O. Hickman, R. Lee Callahan, Charles F. Jones, Henry Vogt, Henry J. Angermeier, Anthony J. Carroll, Charles C. Mengel, James B. Brown, John S. Akers.

The following directors were absent- Saunders F. Jones, Edward J. O'Brien, Jr., William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of June 26th, 1930, read.

Maturities of $5000.00 and over of the succeeding week read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $100.00 and over read.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. July 3, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Joseph H. Durham, Baylor O. Hickman, Stuart E. Duncan, R. Lee Callahan, George M. Clark, Thomas J. Minary, Samuel W. Coons, Charles F. Jones, Henry D. Ormsby, James J. Hayes, Anthony J. Carroll, Charles C. Mengel, John S. Akers.

The following directors were absent- Henry J. Angermeier, James B. Brown, Saunders F. Jones, Edward J. O'Brien, Jr., William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 2, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. July 11, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Charles C. Mengel, Charles F. Jones, Henry J. Angermeier, Thomas J. Minary, Samuel W. Coons, George M. Clark, Stuart E. Duncan, Joseph H. Durham, Saunders P. Jones, Baylor O. Hickman, Henry D. Ormsby, James J. Hayes, James B. Brown, R. Lee Callahan.

The following directors were absent - John S. Akers, Anthony J. Carroll, Edward J. O'Brien, Jr., William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 10,1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. July 18, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

James J. Hayes, Joseph H. Durham, Stuart E. Duncan, Samuel W. Coons, Thomas J. Minary, Henry J. Angermeier, Henry D. Ormsby, Charles C. Mengel, John S. Akers, George M. Clark, Charles F. Jones.

The following directors were absent- James B. Brown, R. Lee Callahan, Anthony J. Carroll, Baylor O. Hickman, Saunders P. Jones, Edward J. O'Brien, Jr., William S. Speed, Henry Vogt .

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 17, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

It was moved by Mr. Henry D. Ormsby, seconded by Mr. Stuart E.Duncan, and unanimously carried that Colonel D. H. Gray be given a leave of absence for sixty days with full pay.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

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Exhibit 21

Louisville, Ky. July 25, 1930.

At the regular weekly meeting of the Boar of Directors of the National Bank of Kentucky held this day there were present the following directors.

Charles F. Jones, R. Lee Callahan, Stuart E. Duncan, Samuel W. Coons, George M. Clark, Thomas J. Minary, Joseph H. Durham, Henry D. Ormsby, James J. Hayes, Charles C. Mengel, John S. Akers.

The following directors were absent- Henry J. Angermeier, James B. Brown, Anthony J. Carroll, Saunders P. Jones, Edward J. O'Brien, Jr. William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 24, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

The resignation of Mr. Baylor O. Hickman as Director of the National Bank of Kentucky was read to the Board by the Secretary and on motion on Mr. Callahan seconded by Mr. Duncan and unanimously carried same was accepted with regret.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. August 1, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, Stuart E. Duncan, R. LEE Callahan, George M. Clark, Thomas J. Minary, Henry J. Angermeier, Charles F. Jones, James J. Hayes, John S. Akers, Joseph H. Durham, James B. Brown.

The following directors were absent- Anthony J. Carroll, Samuel W. Coons, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of July 31st, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Exhibit 21

Louisville, Ky. August 8, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Charles F. Jones, Henry J. Angermeier, Thomas J. Minary, George M. Clark, Stuart E. Duncan, R. Lee Callahan, James J. Hayes, John S. Akers, James B. Brown.

The following directors were absent- Anthony J. Carroll, Samuel W. Coons, Joseph H. Durham, Saunders P. Jones, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby, William S. Speed, Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of August 7th, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky., August 15, 1930

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

Stuart E. Duncan, R. Lee Callahan, George M. Clark, Thomas J. Minary, Henry J. Angermeier, James J. Hayes, John S. Akers and Charles F. Jones.

The following directors were absent::James B. Brown, Anthony J. Carroll, Samuel W. Coons, Joseph H. Durham, Saunders P. Jones, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby, William S. Speed and Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky - The Louisville Trust Company, as of August 14th, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business on motion the meeting adjourned.

CHAIRMAN SECRETARY

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Exhibit 21

Louisville, Ky. August 22, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

Stuart E. Duncan, Joseph H. Durham, George M. Clark, Samuel W. Coons, Thomas J. Minary, Henry J. Angermeier, James J. Hayes, Charles F. Jones, John S. Akers and James B. Brown.

The following directors were absent: R. Lee Callahan, Anthony J. Carroll, Saunders P. Jones, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby, William S. Speed and Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky - The Louisville Trust Company, as of August 21st, read.

Maturities of $5,000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion by Mr. Duncan, seconded by Mr. Clark, the following resolution was unanimously adopted:

> "RESOLVED, that this Board hereby ratifies and approves the Repurchase Agreement entered into with THE BANK OF AMERICA NATIONAL ASSOCIATION, NEW YORK, on the fourteenth day of August, 1930, and any extensions thereof which may be entered into."

There being no further business on motion the meeting adjourned.

Chairman _____ Secretary _____

Louisville, Ky., August 29th, 1930

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

John S. Akers, Henry J. Angermeier, James B. Brown, R. Lee Callahan, T.J.Minary, George M. Clark, Samuel W. Coons, Stuart E. Duncan, Joseph H. Durham, James J. Hayes and Charles F. Jones

The following directors were absent: Anthony J. Carroll, Saunders P. Jones, Charles C. Mengel, Edward J. O'Brien, Jr., Henry D. Ormsby, William S. Speed and Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky - The Louisville Trust Company, as of August 28th, read.

Maturities of $5,000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business, on motion, the meeting adjourned.

Secretary _____

Chairman _____

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Louisville, Kentucky,

September 5th, 1930

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors:

John S. Akers, Henry J. Angermeier, R. Lee Callahan, George M. Clark, Anthony J. Carroll, Stuart E. Duncan, Joseph H. Durham, James J. Hayes, Charles F. Jones, Saunders P. Jones, Henry D. Ormsby, Thomas J. Minary and William S. Speed.

The following directors were absent: James B. Brown, Samuel W. Coons, Charles C. Mengel, Edward J. O'Brien, Jr. and Henry Vogt.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this Bank and consolidated statement of National Bank of Kentucky - The Louisville Trust Company, as of September 4th read.

Maturities of $5,000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Loans $5000.00 and over were read.

There being no further business, on motion -

The meeting adjourned.

Secretary

Chairman

Louisville, Ky. September 12,1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Henry J. Angermeier, R. Lee Callahan, William S. Speed, Henry Vogt, Thomas J. Minary, Samuel W. Coons, George M. Clark, Joseph H. Durham, James J. Hayes, Henry D. Ormsby, Charles F. Jones, John S. Akers, James B. Brown.

The following directors were absent- Stuart E. Duncan, Saunders P. Jones, Charles C. Mengel, Edward J. O'Brien, Jr.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank, and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of September 11, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business, on motion, the meeting adjourned.

Chairman.

Secretary.

Exhibit 21

Louisville, Ky. Sept.19,1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles F. Jones, Saunders P. Jones, William S. Speed, Henry Vogt, Stuart E. Duncan, Joseph H. Durham, George M. Clark, R. Lee Callahan, James J. Hayes, Thomas J. Minary, Edward J. O'Brien, Jr., Henry J. Angermeier, John S. Akers, James B. Brown.

The following directors were absent- Samuel M. Coons, Charles C. Mengel, Henry D. Ormsby.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company as of September 18, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion of Mr. William S. Speed seconded by Mr. Stuart E. Duncan, and unanimously carried, the regular quarterly dividend of 4% was declared payable October 1, 1930, to stockholders of record September 28, 1930.

The report of examination of this bank by the National Bank Examiner, J. Russell Mooney, as of April 26, 1930, was submitted to the Board of Directors by the President, discussed, received and filed.

There being no further business, on motion, the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. September 18,1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

George M. Clark, Henry Vogt, R. Lee Callahan, Stuart E. Duncan, William S. Speed, Henry J. Angermeier, Thomas J. Minary, Samuel M. Coons, Henry D. Ormsby, Anthony J. Carroll, Joseph H. Durham, John S. Akers, James J. Hayes, James B. Brown.

The following directors were absent- Saunders P. Jones, Charles F. Jones, Charles C. Mengel, Edward J. O'Brien, Jr.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company , as of September 18, 1930, read.

Maturities of $5,000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

There being no further business, on motion, the meeting adjourned.

Chairman. Secretary.

Exhibit 21

Louisville, Ky. October 3,1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Saunders P. Jones, R. Lee Callahan, Stuart E. Duncan, Henry Vogt, Anthony J. Carroll, Henry J. Angermeier, Thomas J. Minary, George M. Clark, John S. Akers, Henry D. Ormsby, James J. Hayes, Charles F. Jones.

The following directors were absent- James B. Brown, Samuel W. Coons, Joseph H. Durham, Charles C. Mengel, Edward J. O'Brien, Jr., and William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company, as of October 2, 1930, read.

Maturities of $5,000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $1000.00 and over read.

Loans of $50,000.00 and over read.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. October 9, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Henry Vogt, Stuart E. Duncan, R. Lee Callahan, Edward J. O'Brien, Jr., Joseph H. Durham, George M. Clark, Thomas J. Minary, Henry J. Angermeier, William S. Speed, James J. Hayes, Henry D. Ormsby, John S. Akers, Charles F. Jones, Saunders P. Jones, James B. Brown.

The following directors were absent- Charles C. Mengel, Samuel W. Coons.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company , as of October 8, 1930, read.

Mr. Robert Neill, Chief National Bank Examiner was present at the meeting and discussed the affairs of the bank.

On motion by Mr. Duncan seconded by Mr. Vogt, the following resolution was unanimously adopted.

RESOLVED, that the following directors be appointed as the Executive Committee to serve for the bank. Messrs. Speed, O'Brien, Vogt, Duncan, Brown and Ormsby - Vice President Mr. Akers is appointed as Secretary of the Committee.

The meeting adjourned until Friday October 10, 1930, three o'clock P.M

Exhibit 21

Messrs. Mengel, Coons, O'Brien, Duncan and Clark were absent.

On motion by Mr. Speed duly seconded by Mr. Durham the following resolution was unanimously adopted.

RESOLVED, that the officers of The BancoKentucky Company be requested to borrow One Million dollars for The BancoKentucky Company and to use the proceeds for the purpose of purchasing certain assets from the National Bank of Kentucky.

It was moved and seconded that a credit of $324,858.00 be made against the carrying value on BancoKentucky Company stock and other stocks which amount to be charged against Undivided Profits.

This motion was defeated 7 to 6 - Directors Callahan, Charles F. Jones, Carroll, Hayes, Angermeier, Minary and Brown voting against same.

There being no further business on motion the meeting adjourned.

Chairman. Secretary.

Louisville, Ky., October 17, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

James B. Brown, Anthony J. Carroll, Henry J. Angermeier, Henry D. Ormsby, Thomas J. Minary, James J. Hayes, George M. Clark, Edward J. O'Brien, Jr., Henry Vogt, John S. Akers, R. Lee Callahan, William S. Speed, Charles F. Jones.

The following directors were absent- Samuel M. Coons, Stuart E. Duncan, Saunders P. Jones, Charles C. Mengel.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company, as of October 16, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion by Mr. Speed duly seconded by Mr. Callahan the following resolution was adopted.

RESOLVED, that $242,500.00 representing loss in the sale of the Van Camp Packing Company stock be credited to the carrying value on BancoKentucky Company shares and charged to undivided profits.

Minutes of the meeting of the Executive Committee were read and approved.

There being no further business, on motion, the meeting adjourned.

Chairman. Secretary.

Exhibit 21

Louisville, Ky. October 24, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

James B. Brown, Anthony J. Carroll, Saunders P. Jones, Henry J. Angermeier, Thomas J. Minary, Joseph H. Durham, James J. Hayes, George M. Clark, Stuart E. Duncan, Henry Vogt, Henry D. Ormsby, Charles F. Jones, John S. Akers.

The following directors were absent- R. Lee Callahan, Samuel M. Coons, Charles C. Mengel, Edward J. O'Brien, Jr., William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company, as of October 23, 1930, read.

Maturities of $5000,00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

~~Overdrafts of $1000.00 and over read.~~ (X)

Minutes of the meeting of the Executive Committee were read and approved.

The following letter dated October 24, 1930, was addressed to the Hon. Comptroller of the Currency, Washington, D. C.

"In reply to the letter of Chief National Bank Examiner, Robert Neill, addressed to this board on October 11, 1930, the undersigned directors of The National Bank of Kentucky make the following report:

#1. The item of $242,500 representing loss in the Van Camp Packing Company stock, which has been added to the carrying value of the BancoKentucky Company stock owned by the National Bank of Kentucky has been charged to the Undivided Profit Account, thereby creating a deficit in that account, which deficit we are confident will be covered by current earnings within the next sixty days.

#2. The $580,000 represented by debentures of the Murray Rubber Company and a participation of $20,000 in the note of Lewis C. Humphreys for $27,734.74 have been this day sold to the BancoKentucky Company, this bank having received in payment therefor check of the BancoKentucky Company for $600,000 against its adequate balance on the books of this bank. The remainder of $7,734.74 of the Humphreys' item has been charged to Undivided Profits.

#3. This Board is assured by Messrs. James B. Brown, Charles F. Jones, and W. T. ZurSchmiede, officers of the BancoKentucky Company, the two first named being members of this board and the last named its secretary, that active and bonafide efforts are being made by them as officers of the BancoKentucky Company to borrow $400,000, which is to be used by the BancoKentucky Company for the purpose of purchasing, under the terms set forth in letter of October 11,1930, the remaining items described therein.

#4. The entire 100,000 shares of the BancoKentucky Company stock acquired by this bank in exchange for the Kentucky Wagon Company indebtedness is now being carried on the books of the bank at $1,627,650, the amount of the Kentucky Wagon Company indebtedness as of the date of the transfer. We agree that this carrying value will not be increased unless and until the market value of the BancoKentucky Company stock shall exceed the present carrying value.

#5. This Board of Directors in its entirety and through its recently created Executive Committee is undertaking to pass on all loans made by the bank, and to consider and pass on all lines of credit commitments, contracts and major expense items incident to the

operation of this bank. The heavy line of credit to Caldwell and Company and affiliated interests, which the examiner advises this board is in his opinion an excessive loan in violation of law, will not be increased - in fact our President has been directed to call for additional collateral on existing loans. $600,000 of this indebtedness which has come into the bank since the commencement of the current examination has not been approved by this board. Of this amount $500,000 was loaned after the creation by this board of the Executive Committee for the purpose, as one of its functions, of passing on loan applications. President Brown and Vice President Jones assume the entire responsibility for this loan from the bank's funds.

#6. We believe and represent that active and bona fide efforts are being made to consummate a merger of this bank with the Louisville Trust Company and on the completion of such merger, it is anticipated that other slow and doubtful paper criticised by the examiner will be eliminated from the assets of this bank.

#7. This letter is copied in full in the minutes of this meeting.

Respectfully,

James B. Brown
Anthony J. Carroll,
Saunders P. Jones,
S. E. Duncan,
Henry Vogt,
George W. Clark,
H. D. Ormsby
J. J. Hayes

J. S. Akers.
H. J. Angermeier,
C. F. Jones.

There being no further business, on motion the meeting adjourned.

Chairman.

Secretary.

Louisville, Ky. October 31, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Anthony J. Carroll, Charles F. Jones, Henry J. Angermeier, Thomas J. Minary, George W. Clark, Joseph H. Durham, Samuel W. Coons, Henry D. Ormsby, Henry Vogt, Stuart E. Duncan, R. Lee Callahan, Saunders P. Jones, James B. Brown, John S. Akers.

The following directors were absent- James J. Hayes, Charles C. Mengel, Edward J. O'Brien, Jr., William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company, as of October 30, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

On motion by Mr. Ormsby seconded by Mr. Duncan and unanimously carried it was resolved that all overdrafts of $1000.00 and over at the close of business each Thursday be reported to the Board.

On motion by Mr. Vogt seconded by Mr. Callahan and unanimously carried it was resolved that the President and Cashier be authorized to sign bond in the amount of $3,250,000.00 covering deposit of Treasurer of the State of Kentucky.

On motion by Mr. Justin seconded by Mr. Vogt and unanimously carried the following resolution was adopted:

RESOLVED, that a meeting of the Board of Directors of the National Bank of Kentucky be called for Monday, November 10, 1930, for the sole purpose of going over the report of the National Bank Examiner.

It was agreed that the Executive Committee should employ accountants to make a complete audit of the Kentucky Wagon Manufacturing Company.

Minutes of the meeting of the Executive Committee read and approved.

There being no further business, on motion, the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. November 7, 1930.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky held this day there were present the following directors.

Joseph H. Durham, Henry VogtGeorge M. Clark, Henry J. Angermeier, Henry D. Ormsby, James J. Hayes, Anthony J. Carroll, Samuel W. Coons, Charles F. Jones, Saunders P. Jones, R. Lee Callahan, Thomas J. Minary, James B. Brown, John S. Akers.

The following directors were absent- Stuart E. Duncan, Charles C. Mengel, Edward J. O'Brien, Jr., William S. Speed.

Minutes of last meeting were read and said minutes and all actions recorded therein are hereby approved and confirmed.

Statement of condition of this bank and consolidated statement of National Bank of Kentucky and Louisville Trust Company, as of November 6, 1930, read.

Maturities of $5000.00 and over of the succeeding week were read.

Loans taken during the previous week were submitted to the Board and unanimously approved.

Overdrafts of $1000.00 and over read.

There being no further business, on motion, the meeting adjourned.

Chairman. Secretary.

Louisville, Ky. November 10,1930.

At a meeting of the Board of Directors of the National Bank of Kentucky held this day at 2 P. M. in the Directors' Room of the Louisville Trust Company building, there were present the following directors.

James B. Brown, John S. Akers, Charles F. Jones, Henry J. Angermeier, Henry D. Ormsby, James J. Hayes, Stuart E. Duncan, William S. Speed, R. Lee Callahan, Anthony J. Carroll, George M. Clark, Saunders P. Jones, Thomas J. Minary, Joseph H. Durham, Henry Vogt.

The following directors were absent- Edward J. O'Brien, Jr., Charles C. Mengel, Samuel W. Coons.

It was moved that the minutes of the last meeting be dispensed with.

Exhibit 21

The meeting was called for the purpose of reading and discussing the report of the National Bank Examiner, Robert Neill, covering the condition of the National Bank of Kentucky as of September 17, 1950.

After discussion of the contents of the report the meeting adjourned.

Chairman. Secretary.

Exhibit 22

PLAINTIFF'S EXHIBIT No. 22
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

EDMUND F. TRABUE
JOHN C. DOOLAN
T. K. HELM
JAMES P. HELM, JR.
JOHN BLAKEY HELM
HARRIS W. COLEMAN
JAMES W. STITES
THOMAS J. WOOD
NELSON HELM

LAW OFFICES
TRABUE, DOOLAN, HELM & HELM
1210-1225 INTER SOUTHERN BUILDING
LOUISVILLE, KY.

September 5, 1929.

Mr. Chas. F. Jones, Cashier,
National Bank of Kentucky,
Louisville, Ky.

Dear Sir:

Referring to the conference last night between Mr. Brown, Mr. Vaughan, you and myself, as I understood the questions submitted they were very largely covered by my letter of June 14th to you, a copy of which is attached. However, for the sake of clearness and after talking over the telephone with Mr. Vaughan, we submit our answers as follows:

(1) There is no State law or limitation on State banks or State trust companies as to where they shall carry their required reserves. If, however, a State bank or State trust company is a member of the Federal Reserve, it has to comply with the Federal Reserve Act and carry its reserve with the Federal Reserve Bank of its district.

(2) National banks must carry their reserves with their Federal Reserve Bank and the only way to avoid doing so is to de-nationalize so as to bring the institutions solely under the State laws, under which, as stated, they may deposit with any other bank or trust company in the same or any other city.

(3) The reserves required under the State law and the national law are uniform in cities of the same class, and not repeated because set forth in the attached letter.

Member banks in the Federal Reserve System are prohibited by the Federal Reserve Act from depositing with a non-member bank in excess of 10% of its own paid-up capital and surplus.

Except for this last limitation and the requirement of keeping with the Federal Reserve Bank of the district the legal reserve against deposits, there is no limitation upon where national banks shall keep their deposits.

Yours very truly,

TKH-ML.

T. K. Helm

22

Exhibit 22

June 14, 1929.

Mr. Chas. F. Jones, Cashier,
National Bank of Kentucky,
Fifth & Main Sts.,
Louisville, Ky.

Dear Sir:

Referring to the questions you submitted to me yesterday afternoon, I advise as follows:

(1) The amount of reserves required under the Kentucky law, Section 584 Kentucky Statutes, and the Federal law, Section 19 of the Federal Reserve Act, are the same, viz, in a Federal Reserve city, which Louisville is, 10% on demand deposits and 3% on time and savings deposits.

(2) In State banks and trust companies which are not members of the Federal Reserve, their legal reserve may be one-third in money in their vaults and two-thirds in balances due subject to call deposited in any other bank.

(3) If a State bank or trust company becomes a member of the Federal Reserve, then it is under the same requirements as to its reserve as national banks.

Therefore, as to both national banks and State banks, or trust companies, which are members of the Federal Reserve System, the Federal Act requires the above mentioned reserves to be kept on deposit with the Federal Reserve Bank of the district.

In estimating the balances upon which reserves are to be paid, the member banks pay on the net difference of amounts due to and from other banks and they may also deduct from their balances deposits of the Government.

This subject is further referred to in the Federal Reserve Board Regulations, Section III (b) "(1) From gross demand deposits, all Government deposits as defined above. (2) From the amount of balances due to other banks, the amount of balances due from other banks (except Federal reserve banks and foreign banks), including in the amount due from banks, out of town items placed in the mail and charged to the account of correspondent banks, items with a Federal reserve bank in process of collection, checks drawn on banks located in the same city, and exchanges for clearing houses".

There is no similar provision in the Kentucky law.

The Federal Reserve Act in Section 10 prohibits any member bank from keeping on deposit with any State bank or trust company which is not a member bank a sum in excess of 10% of its paid up capital and surplus.

6

Exhibit 22

In my opinion there is no limitation on the rights of country banks depositing with a city bank, whenever the city bank is a voluntary or compulsory member of the Federal Reserve System, whether it be a State bank or a State trust company member of the Federal Reserve or organized as a national bank.

If this does not answer your question I will be glad to confer further.

Yours very truly,

TKH-MI.

CLERK'S COPY

EXHIBIT III

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. 497

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1942

No.....

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

v. *Petitioner,*

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

EXHIBITS

VOLUME No.

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,
ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

INDEX TO EXHIBITS

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
23	3	1049		Minutes of directors meetings of Banco Kentucky Company
24	3	1136		Letter from A. J. Carroll to National Bank of Kentucky reporting the organization of the Banco Kentucky Company
24-1	3	1138		Telegram from A. J. Carroll to National Bank of Kentucky dated July 17, 1929, advising his forwarding incorporation papers
24-2	3	1139		Letter to A. J. Carroll dated July 20, 1929, enclosing copy of printed letter sent to all stockholders
24-3	3	1140		Circular letter of July 19, 1929, sent to all stockholders
24-4	3	1142		Subscription to shares of Banco Kentucky Company
24-5	3	1143		Letter of September 12, 1929, sent to all trustee participation certificate shareholders
24-6	3	1144		Letter from Banco Kentucky Company to subscribers requesting payment of subscriptions
25	3	1145		Letter of Robert F. Vaughn, Atty. for National Bank of Kentucky, dated July 6, 1929 in re. federal income tax
25-1	3	1145		Vaughn's suggested preface to prospectus
25-2	3	1148		Circular letters to stockholders addressed
25-3	3	1154		Memo from Bean to Brown dated July 10, 1929 re. proposed prospectus
25-4	3	1155		Prospectus proposed by Bean
25-5	3	1157		Letter from Robert Vaughn to James B. Brown dated July 9, 1929 re. reorganization and federal income taxes

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EXHIBITS Number	Volume	Page	Transcript of testimony Page	
26	3	1158		Articles with reference to Banco Kentucky Company appearing in Herald Post, Courier Journal and Louisville Times
26-1	3	1243		Clipping from the American Banker dated July 23, 1929
26-2	3	1245		Letter from Stein Bros. & Boyce to James B. Brown dated Sept. 11, 1929, containing clipping advertising Banco
26-3	3	1246		Letter dated October 15, 1929 from the Coast Banker to National Bank of Kentucky enclosing tear sheet from the June 19, 1929 issue
26-4	3	1249		Clipping forwarded bank by Argus Press Clipping Bureau taken from New York Herald Tribune under date of Sept. 27, 1929
26-5	3	1250		Clipping from Covington, Kentucky, newspaper under date of January 3, 1930
26-6	3	1251		Letter dated May 19, 1930 from the Commercial & Financial Chronicle to J. B. Brown
26-7	3	1252		News item from the Chronicle News dated November 23, 1929
26-8	3	1253		Telegram dated Feb. 17, 1930, from American Banker to Banco Kentucky Co. and a copy of Banco Kentucky Company's answer thereto
26-9	3	1254		Letter dated Jan. 31, 1930 from American Banker to Banco Kentucky Corp. in re. publicity to be given Banco.
26-10	3	1255		Letter of April 9, 1930 from American Banker to Banco Kentucky Corp. enclosing news item from the April 9, 1930 issue
26-11	3	1257		Herald Post front page of issue of January 17, 1929

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(continued)

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
26-12	3	1260		Consolidated statement of National Bank of Kentucky and Louisville Trust Company dated June 29, 1929
27	3	1262		Letter and enclosures dated July 26, 1929 from Richard Bean, President Louisville Trust Co., to James B. Brown, President National Bank of Kentucky, suggesting answers to general questions asked about Banco
28	3	1265		Letter from Bean to Brown dated June 24, 1929 asking for statistical information on the proposed Banco Corporation
29	3	1266		Letter from Bean to Jones dated August 21, 1929, commenting on loans made on bank stock
30	3	1267		Letter from Bean to Brown dated August 8, 1929, re. pushing stock sales of Banco Kentucky Company
31	3	1269		Letter from Bean to Jones dated August 24, 1929 re. market transactions in Banco stock.
32	3	1270		Letter with enclosures Bean to Jones dated Sept. 5, 1929, re. letters to prospective subscribers
32-1	3	1272		Letter from Bean to Jones dated August 24, 1929 re. open market transactions
32-2	3	1273		Letter from T. K. Helm to James B. Brown dated December 3, 1929 re. Sec. 581 Kentucky statutes and proposed change in said law.
33-1	3	1275		Letter of criticism from Comptroller to National Bank of Kentucky dated June 30, 1927
33-2	3	1277		Letter of criticism from Comptroller to National Bank of Kentucky dated Sept. 7, 1927

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33-3	3	1278		Letter of criticism from Comptroller to National Bank of Kentucky dated December 12, 1927
33-4	3	1280		Letter of criticism from Comptroller to National Bank of Kentucky dated Jan. 19, 1928
33-5	3	1281		Letter of criticism from Comptroller to National Bank of Kentucky dated Jan. 27, 1928
33-6	3	1282		Letter of criticism from Comptroller to National Bank of Kentucky dated April 30, 1928
33-7	3	1283		Letter of criticism from Comptroller to National Bank of Kentucky dated May 12, 1928
33-8	3	1285		Letter of criticism from Comptroller to bank dated June 2, 1928
33-9	3	1286		Letter of criticism from Comptroller to bank dated June 16, 1928
33-10	3	1287		Letter of criticism from Comptroller to bank dated August 23, 1928
33-11	3	1288		Letter of criticism from Comptroller to bank dated November 27, 1928
33-12	3	1290		Letter of criticism from Comptroller to bank dated January 14, 1929
33-13	3	1291		Letter of criticism from Comptroller to bank dated March 23, 1929
33-14	3	1292		Letter of criticism from Comptroller to bank dated July 12, 1929
33-15	3	1293		Letter of criticism from Comptroller to bank August 6, 1929
33-16	3	1294		Letter of criticism from Comptroller to bank dated August 29, 1929

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33-18	3	1296		Letter of criticism from Comptroller to bank dated February 21, 1930
33-19	3	1298		Letter of criticism from Comptroller to bank dated March 19, 1930
33-20	3	1299		Letter of criticism from Comptroller to bank dated April 11, 1930
33-21	3	1300		Letter of criticism from Comptroller to bank dated June 23, 1930
33-22	3	1302		Letter of criticism from Comptroller to bank dated July 23, 1930
33-23	3	1303		Letter of criticism from Comptroller to bank dated August 9, 1930
33-24	3	1304		Letter of criticism from Comptroller to bank dated Sept. 9, 1930
33-25	3	1305		Letter of criticism from Comptroller to bank dated November 8, 1930
34-1	3	1306		Letter from officers and directors of National Bank of Kentucky to Comptroller dated July 23, 1927 replying to criticism
34-2	3	1308		Letter from bank to Comptroller dated Sept. 16, 1927
34-3	3	1313		Letter from bank to Comptroller dated Dec. 24, 1927
34-4	3	1314		Letter from bank to Comptroller dated Jan. 24, 1928
34-5	3	1315		Letter from bank to Comptroller dated Feb. 4, 1928
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34-8	3	1325		Letter from bank to Comptroller dated January 22, 1929
34-9	3	1326		Letter from bank to Comptroller dated February 4, 1929
34-10	3	1329		Letter from bank to Comptroller dated April 5, 1929, enclosing list of criticized loans
34-11	3	1334		Letter from bank to Comptroller dated Sept. 24, 1929, enclosing copy of circular letter to stockholders
34-12	3	1338		Letter from bank to Comptroller dated March 21, 1930
34-13	3	1339		Letter from bank to Comptroller dated August 23, 1930
34-14	3	1340		Letter from bank to Comptroller dated October 24, 1930
35-1 & 2	3	1342		Letter from J.S. Akers to Second National Bank, Hagerstown, Md., dated July 30, 1929
35-3	3	1344		Letter from J.J. Funk to Trustees National Bank of Kentucky and Louisville Trust Company dated July 22, 1929
35-4	3	1345		Letter from J.S. Akers to L.A. Thomas dated August 3, 1929
35-5	3	1346		Letter from J.S. Akers to Mrs. Birdie Greenbaum dated Aug. 10, 1929
35-6	3	1347		Letter from Birdie Greenbaum to J.B. Brown dated August 7, 1929

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35-7	3	1348		Letter from J. S. Akers to R. S. Holland dated Aug. 15, 1929
35-8	3	1349		Letter from R. S. Holland to Trustees National Bank of Kentucky dated August 12, 1929
35-9	3	1352		Letter from J. S. Akers to Fred P. Hill dated August 24, 1929
35-10	3	1353		Letter from J. S. Akers to George A. Scott dated August 27, 1929
35-11	3	1354		Letter from Reno National Bank to National Bank of Kentucky dated August 26, 1929
35-12	3	1355		Letter from J. S. Akers to V. L. Holt dated Sept. 6, 1929
35-13	3	1356		Letter from J. S. Akers to V. L. Holt dated Sept. 6, 1929
35-14	3	1357		Letter from Vanda Lee Holt to "Gentlemen" dated Sept. 1, 1929
35-15	3	1359		Letter from J. S. Akers to W. T. Pope dated Sept. 28, 1929
35-16	3	1360		Letter from W. T. Pope to J. S. Akers dated Sept. 26, 1929
35-17	3	1361		Letter from J. S. Akers to W. T. Pope dated Sept. 28, 1929
35-18	3	1362		Letter from W. T. Pope to J. S. Akers dated August 26, 1929
35-19	3	1363		Letter from J. S. Akers to W. T. Pope dated July 23, 1929
35-20	3	1364		Letter from W. T. Pope to J. S. Akers dated July 20, 1929
35-21	3	1365		Letter from J. S. Akers to Wm. C. Chamberlain dated September 6, 1929

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EXHIBITS Number	Volume	Page	Transcript of testimony Page	
35-22	3	1366		Letter from Wm. C. Chamberlain to J. S. Akers dated Sept. 4, 1929
35-23	3	1367		Letter from Wm. C. Chamberlain to J. S. Akers dated August 25, 1929
35-24	3	1368		Letter from J. S. Akers to Wm. C. Chamberlain dated August 19, 1929
36-1	3	1369		Letter from E. B. Robertson to George C. Wilson dated July 22, 1929
36-2	3	1370		Letter from George C. Wilson to E. B. Robertson dated July 20, 1929
36-3	3	1371		Letter from E. B. Robertson to E. L. Byron dated July 25, 1929
36-4	3	1372		Letter from E. L. Byron to E. B. Robertson dated July 24, 1929
36-5	3	1373		Letter from E. B. Robertson to J. F. McDaniels, Jr. dated August 9, 1929
36-6	3	1374		Letter from E. B. Robertson to Mrs. B. K. Alcorn dated August 13, 1929
36-7	3	1375		Letter from E. B. Robertson to F. W. Abrams dated August 13, 1929
36-8	3	1376		Letter from Abrams to E. B. Robertson dated August 20, 1929
36-9	3	1377		Letter from E. B. Robertson to Mrs. Margaret C. Broadus dated August 13, 1929
36-10	3	1378		Letter from E. B. Robertson to Mrs. Margaret C. Broadus dated August 28, 1929
36-11	3	1379		Letter from E. B. Robertson to T. H. Broadus dated Sept. 7, 1929
36-12	3	1380		Letter from T. H. Broadus to E. B. Robertson dated Sept. 6, 1929
36-13	3	1381		Letter from E. B. Robertson to Mrs. Evelyn M. Craig dated Aug. 16, 1929

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36-14	3	1382		Letter from E. B. Robertson to Isaac R. Hoagland dated August 16, 1929
36-15	3	1383		Letter from E. B. Robertson to D. M. Hoagland dated August 16, 1929
36-16	3	1384		Letter from E. B. Robertson to L. W. Coakley dated Aug. 22, 1929
36-17	3	1385		Letter from E. B. Robertson to Glenn M. Mobley dated Aug. 27, 1929
36-18	3	1386		Letter from Glenn M. Mobley to E. B. Robertson dated Aug. 26, 1929
36-19	3	1387		Letter from E. B. Robertson to J. A. Cheek dated August 28, 1929
36-20	3	1388		Letter from E. B. Robertson to Julia C. Tandy dated Aug. 31, 1929
36-21	3	1389		Letter from J. C. Tandy to E. B. Robertson dated Aug. 29, 1929
36-22	3	1390		Letter from Frank L. Smith to E. B. Robertson dated Sept. 3, 1929
36-23	3	1391		Letter from E. B. Robertson to Frank L. Smith dated Sept. 4, 1929
36-24	3	1392		Letter from E. B. Robertson to Mrs. Justine Tandy Campbell dated Sept. 9, 1929
36-25	3	1393		Letter from Mrs. Justine T. Campbell to James B. Brown dated Sept. 8, 1929
36-26	3	1394		Letter from E. B. Robertson to Sam C. Baird dated Sept. 14, 1929
36-27	3	1395		Letter from Sam C. Baird to E. B. Robertson dated Sept. 13, 1929
36-28	3	1396		Letter from E. B. Robertson to J. C. Cardwell dated Sept. 17, 1929
36-29	3	1397		Letter from J. C. Cardwell to E. B. Robertson dated Sept. 23, 1929

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37-1	3	1398		Letter from J. J. Hayes to A. C. Hodgen dated August 15, 1929
37-2	3	1399		Letter from A. C. Hodgen to J. J. Hayes dated August 14, 1929
37-3	3	1400		Letter from J. J. Hayes to A. C. Hodgen dated October 2, 1929
37-4	3	1401		Letter from A. C. Hodgen to J. J. Hayes dated October 1, 1929
37-5	3	1402		Letter from J. J. Hayes to Davis Brown dated August 16, 1929
37-6	3	1403		Letter from J. J. Hayes to John L. Street dated August 21, 1929
37-7	3	1404		Letter from J. L. Street to J. J. Hayes dated August 23, 1929
37-8	3	1405		Letter from J. J. Hayes to John L. Street dated August 25, 1929
37-9	3	1406		Letter from John L. Street to J. J. Hayes dated Sept. 6, 1929
37-10	3	1407		Letter from J. J. Hayes to John L. Street dated Sept. 7, 1929
37-11	3	1408		Letter from J. J. Hayes to Pearl R. Burford dated August 22, 1929
37-12	3	1409		Letter from J. J. Hayes to Frank Smith dated August 25, 1929
37-13	3	1410		Letter from J. J. Hayes to S. C. Gish dated August 26, 1929
37-14	3	1411		Letter from J. S. Lyons to J. J. Hayes dated August 27, 1929
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37-16	3	1414		Letter from J. J. Hayes to J. M. Kendall dated August 29, 1929

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Exhibit "Zur Schmiede No. 42"

Treasurer shall also keep such books of account as the Directors may direct and a report of the financial condition of the corporation shall be made by the Treasurer to the President or Board of Directors whenever so requested and a report of like character shall be submitted by the Treasurer at each annual meeting. The officers shall be required to execute such bond as may be required by the Directors.

Duties of Secretary

Sec. 14: The Secretary shall record all the votes of the stockholders and Directors in a book to be kept for that purpose. He shall record all transfer of stock and cancel and preserve all certificates of stock transferred. He shall also keep a list of the stockholders of the corporation showing their places of residence and number of shares of stock held by them respectively from the time when they became the owners of such shares. He shall also keep the seal of the corporation and affix the same to all certificates of stock and such other instruments requiring the seal as may be directed by the Board of Directors. The Secretary shall also keep such other books and perform such other duties as may be assigned to him.

Payments, How Made

Sec. 15: Payments on behalf of the corporation shall only be made by check of the corporation signed by such officers or other persons as may be designated by the Board of Directors.

Certificates Signed

Sec. 16: All certificates of stock shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and be attested by the corporate seal.

Stock Transfers

Sec. 17: Certificates of stock may be transferred or pledged by an endorsement to the proper effect in writing on the back of the certificate and delivery of such certificate by the transferror to the transferee; provided, that until notice given of such transfer to the Secretary of the corporation and the surrender of the certificate of stock for cancellation, and the issue of a new certificate, the

Exhibit 23

corporation may regard and treat the transferror as being still the owner of the stock.

Seal

Sec. 18: The seal of the corporation shall be circular in form with the words "The BancoKentucky Company" on the circumference.

Fiscal Year

Sec. 19: The fiscal or business year of the Corporation shall begin on the (first) day of (January) and end on the (thirty-first) day of (December) of each year.

(Words in parentheses omitted in Minute Book)

Dividends

Sec. 20: Dividends may be declared annually or more frequently if the Directors shall so direct, from the surplus or net profits of the corporation.

Agencies

Sec. 21: The corporation may establish such branch offices or agencies in any State of the United States or any foreign country as may be directed by the Board of Directors.

Amendments

Sec. 22: These by-laws may be amended at any directors' meeting by a vote of a majority of the whole Board of Directors. They may also be amended at any stockholders' meeting by a vote of stockholders owning not less than fifty-one per cent of the capital stock issued and outstanding.

(Signed) M. S. COOK, Chairman

(Signed) A. L. RAUGHLEY, Secretary

Messrs.

John S. Akers
H. J. Angermeier
Richard Bean
William Black
Dr. Oscar E. Block
Charles H. Bohmer
George O. Boomer
James B. Brown
R. Lee Callahan
Anthony J. Carroll

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37-18	3	1416		Letter from J. M. Carson to J. J. Hayes dated Sept. 6, 1929
37-19	3	1417		Letter from J. J. Hayes to J. M. Carson dated Sept. 7, 1929
37-20	3	1418		Letter from J. M. Carson to J. J. Hayes dated Sept. 10, 1929
37-21	3	1419		Letter from J. J. Hayes to J. M. Carson dated Sept. 11, 1929
38-1	3	1420		Letter from H. J. Angermeier to P. M. Witt dated August 9, 1929
38-2	3	1421		Envelope to H. J. Angermeier postmarked August 8, 1929
38-3	3	1422		Letter from P. M. Witt to H. J. Angermeier dated August 8, 1929 enclosing clipping
38-4	3	1423		Letter from H. J. Angermeier to C. Quarrier dated October 21, 1929
38-5	3	1424		Re: BancoKentucky Company
38-6	3	1424		Letter from Cushman Quarrier to J. J. Hayes dated October 19, 1929
39-1	3	1425		Letter from L. L. Fontaine to J. E. Pridday dated August 3, 1929
39-2	3	1426		Letter from L. L. Fontaine to J. E. Pridday dated August 21, 1929
39-3	3	1428		Letter from J. E. Pridday to L. L. Fontaine dated August 24, 1929
39-4	3	1430		Letter from L. L. Fontaine to J. E. Pridday dated October 5, 1929
39-5	3	1431		Letter from L. L. Fontaine to W. C. Hall dated August 21, 1929
39-6	3	1432		Letter from L. L. Fontaine to W. C. Hall dated August 28, 1929
39-7	3	1433		Letter from W. C. Hall to L. L. Fontaine dated August 26, 1929

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39-8	3	1434		Letter from L. L. Fontaine to Jennie B. Young dated August 22, 1929
39-9	3	1435		Letters from Jennie B. Youngto L. L. Fontaine dated August 21 and 24, 1929
39-10	3	1440		Letter from L. L. Fontaine to Robert J. Graf dated Sept. 30, 1929
39-11	3	1441		Letter from Robert J. Graf to T. B. Wilson dated Sept. 29, 1929
39-12	3	1442		Letter from Robert J. Graf to L. L. Fontaine dated October 2, 1929
39-13	3	1443		Letter from L. L. Fontaine to E. S. Kinsley dated October 17, 1929
39-14	3	1444		Letter from L. L. Fontaine to J. E. Pridday dated March 28, 1930
40	3	1445(a)		Certificate of stock National Bank of Kentucky
41	3	1446		Acceptances by stockholders of the unified trust agreement of April 22, 1927
42	3	1446		Power of attorney issued by stockholders authorizing the exchange of National Bank of Kentucky stock for trustees' participation certificates
44	3	1447		Interim receipt issued to holders of trustees' participation certificates pending reorganization outlined in trustees' and directors' letter of July 19, 1929
45	3	1449		Banco Kentucky temporary certificate delivered to all depositing holders of trustees' participation certificates
46	3	1451		Permanent certificate of stock issued by Banco Kentucky Company

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George M. Clark
Samuel W. Coons
Allen P. Dodd
Nicholas H. Dosker
S. E. Duncan
R. R. Boswell
Joseph H. Durham
C. Oscar Ewing
James Garnett
Walter H. Girdler
Angereau Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
C. C. Hieatt
Saunders P. Jones
Milburn P. Kelley
Walter I. Kohn
Brainard Lemon
S. Clay Lyons
Charles C. Mengel
T. J. Minary
Ben J. Metcalfe
J. William Miller
David C. Morton
E. J. O'Brien, Jr.
Henry D. Ormsby
John B. Pirtle
Ben Robertson
Arthur Rutledge
William Short
William S. Speed
John Stites
Sam H. Stone
E. Leland Taylor
Horace A. Taylor
Robert F. Vaughan
Henry Vogt
E. Weinstock

were nominated for directors of the corporation, to hold office for the ensuing year.

No other nominations having been made, a ballot was duly taken, and all the incorporators having voted, and their ballots duly canvassed, the Chairman declared that the above-named persons had been elected directors of the corporation by the unanimous vote of all the incorporators.

Upon motion duly made and seconded, it was

RESOLVED, that the directors be and they hereby are authorized to issue the capital stock of this corporation to the aggregate amount of TWENTY MILLION DOLLARS ($20,000,000.00), for money, labor done, personal property, real estate or leases thereof, or any of such considerations, as they shall from time to time deem advisable.

The meeting thereupon adjourned.

(Signed) A. L. RAUGHLEY
Secretary of the Meeting.

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Exhibit "Zur Schmiede No. 42"

CERTIFICATE OF INCORPORATION

OF

THE BANCOKENTUCKY COMPANY

Incorporated under the Laws of Delaware

Name

First: The name of this corporation is The Banco-Kentucky Company.

Offices

Second: Its principal office in the State of Delaware is to be located in the City of Dover, in the County of Kent, in the State of Delaware. The name of its resident agent is the United States Corporation Company, whose address is No. 19-21 Dover Green in said city.

Nature of Business and Powers

Third: The nature of the business, or objects or purposes proposed to be transacted, promoted or carried on are:

Buying and Selling stocks or bonds

The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation.

Buying notes, etc.

Aiding Business Enterprises

Underwriting of stocks and bonds

Advice or Assistance to Persons, Firms, Corporations, Associations, etc.

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47	3	1453		Minutes of stockholders' meetings of National Bank of Kentucky from May 27, 1927 to and including final meeting of March 21, 1930
48	3	1466		Letter from James B. Brown to Comptroller dated October 7, 1929 re. denationalization of National Bank of Kentucky
49	3	1467		Letter from E. H. Gough, Deputy Comptroller, to President of National Bank of Kentucky dated October 9, 1929 acknowledging receipt of letter on denationalization
50	3	1468		Letter from Robert Vaughn to Chas. F. Jones dated October 10, 1929 re. denationalization including resolutions
51	3	1476		Letter from E. H. Gough to Robert Vaughn dated October 17, 1929 re. denationalization
52	3	1477		Letter from B. M. Mulvihill, Acting Chief, Division of Deposits, Office of Secretary of the Treasury, Washington, to Cashier of National Bank of Kentucky, dated October 18, 1929 in re. government deposits
53	3	1478		Letter from C. F. Jones, Cashier National Bank of Kentucky, to B. M. Mulvihill, dated October 21, 1929 in re. denationalization
54	3	1479		Letter from C. M. Stewart, Ass't. Federal Reserve Agent, St. Louis, to Chas. F. Jones dated October 22, 1929 with list of substandard assets attached
55	3	1484		Letter from B. M. Mulvihill, Acting Chief, Division of Deposits, Treasury Department, to Cashier National Bank of Kentucky, dated Oct. 28, 1929 in re. denationalization

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Registrar or Transfer Agent

The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.

Power to issue bonds, debentures, etc.

The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge deed of trust or otherwise.

Power to purchase own stock, etc.

The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

Power to guarantee obligations of others

The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety therefor and to become joint maker, endorser or acceptor of any such obligation and to charge fees and commissions for such services.

Power to acquire, hold and sell Real Estate

The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

General Powers

In general, the corporation shall have full power to carry on any other business in connection with the foregoing whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The foregoing clauses shall be construed both as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

Capital

Fourth: The total authorized capital stock of this corporation is Two Million (2,000,000) shares of

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56	3	1485		Letter from C. F. Jones, Cashier National Bank of Kentucky, to B. M. Mulvihill, dated November 7, 1929 re. denationalization
57	3	1486		Letter from E. H. Gough, Deputy Comptroller to Robert Vaughn dated November 14, 1929 in re denationalization
58	3	1487		Letter from Robert Vaughn to Cashier National Bank of Kentucky dated November 18, 1929 in re. denationalization
59	3	1488		Letter from Governor Federal Reserve Bank to James B. Brown, President National Bank of Kentucky, dated Nov. 18, 1929 in re. bank borrowings
60	3	1489		Letter from John T. Moore, Cashier Federal Reserve Bank of St. Louis, to J. J. Hayes, Vice-President National Bank of Kentucky dated Nov. 26, 1929 in re. bank borrowings
61	3	1490		Letter from Cashier National Bank of Kentucky to Cashier Federal Reserve Bank dated Dec. 5, 1929 re. authority to pledge borrowed bonds
62	3	1492		Letter from John T. Moore, Cashier Federal Reserve Bank of St. Louis, to C. F. Jones dated Nov. 26, 1929 re. request of Federal Reserve for additional security
63	3	1493		Letter with enclosures from C. M. Stewart, Ass't. Federal Reserve Agent, to C. F. Jones dated Dec. 20, 1929 re. denationalization
64	3	1495		Telegram from F. G. Awalt to National Bank of Kentucky dated Dec. 26, 1929 re denationalization
65	3	1496		General ledger of the Banco Kentucky Company

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common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Twenty Million ($20,000,000) Dollars and being a total authorized capital stock of Twenty Million ($20,000,000) Dollars.

Fifth: The minimum amount of capital with which the corporation will commence business is One Thousand ($1,000.00) Dollars.

Sixth: The names and places of residence of each of the incorporators are as follows:

Name	Residence
M. S. Cook	Dover, Delaware
A. L. Raughley	Dover, Delaware
J. M. Townsend	Dover, Delaware

Perpetual existence

Seventh: This corporation is to have perpetual existence.

Fully paid stock

Eighth: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

Ninth: Subject to the provisions of the "General Corporation Law" the number of Directors of the corporation shall be determined as provided in the By-Laws.

Board of Directors and By-Laws

Tenth: In furtherance, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To make and alter the By-Laws of this corporation, to fix the amount to be reserved as working capital over and above its capital stock paid in, to authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.

Books of Company

From time to time to determine whether and to what extent, and at which times and places, and under what conditions and regulations, the accounts and books of this corporation, (other than the stock ledger), or any of them, shall be open to inspection of stockholders; and no stockholder shall have any right of inspecting any account, book or document of this corporation except as conferred by statute, unless authorized by a resolution of the stockholders or directors.

Exhibit 23

MINUTES

OF

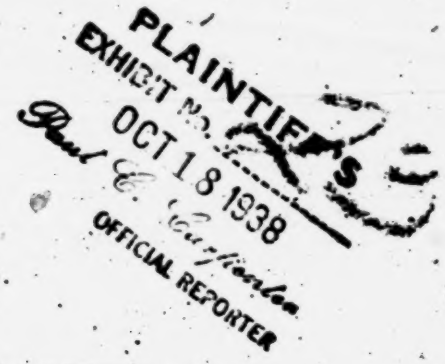
BANCOKENTUCKY

FROM

ORGANIZATION

UNTIL

CLOSE



Compliments of

CLARENCE E. WALKER, SHORTHAND REPORTER

THE STANDARD PRINTING CO., INCORPORATED, LOUISVILLE, KY.

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EXHIBIT "ZUR SCHMIEDE No. 42"

BancoKentucky
BP-24 and 33½

THE BancoKentucky COMPANY

MINUTE BOOK
AND
ORGANIZATION RECORDS

Represented by
UNITED STATES CORPORATION COMPANY
19-21 Dover Green, Dover, Delaware
150 Broadway, New York City

WAIVER OF NOTICE OF FIRST MEETING OF INCORPORATORS
of
THE BancoKentucky COMPANY

We, the undersigned, incorporators of
THE BancoKentucky COMPANY
a corporation of the State of Delaware, do hereby severally waive notice of the time, place and purpose of the first meeting of incorporators of said Company, and consent that the same be held at the office of UNITED STATES CORPORATION COMPANY, No. 19-21 Dover Green, in the City of Dover, Delaware, on the 16th day of July, 1929, at 2:30 P. M., and we do further consent to the transaction of any and all business that may come before the meeting, including the adoption of By-Laws and the election of directors.

Dated, July 16th, 1929.

(Signed) M. S. Cook (L. S.)
(Signed) A. L. Raughley (L. S.)
(Signed) J. M. Townsend (L. S.)

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Exhibit "Zur Schmiede No. 42"

MINUTES OF FIRST MEETING OF INCORPORATORS

of

THE BancoKentucky COMPANY

The first meeting of incorporators of

THE BancoKentucky COMPANY

was held on the 16th day of July, 1929, at 2:30 P. M., at the office of the UNITED STATES CORPORATION COMPANY, No. 19-21 Dover Green, in the City of Dover, Delaware, pursuant to a written waiver of notice signed by all the incorporators, fixing said time and place.

The following incorporators were present in person:

M. S. COOK
A. L. RAUGHLEY
J. M. TOWNSEND

being all the incorporators of the corporation.

On motion, M. S. Cook was elected Chairman, and A. L. Raughley was appointed Secretary of the meeting.

The Chairman reported that the Certificate of Incorporation of the corporation had been filed in the office of the Secretary of the State of Delaware, on the 16th day of July, 1929, and a certified copy thereof duly recorded in the office of the Recorder of Deeds of the County of Kent, on the 16th day of July, 1929, and presented a copy of said Certificate of Incorporation. A copy thereof was ordered to be inserted in the minute book.

The Secretary presented a code of By-Laws for the regulation of the affairs of the corporation, which was read, article by article, and unanimously adopted, which are as follows:

BY-LAWS

of

THE BANCOKENTUCKY COMPANY

Office

Sec. 1: The principal office of the corporation outside of the State of Delaware shall be located in Louisville, Jefferson County, Kentucky, and all meetings of stockholders may be held at such office.

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Annual Meeting

Sec. 2: The annual meeting of the stockholders shall be held on the second Tuesday in January of each year, at which time there shall be chosen such number of persons as may be determined by the stockholders to be Directors of the corporation for the ensuing year. A notice of such meeting shall be mailed to each stockholder at his post office address appearing on the records of the corporation at least ten days prior to the date of the meeting.

Special Meetings

Sec. 3: Special meetings of stockholders may be called at any time by the President, or it shall become the duty of the President to call special meetings upon the written request of stockholders owning at least fifty per cent of the capital stock of the corporation.

Quorum

Sec. 4: At all stockholders' meetings, stockholders owning at least fifty-one per cent of the capital stock of the corporation, issued and outstanding, and present either in person or by proxy, shall be necessary to constitute a quorum.

Eligibility of Stockholders to Vote

Sec. 5: At all meetings of stockholders, the right of any stockholder to vote shall be governed and determined by the transfer records, only such persons being entitled to vote who appear as stockholders upon the records of the corporation. Votes may be cast either in person or by proxy.

Vacancies

Sec. 6. In case of a vacancy or vacancies by death, resignation or otherwise, occurring in the Board of Directors between annual meetings, the remaining Director or Directors shall fill the vacancy or vacancies by choosing as many persons as may be necessary to fill the vacancies.

Resignations

Sec. 7: Any Director may resign his office at any time, and the resignation shall take effect from the time of its acceptance by the Board of Directors.

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Election of Officers

Sec. 8: The Directors shall immediately after their election hold a meeting at which they shall choose from among their number a President and they shall also choose one or more Vice Presidents and a Secretary and Treasurer who may or may not be members of the Board and such other officers as may be necessary for the proper conduct of the business. The offices of Secretary and Treasurer may be filled by the same person and all of such officers shall hold their office at the pleasure of the Board of Directors.

Rules, Regulations

Sec. 9: The Directors may adopt such rules and regulations for the conduct of their business and the management of the affairs of the corporation as they may deem proper, not inconsistent with the laws of Delaware or these by-laws.

Directors' Meetings

Sec. 10: The Directors may hold their meetings at the principal office of the corporation in Louisville, Kentucky. Notice of each meeting shall be given by mailing a notice thereof to each Director not less than three days before said meeting.

Duties of President

Sec. 11: The President shall preside at all meetings of the Directors and shall perform such other duties as he may be directed to perform by the Directors and he shall have general supervision of the business and affairs of the corporation.

Duties of Vice President

Sec. 12: The Vice Presidents shall perform such duties and have such authority as the Board of Directors may determine.

Duties of Treasurer

Sec. 13: The Treasurer shall deposit the money and securities belonging to the corporation in such bank or banks as may be selected by the Board of Directors. The

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Executive Committee

If the By-Laws so provide, to designate two or more of its number to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the By-Laws of this corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs of this corporation, and have power to authorize the seal of this corporation to be affixed to all papers which may require it.

Board's Power to sell, lease, or exchange property and assets of Corporation

Pursuant to the affirmative vote of the holders of at least a majority of the stock issued and outstanding, having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of at least a majority of the holders of the voting stock issued and outstanding, the Board of Directors shall have power and authority at any meeting to sell, lease or exchange all of the property and assets of this corporation, including its good will and its corporate franchises, upon such terms and conditions as its Board of Directors deem expedient and for the best interests of the corporation.

This corporation may in its By-Laws confer powers upon its directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by the statute.

Place of meeting of stockholders

Both stockholders and directors shall have power, if the By-Laws so provide, to hold their meetings, and to have one or more offices within or without the State of Delaware, and to keep the books of this corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the Board of Directors.

Amendments

Eleventh: This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

We, the undersigned, being each of the incorporators hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the General Corporation Law of the State of Delaware, being

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Chapter 65 of the Revised Code of Delaware, and the acts amendatory thereof and supplemental thereto, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this the 16th day of July, A. D., 1929.

M. S. COOK (Seal)
A. L. RAUGHLEY (Seal)
J. M. TOWNSEND (Seal)

In the presence of:
L. C. HUTCHINS
as to all.

STATE OF DELAWARE)
COUNTY OF KENT) SS:

BE IT REMEMBERED that on this 16th day of July, A. D. 1929, personally came before me,

C. H. JARVIS

a Notary Public in and for the County and State aforesaid,

M. S. COOK, A. L. RAUGHLEY and J. M. TOWNSEND, parties to the foregoing Certificate of Incorporation, personally known to me to be such and severally acknowledged the said Certificate to be the act and deed of the signers respectively, and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

C. H. JARVIS
Notary Public.

STATE OF DELAWARE
OFFICE OF SECRETARY OF STATE

I, CHARLES H. GRANTLAND, Secretary of State of the State of Delaware, do hereby certify that the above and foregoing is a true and correct copy of Certificate of Incorporation of "THE BancoKentucky COMPANY",

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as received and filed in this office the sixteenth day of July, A. D. 1929, at 1 o'clock P. M.

(SEAL) IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, at Dover, this sixteenth day of July, in the year of our Lord one thousand nine hundred and twenty-nine.

CHARLES H. GRANTLAND
Secretary of State.

MINUTES OF FIRST DIRECTORS' MEETING THE BancoKentucky COMPANY

The first meeting of the Board of Directors of The BancoKentucky Company was held in the directors' room of the National Bank of Kentucky and The Louisville Trust Company on Friday, July 19, 1929, at the hour of 3:30 P. M., notice of this meeting having been waived.

The following Directors were present:

John S. Akers,
H. J. Angermeier
Richard Bean
Dr. Oscar E. Bloch
Charles H. Bohmer
R. R. Boswell
R. Lee Callahan
George M. Clark
Samuel W. Coons
Nicholas H. Dosker
Joseph H. Durham
James Garnett
Walter H. Girdler
Angereau Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
C. C. Hieatt
Milburn P. Kelley
Walter I. Kohn
S. Clay Lyons
Ben J. Metcalfe
J. William Miller
T. J. Minary
David C. Morton
E. J. O'Brien, Jr.
Henry D. Ormsby
John B. Pirtle
Ben Robertson
Arthur M. Rutledge
William Short
Sam H. Stone
E. Weinstock
John Stites
James B. Brown

The meeting was organized by the selection of T. J. Minary as temporary Chairman and of C. F. Jones as temporary Secretary.

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Mr. T. J. Minary, temporary Chairman then took the Chair and called for nominations for the election of a President of the Company to serve until the annual meeting of the stockholders, and until his successor shall be elected and qualified.

Mr. James B. Brown was nominated by Mr. Coons, and the nomination was seconded by Mr. Kohn. Mr. T. J. Minary then moved that the nominations be closed, and that Mr. Brown be elected by acclamation. This motion prevailed unanimously, and the Chairman declared Mr. Brown elected President. Mr. Brown then took the Chair, and stated that the next order of business would be the election of two Vice-Presidents.

Mr. John Stites was nominated for Vice-President, and upon motion made, seconded and carried, was unanimously declared elected. Mr. Richard Bean was nominated for Vice-President, and upon motion made, seconded and carried, was unanimously declared elected. Mr. W. T. Zur Schmiede was nominated for Secretary and Treasurer, and there being no other nominations, the question being put, he was, upon motion made, seconded and carried, unanimously elected to those offices.

Louisville, Ky., July 19, 1929.

To the Holders of Trustees' Participation Shares,

National Bank of Kentucky and The Louisville Trust Company:

1. Your Officers and Directors have studied the rapidly changing conditions in the banking business in America, with a view to preparing the two banking institutions under their management, to meet these changed conditions, and to take early advantage of new opportunities presented thereby.

2. The conclusion unanimously reached, as a result of their deliberations, is that the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the operations of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections.

3. Such a reorganization is in line with the trend of business and finance in this country; and the strength

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and influence of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities, frequently presented in the course of business of the two banks, but not available to them, because of the restrictions upon their powers and activities.

4. The following is the Plan of Reorganization agreed upon by the Officers and Directors of the two banks, and approved by formal Resolutions of the Trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

5. There has been organized under the laws of the State of Delaware, a corporation known as The Banco-Kentucky Company, with an authorized capital of 2,000,000 shares, having a par value of Ten ($10.00) Dollars each. The stock will be exchanged or sold, in accordance with this Plan, on the basis of Twenty-five ($25.00) Dollars per share, which will give the Company a capital of Twenty Million ($20,000,000.00) Dollars, and a surplus of Thirty Million ($30,000,000.00) Dollars, or a total capital and surplus of Fifty Million ($50,000,000.00) Dollars. No stock will be sold by the Company at less than Twenty-five ($25.00) Dollars per share.

6. The corporation is given broad charter powers, including the right to acquire stocks, bonds and other securities of other corporations, and evidences of indebtedness created or issued by other corporations; the power to underwrite securities and take part in syndicate management, and to charge fees and commissions for its services in connection with the reorganization or refinancing of other corporations; the power to issue bonds and to guarantee the obligations of others and to become surety, guarantor and endorser thereof. The foregoing is merely a brief summary of the broad powers given the corporation; complete details of these powers appear in the Certificate of Incorporation of the Company, copies of which may be examined at the offices of the two banks by any one interested.

7. It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participa-

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tion Shareholders, and that it be managed and operated by the Boards of Directors and the officers of the two banks. The BancoKentucky Company, therefore, offers to the Trustees' Participation Shareholders of the National Bank of Kentucky and The Louisville Trust Company, through the Trustees as agents in the transaction, its entire capital stock, on the bases and subject to the terms and conditions hereinafter set out:

8. It is an essential part of this Plan that:

(a) On or before September 19, 1929, the holders of the Trustees' Participation Shares must deposit their Certificates with the Trustees for exchange into the shares of The BancoKentucky Company; and for each Participation Share thus deposited, the Trustees will cause to be issued to the holder thereof, Two (2) shares of the stock of the new corporation. In addition thereto the depositing shareholder will have the right to subscribe for as many additional shares of the stock of The BancoKentucky Company as he may desire at the price of Twenty-five ($25.00) Dollars per share subject to allotment ratably if over-subscribed. Trustees' Participation Shareholders who fail to deposit their shares on or before September 19, 1929, will be deemed to have waived their rights to thus exchange their shares and subscribe for stock in the new Company, unless the Trustees shall extend the time for deposit and subscription (as they may do in their discretion), in which event the Trustees' Participation Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time.

(b) The entire Plan of Reorganization, and the deposit and subscription privileges and rights hereinabove set out, are all, and each of them is, conditioned expressly upon the acquisition by the Trustees' Participation Shareholders, either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of The BancoKentucky Company; and further conditioned upon the acquisition by The BancoKentucky Company of at least a majority of the Trustees' Participation Shares issued and outstanding as of September 19, 1929.

9. It is the unanimous recommendation of your Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees' Participation Shareholders immediately deposit their shares under this Reorganization Plan, and

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that they exercise their right to subscribe to the additional shares of stock of the BancoKentucky Company.

10. There is enclosed herewith a subscription form covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees, at their office, 421 West Market Street, together with your Certificate or Certificates for Trustees' Participation Shares, endorsed in blank and witnessed. There will be issued to you an Interim Receipt for the shares deposited which, when the Plan has become effective as above set forth, may be presented for exchange for the permanent certificates of the BancoKentucky Company, in accordance with the Plan of Reorganization.

NATIONAL BANK OF KENTUCKY

By JAMES B. BROWN

President

THE LOUISVILLE TRUST CO.

By RICHARD BEAN

President

DIRECTORS

John Stites, Chairman

John S. Akers	James Garnett
Henry J. Angermeier	Walter H. Girdler
Richard Bean	Angereau Gray
William Black	James J. Hayes
Dr. Oscar E. Bloch	T. Kennedy Helm
Charles H. Bohmer	Baylor O. Hickman
George O. Boomer	C. C. Hieatt
R. R. Boswell	Saunders P. Jones
James B. Brown	Milburn P. Kelley
R. Lee Callahan	Walter I. Kohn
Anthony J. Carroll	Brainard Lemon
George M. Clark	S. Clay Lyons
Samuel W. Coons	Charles C. Mengel
Allen P. Dodd	Ben J. Metcalfe
Nicholas H. Dosker	J. Wm. Miller
Stuart E. Duncan	Thomas J. Minary
Joseph H. Durham	David C. Morton
C. Oscar Ewing	Edward J. O'Brien, Jr.

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Henry D. Ormsby
John B. Pirtle
Ben Robertson
Arthur M. Rutledge
William Short
William S. Speed
Sam H. Stone
E. Leland Taylor
Horace A. Taylor
Robert F. Vaughan
Henry Vogt
E. Weinstock

TRUSTEES

Charles H. Bohmer
Allen P. Dodd
Stuart E. Duncan
Ben J. Metcalfe
Thomas J. Minary
Henry Vogt

OFFICE OF TRUSTEES

421 West Market Street
The Louisville Trust Company Building
Louisville, Kentucky

The President stated that the next business before the meeting was the formal approval of the Reorganization Plan for the National Bank of Kentucky and The Louisville Trust Company, in connection with The BancoKentucky Company, which was approved by a unanimous vote of the Directors of the National Bank of Kentucky and The Louisville Trust Company at their meeting of July 12, 1929. Mr. Brown then presented a typewritten copy of the Plan, and same was read in detail by the Secretary. (Typewritten Plan is attached hereto)

On motion made by Mr. D. C. Morton, seconded by Mr. Geo. M. Clark and unanimously carried, the following resolutions were adopted:

WHEREAS, this Corporation (The BancoKentucky Company), was incorporated under the laws of Delaware on the 16th. day of July, 1929, as a part of said Reorganization Plan, and

WHEREAS, the Directors believe it is to the best interest of this Corporation to issue its stock in exchange for the Trustees Participation Shares of National Bank of Kentucky and The Louisville Trust Company, as provided in said Plan, and

WHEREAS, the Directors further believe that said Trustees Participation shares are fairly and reasonably worth the sum of Fifty ($50.00) Dollars each:

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NOW, THEREFORE, BE IT RESOLVED:

1. That the officers of this corporation be, and they are hereby authorized to open books of this Corporation for subscription to its shares, in accordance with said Reorganization Plan.

2. That the officers are further authorized when said Plan shall become effective, to issue and deliver to the Trustees for the National Bank of Kentucky and The Louisville Trust Company, or order, two (2) shares of the capital stock of this Corporation in exchange for each Trustees Participation Share which may be deposited with the Trustees for exchange in accordance with said Reorganization Plan, the aggregate number of shares to be delivered to the Trustees, in exchange for said Trustees Participation Shares, on the basis of two (2) for one (1), not to exceed 1,150,000 shares.

3. The Trustees for the National Bank of Kentucky and The Louisville Trust Company are hereby authorized to solicit and receive, for and on behalf of this Company, subscriptions to the remaining 850,000 shares of its authorized capital stock, in accordance with said Plan, at the price of Twenty-Five ($25.00) Dollars per share. Said subscriptions to be paid for in cash on call of the Board of Directors of this Company following the date said Plan becomes effective.

4. The President is authorized to appoint committees from the officers and Directors to co-operate with the Trustees in carrying out the Reorganization Plan, and also to complete the organization of this Company after the Plan has become effective.

Upon motion duly made and seconded, it was Resolved,

That, the Secretary and Treasurer be authorized and directed to procure such books as are necessary or proper for the transaction of the business of the corporation, and a seal; and it was further Resolved, That the National Bank of Kentucky, of Louisville, Kentucky, and The Louisville Trust Company, of Louisville, Kentucky, be and are hereby designated as the depository of this Company's funds and requested to open an account in the name of this corporation, and to honor its checks drawn on said account when signed by the Treasurer and countersigned by the President or Vice-President, and, that said Bank and said Trust Company be furnished with specimens of the signatures of said officers.

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There being no further business to come before the meeting it was adjourned.

(Signed) C. F. JONES
Secretary Pro Tem.

Approved:

(Signed) JAMES B. BROWN
President.

Louisville, Ky

Wednesday, September 11, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4 P. M. in the Directors' room of the National Bank of Kentucky and The Louisville Trust Company. The following Directors were present:

John S. Akers	James J. Hayes
H. J. Angermeier	Baylor O. Hickman
Richard Bean	C. C. Hieatt
Oscar E. Block	S. Clay Lyons
George O. Boomer	T. J. Minary
James B. Brown	Ben J. Metcalfe
R. Lee Callahan	David C. Morton
Anthony J. Carroll	Henry D. Ormsby
Samuel W. Coons	Ben Robertson
Allen P. Dodd	Arthur Rutledge
Nicholas H. Dosker	William S. Speed
S. E. Duncan	John Stites
R. R. Boswell	E. Leland Taylor
Joseph H. Durham	Horace A. Taylor
C. Oscar Ewing	Robert F. Vaughan
Walter H. Girdler	Henry Vogt
Angereau Gray	E. Weinstock

The minutes of the meeting of July 19th, were read and approved.

Expiration date for Nat'l Bank of Ky—Lou Trust stock and subscriptions to shares Banco-Ky stock.

The President entered upon discussion as to the closing date for deposits of National Bank of Kentucky The Louisville Trust Company Participation shares for exchange into stock of THE BANCOKENTUCKY COMPANY and subscriptions, at $25.00 per share, for the stock of THE BANCOKENTUCKY COMPANY.

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Motion was made, seconded and carried, that deposit of stock National Bank of Kentucky—The Louisville Trust Company would be closed on September 19th, 1929 and that subscriptions to the new shares of THE BANCOKENTUCKY COMPANY stock, at $25.00 per share, would also be closed on that date.

Notification to undeposited stockholders Nat'l Bank of Ky—The Lou Trust Company.

Further, motion was made, seconded and carried, that letter be sent to each of the undeposited stockholders advising that deposit of stock and subscriptions to the new shares would be closed on September 19th, 1929.

Authorization empowering President to negotiate matters for THE BANCOKENTUCKY COMPANY.

The President then disclosed that negotiations with Cincinnati Banks and matters relative to the sale of stock; whereupon, it was moved, seconded and carried, that the President be authorized to proceed, in his discretion, with the matter of the Cincinnati Banks and the sale of stock—reporting to the Board the propositions tendered.

There being no further business before the meeting, same upon motion, adjourned.

JAMES B. BROWN
President

(Signed) W. T. ZUR SCHMIEDE
Secretary

Louisville, Kentucky
Friday, September 20th, 1929

A meeting of the Directors of THE BANCOKENTUCKY COMPANY was held this date at 4 P. M. in the Directors' room of the Louisville Trust Building, Fifth and Market Streets. The following Directors were present;

John S. Akers	Angereau Gray
H. J. Angermeier	Walter H. Girdler
Richard Bean	James J. Hayes
William Black	T. Kennedy Helm
Oscar E. Block	Baylor O. Hickman
Charles H. Bohmer	Saunders P. Jones
George O. Boomer	Milburn P. Kelley
R. R. Boswell	S. Clay Lyons
James B. Brown	Charles C. Mengel

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R. Lee Callahan
George M. Clark
Samuel W. Coons
Allen P. Dodd
Nicholas H. Dosker
S. E. Duncan
Joseph H. Durham
C. Oscar Ewing
James Garnett
Ben J. Metcalfe
T. J. Minary
David C. Morton
Henry D. Ormsby
Arthur M. Rutledge
John Stites
E. Leland Taylor
Horace A. Taylor
Henry Vogt
E. Weinstock

Temporary reservation shares THE BANCOKENTUCKY CO.

Motion was made, seconded and carried, setting aside, temporarily, 1,150,000 shares THE BANCOKENTUCKY COMPANY stock for National Bank of Kentucky—The Louisville Trust Company participation shareholders.

Call for payment of subscriptions new shares THE BANCOKENTUCKY COMPANY stock.

Motion was made, seconded and carried, calling for payment, at twenty-five ($25.00) dollars per share, from subscribers, for subscriptions to stock of THE BANCOKENTUCKY COMPANY—payment to be made on or before October 1st, 1929.

Authorization of President in matter Cincinnati Banks.

Motion was made, seconded and carried, authorizing the President to proceed, in his discretion, with the closing of negotiations with the Pearl-Market Bank and Trust Company and The Brighton Bank and Trust Company, Cincinnati, Ohio.

Sale of stock THE BANCOKENTUCKY COMPANY.

Motion was made, seconded and carried, authorizing the President, in his discretion, to close negotiations with broker or brokers for the sale of two hundred fifty (250,000) shares of THE BANCOKENTUCKY COMPANY stock at not less than twenty-five ($25.00) dollars per share.

There being no further business to be transacted, the meeting, on motion, adjourned.

.....
President

(Signed) W. T. ZUR SCHMIEDE
Secretary

Louisville, Kentucky
Friday, Sept. 27th, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held Friday,

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September 27th, at 4 P. M. in the Directors' room of The Louisville Trust Building—due notice of the meeting having been given. The following Directors were present:

John S. Akers	T. Kennedy Helm
H. J. Angermeier	C. C. Hieatt
William Black	Baylor O. Hickman
Oscar E. Bloek	Milburn P. Kelley
Charles H. Bohmer	Walter I. Kohn
R. R. Boswell	S. Clay Lyons
James B. Brown	Ben J. Metcalfe
R. Lee Callahan	T. J. Minary
A. J. Carroll	David C. Morton
George M. Clark	E. J. O'Brien, Jr.
Allen P. Dodd	Arthur M. Rutledge
Nicholas H. Dosker	William S. Speed
S. E. Duncan	Sam H. Stone
Joseph H. Durham	E. Leland Taylor
C. Oscar Ewing	Horace A. Taylor
James Garnett	Robert F. Vaughan
Walter H. Girdler	Henry Vogt
Angereau Gray	E. Weinstock
James J. Hayes	John Stites

The minutes of the meeting of September 11th and September 20th were read and approved.

Contract for sale THE BANCOKENTUCKY shares.

Motion was made, seconded and carried, approving the contract with BLYTH & COMPANY and H. M. BYLLESBY & COMPANY for the sale of two hundred fifty thousand (250,000) shares THE BANCOKENTUCKY COMPANY stock at $25.00 per share.

Listing of Stock on Chicago Exchange

Motion was made, seconded and carried, that application be filed with the Chicago Stock Exchange for the listing of THE BANCOKENTUCKY COMPANY shares.

Registrar and Transfer Agents for Louisville and Chicago.

Motion was made, seconded and carried, appointing The Louisville Trust Company as Transfer Agents and The National Bank of Kentucky as Registrar in LOUISVILLE for the shares of THE BANCOKENTUCKY COMPANY; The Harris Trust and Savings Bank as Transfer Agents and The Continental Illinois and Trust Company as Registrar in CHICAGO for the stock of THE BANCOKENTUCKY COMPANY.

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Appointment of Signing Officers.

Motion was made, seconded and carried, electing C. F. JONES and L. L. FONTAINE as signing Vice-Presidents; O. A. BLOCK and A. P. RAMSER as signing Assistant Secretaries.

Approving form of Certificates.

Motion was made, seconded and carried, approving the form of certificates for shares of THE BANCO-KENTUCKY CO.

Approval of contracts for purchase of Cincinnati Banks.

Motion was made, seconded and carried, that the following contracts, made by the President, with THE PEARL MARKET BANK & TRUST COMPANY of CINCINNATI and the BRIGHTON BANK & TRUST COMPANY of CINCINNATI, be approved:

(A)

September 25, 1929

The Board of Directors of
The Pearl Market Bank & Trust Company
Cincinnati, Ohio

The undersigned, Banco-Kentucky Company, agrees to purchase 50% of the outstanding capital stock of The Pearl Market Bank & Trust Company for the sum of $75.00 per share of $10.00 par value, or $750.00 per share of $100.00 par value, the terms thereof being—

Upon delivery of stock—

(a) All cash, or

(b) Part in cash and part in the capital stock of BancoKentucky, a corporation under the laws of Delaware.

The stock of The BancoKentucky Company to be given in exchange to each stockholder shall not exceed 33-1/3% of the agreed price of the stock of the Pearl Market Bank & Trust Company delivered under this proposition.

The capital stock of The BancoKentucky Company to be taken in exchange will be on the basis of $25.00 per share, the par value thereof being $10.00 per share.

All the stockholders in the Pearl Market Bank & Trust Company to be given the right to participate in the sale of his, her or its stock if this proposition is recommended and submitted to the Pearl Market Bank & Trust Company stockholders.

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This proposition must be accepted and stock delivered on or before October 10, 1929 by stockholders owning at least 50% of the outstanding capital stock of The Pearl Market Bank & Trust Company, and if accepted, The BancoKentucky Company expects to continue the present management.

This proposition is conditioned upon the assets, resources and liabilities of the Bank on examination and audit by the undersigned being substantially as shown by the report of condition dated September 12, 1929, made to the Superintendent of Banks of the State of Ohio."

Very respectfully submitted"

(B)

September 25, 1929

The Board of Directors of
Brighton Bank & Trust Company
Cincinnati, Ohio.

The undersigned, THE BANCOKENTUCKY COMPANY, agrees to purchase 70% Seventy Per Cent, or as much more as may be offered of the outstanding capital stock of the Brighton Bank & Trust Company for the sum of $90.00 per share of $10.00 Par Value or $900.00 per share of $100.00 Par Value.

The terms thereof being—upon delivery of stock:

(a) All cash

(b) Part cash and part capital stock of THE BANCOKENTUCKY COMPANY, a corporation under the laws of Delaware.

The stock of THE BANCOKENTUCKY COMPANY to be given in exchange to each stockholder shall not exceed 50% of the agreed price of the stock of the Brighton Bank & Trust Company delivered under this proposition.

The capital stock of THE BANCOKENTUCKY COMPANY, to be taken in exchange, will be on the basis of $25.00 per share—the par value thereof being $10.00 per share.

All stockholders in the Brighton Bank & Trust Company to be given the right to participate in the sale of his, hers or its stock.

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If this proposition is recommended and submitted to the Brighton Bank & Trust Company's stockholders, the proposition must be accepted and stock delivered, on or before October 10, 1929, by stockholders owning at least 70% of the outstanding capital stock of the Brighton Bank & Trust Company, and if accepted, THE BANCOKENTUCKY COMPANY expects to continue the present management that has so successfully managed the Bank in the past.

This proposition is conditioned upon the assets, resources and liabilities of the Bank on examination and audit by the undersigned being substantially as shown by the report of condition dated September 12, 1929, made to the Superintendent of Banks of the State of Ohio.

Very respectfully submitted

BANCOKENTUCKY COMPANY

By JAMES B. BROWN

President"

Listing Banco-Kentucky Shares on Chicago Stock Exchange.

Upon motion made, seconded and carried, resolution was passed that application be made to the Chicago Stock Exchange for the listing of 2,000,000 shares of the COMMON STOCK of THE BANCOKENTUCKY COMPANY and that W. T. ZUR SCHMIEDE be and he hereby is designated by the corporation to appear before the Committee on Stock List of said Exchange with authority to furnish such information and to make such changes in said application, or in any agreements relative thereto, as may be necessary to conform with the requirements for listing.

There being no further business to be transacted, the meeting, on motion, adjourned.

.....

PRESIDENT

(Signed) W. T. ZUR SCHMIEDE

SECRETARY

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Louisville, Ky

October 4th, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held Friday, October 4th, at 4 P.M. in the Directors' room of The Louisville Trust Building—due notice of the meeting having been given. The following Directors were present:

John S. Akers	Walter H. Girdler
H. J. Angermeier	Angereau Gray
Oscar E. Block	James J. Hayes
Charles H. Bohmer	T. Kennedy Helm
George O. Boomer	C. C. Hieatt
R. R. Boswell	Milburn P. Kelley
James B. Brown	S. Clay Lyons
R. Lee Callahan	Ben J. Metcalfe
Anthony J. Carroll	T. J. Minary
George M. Clark	Ben Robertson
Samuel W. Coons	Arthur M. Rutledge
Allen P. Dodd	E. Leland Taylor
Nicholas H. Dosker	Horace A. Taylor
S. E. Duncan	Robert F. Vaughan
Joseph H. Durham	Henry Vogt
C. Oscar Ewing	E. Weinstock
James Garnett	John Stites, Chairman

The minutes of the meeting of September 27th were read and approved.

Discussion by President relative to Banks in Cincinnati and Indianapolis; also increase of capital.

The President talked at length relative to propositions with Cincinnati, Indianapolis and Covington banks. He also talked at great length regarding the matter of increasing the capital of THE BANCOKENTUCKY COMPANY, after which—

There being no further business, on motion, the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

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Exhibit "Zur Schmiede No. 42"

Louisville, Ky.,
October 18th, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4 P.M. in the Director's Room of The Louisville Trust Building—due notice of the meeting having been given. The following Directors were present:

John S. Akers
H. J. Angermeier
George O. Boomer
R. R. Boswell
James B. Brown
R. Lee Callahan
Anthony J. Carroll
George M. Clark
Samuel W. Coons
Allen P. Dodd
Nicholas H. Dosker
S. E. Duncan
Joseph H. Durham
James Garnett
Angereau Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
C. C. Hieatt
Saunders P. Jones
Milburn P. Kelley
Charles C. Mengel
Ben J. Metcalfe
T. J. Minary
Henry D. Ormsby
Arthur M. Rutledge
William S. Speed
Sam H. Stone
E. Leland Taylor
Horace A. Taylor
Robert F. Vaughan
E. Weinstock
John Stites

The minutes of the meeting of October 4th were read and approved.

Increase of Capital the BancoKentucky Company.

The President brought up the matter of increasing the capital of THE BANCOKENTUCKY COMPANY, and, after discussion, upon motion made and duly seconded, the Directors approved that all matters relative to the increasing of capital, waivers, right to subscribe, and price be left with the President—to be reported by him at a subsequent meeting of the Board.

There being no further business to be transacted, on motion, the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

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Exhibit "Zur Schmiede No. 42"

Louisville, Ky.,

November 1st, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Building—due notice of the meeting having been given.

The following Directors were present:

John S. Akers
H. J. Angermeier
Richard Bean
William Black
Charles H. Bohmer
George O. Boomer
R. R. Boswell
James B. Brown
R. Lee Callahan
Anthony J. Carroll
George M. Clark
Allen P. Dodd
Nicholas H. Dosker
S. E. Duncan
Joseph H. Durham
C. Oscar Ewing
James Garnett
Walter H. Girdler
Angereau Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
C. C. Hieatt
Saunders P. Jones
Milburn P. Kelley
Walter I. Kohn
Charles C. Mengel
Ben J. Metcalfe
T. J. Minary
David C. Morton
Henry D. Ormsby
E. J. O'Brien, Jr.
Ben Robertson
Arthur M. Rutledge
William S. Speed
E. Leland Taylor
Robert F. Vaughan
Henry Vogt
E. Weinstock
John Stites

The minutes of the meeting of October 18th were read and approved.

The President discussed in general the business of THE BANCOKENTUCKY COMPANY; after which, there being no further matter to be transacted—

The meeting, on motion, adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

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Exhibit "Zur Schmiede No. 42"

Louisville, Ky.,

November 8th, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Building—due notice of the meeting having been mailed. The following Directors were present:

John S. Akers
H. J. Angermeier
Richard Bean
Oscar E. Bloch
Charles H. Bohmer
George O. Boomer
James B. Brown
R. Lee Callahan
Anthony J. Carroll
George M. Clark
Samuel W. Coons
Allen P. Dodd
Nicholas H. Dosker
S. E. Duncan
Joseph H. Durham
C. Oscar Ewing
James Garnett
Walter H. Girdler
Angereau Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
C. C. Hieatt
Saunders P. Jones
Milburn P. Kelley
Charles C. Mengel
Ben J. Metcalfe
T. J. Minary
David C. Morton
E. J. O'Brien, Jr.
Henry D. Ormsby
Ben Robertson
Arthur M. Rutledge
William S. Speed
John Stites
E. Leland Taylor
Horace A. Taylor
Robert F. Vaughan
Henry Vogt
E. Weinstock

The Minutes of the meeting of November 1st were read and approved.

Resolution Authorizing the Making of Loans

On motion made, seconded and carried, the following resolution was passed:

"RESOLVED, that any two, President, Vice-Presidents, and the Secretary-Treasurer be and they respectively are and shall be now and hereafter authorized to effect loans and advances at any time for this Corporation from the CHEMICAL BANK AND TRUST COMPANY, New York; GUARANTY TRUST COMPANY, New York, and THE BANK OF AMERICA, New York; and for such loans and advances, to make execute and deliver promissory notes and other written obligations or evidences of indebtedness of this Corporation; each note or other evidence of indebtedness to be signed by the President,

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Exhibit "Zur Schmiede No. 42"

Vice-Presidents, Secretary-Treasurer, or their successors in office and as security for the payment of any and all loans, advances, indebtedness and liabilities of this Corporation to pledge, hypothecate, assign, transfer, endorse and deliver any and all stocks, securities, commercial paper, bills receivable, accounts receivable, claims or (and) other property of every description at any time held by this Corporation; also to sell to or discount with the said Banks and Trust Companies any and all commercial paper, bills receivable, accounts receivable and other instruments and evidences of debt at any time held by this Corporation, and to that end to endorse, assign, transfer and deliver the same; each endorsement and (or) assignment to be signed by the President, Vice-Presidents, Secretary-Treasurer, or their successors in office.

FURTHER RESOLVED, That all loans, discounts, notes and advances heretofore obtained upon behalf of this Corporation or held by the said Banks and Trust Companies and charged against this Corporation on the books of the said Banks and Trust Companies, and any now held by said Banks and Trust Companies are hereby approved, ratified and confirmed.

FURTHER RESOLVED, That any two officers of this Corporation be and they hereby are authorized to act for this Corporation in all matters and transactions relating to any of its business with the said Banks and Trust Companies.

FURTHER RESOLVED, That each of the foregoing resolutions remain in full force and effect until written notice of its recission or modification be properly received by the said Banks and Trust Companies, that the Secretary-Treasurer of this Corporation be and he hereby is authorized and directed to certify to the said Banks and Trust Companies the foregoing resolutions, the names of the respective officers of this Corporation, any change of the said officers and specimens of their respective signatures."

Adjournment of Meeting

There being no further business to be transacted, on motion, the meeting adjourned.

.....
PRESIDENT

.....
SECRETARY

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Exhibit "Zur Schmiede No. 42"

Louisville, Ky.,

November 22, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Building—due notice of the meeting having been mailed. The following Directors were present:

John S. Akers	T. Kennedy Helm
Richard Bean	Baylor O. Hickman
William Black	C. C. Hieatt
Oscar E. Bloch	Saunders P. Jones
Charles H. Bohmer	Milburn P. Kelley
George O. Boomer	Walter I. Kohn
R. R. Boswell	S. Clay Lyons
R. Lee Callahan	Charles C. Mengel
Anthony J. Carroll	Ben J. Metcalfe
George M. Clark	T. J. Minary
Samuel W. Coons	Henry D. Ormsby
Allen P. Dodd	Arthur M. Rutledge
Nicholas H. Dosker	John Stites
S. E. Duncan	E. Leland Taylor
C. Oscar Ewing	Horace A. Taylor
James Garnett	Robert F. Vaughan
Angereau Gray	Henry Vogt
James J. Hayes	E. Weinstock

The Minutes of the meeting of November 8th were read and approved.

Resignation of William Short as Director

The resignation of Mr. William Short, as a Director in THE BANCOKENTUCKY COMPANY, dated November 20th, 1929, was read, and upon motion duly made and seconded, said resignation was accepted.

Purchase of the Central Savings Bank and Trust Co of Covington Kentucky

Motion was made, seconded and carried, that the following contract made by the President with THE CENTRAL SAVINGS BANK AND TRUST COMPANY of COVINGTON, KENTUCKY, be approved:

"The undersigned, THE BANCOKENTUCKY COMPANY, agrees to purchase the outstanding capital stock of THE CENTRAL SAVINGS BANK AND TRUST COMPANY of COVINGTON, KENTUCKY, on the basis of six hundred ($600.00) dollars per share, to be paid, as follows:

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(a) Fifty (50%) Per Cent in Stock
(b) Fifty (50%) Per Cent in Cash

Memorandum in red pencil says "Paid all cash."

For the contract to become effective, THE BANCOKENTUCKY COMPANY must receive at least fifty (50%) per cent of the outstanding stock."

Adjournment of Meeting

There being no further business, on motion, the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky
November 29, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Building—due notice of the meeting having been given. The following Directors were present:

John S. Akers	James J. Hayes
H. J. Angermeier	Angereau Gray
Richard Bean	C. C. Hieatt
William Black	Saunders P. Jones
Oscar E. Bloch	Milburn P. Kelley
George O. Boomer	Walter I. Kohn
R. R. Boswell	Charles C. Mengel
James B. Brown	Ben J. Metcalfe
R. Lee Callahan	T. J. Minary
Anthony J. Carroll	David C. Morton
George M. Clark	E. J. O'Brien, Jr.
Samuel W. Coons	Henry D. Ormsby
Allen P. Dodd	Arthur M. Rutledge
Nicholas H. Dosker	William S. Speed
S. E. Duncan	Horace A. Taylor
Joseph H. Durham	Robert F. Vaughan
C. Oscar Ewing	Henry Vogt
James Garnett	E. Weinstock

John Stites

The minutes of the meeting of November 22d were read and approved.

The President discussed with the Board routine matters of THE BANCOKENTUCKY COMPANY;

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Exhibit "Zur Schmiede No. 42"

after which, there being no further business, the meeting—

On motion, adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky

December 13th, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given. The following Directors were present:

John S. Akers	T. Kennedy Helm
H. J. Angermeier	C. C. Hieatt
William Black	Saunders P. Jones
Oscar E. Bloch	Milburn P. Kelley
Charles H. Bohmer	Walter I. Kohn
George O. Boomer	Charles C. Mengel
James B. Brown	Ben J. Metcalfe
R. Lee Callahan	T. J. Minary
Anthony J. Carroll	David C. Morton
George M. Clark	E. J. O'Brien, Jr.
Samuel W. Coons	Henry D. Ormsby
Allen P. Dodd	Arthur M. Rutledge
Nicholas H. Dosker	William S. Speed
S. E. Duncan	John Stites
Joseph H. Durham	E. Leland Taylor
James Garnett	Horace A. Taylor
Walter H. Girdler	Robt. F. Vaughan
Angereau Gray	Henry Vogt
James J. Hayes	E. Weinstock

Approval of Previous Minutes

The Minutes of the meeting of November 29th were read and approved.

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Declaration of Dividend for Quarter Ending Dec. 31, 1929

On motion made by the President, duly seconded and unanimously carried, the initial dividend of twenty (20c) cents per share for the quarter ending December 31, 1929 was declared, payable January 2, 1930 to stockholders of THE BANCOKENTUCKY COMPANY at close of business December 23, 1929; that the books of the Company be closed, for the transfer of stock, from December 24, 1929 to December 31, 1929—both dates inclusive.

Adjournment of Meeting

There being no further business to be transacted, on motion, the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky

December 27th, 1929

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:30 P. M. in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given. The following directors were present:

John S. Akers
H. J. Angermeier
Richard Bean
William Black
Oscar E. Bloch
Charles H. Bohmer
R. R. Boswell
James B. Brown
R. Lee Callahan
Anthony J. Carroll
George M. Clark
Samuel W. Coons
Nicholas H. Dosker
S. E. Duncan
C. Oscar Ewing
James Garnett
T. Kennedy Helm
Baylor O. Hickman
C. C. Hieatt
Milburn P. Kelley
Walter T. Kohn
Charles C. Mengel
Ben J. Metcalfe
T. J. Minary
David C. Morton
E. J. O'Brien, Jr.
Henry D. Ormsby
Ben Robertson
Arthur M. Rutledge
William S. Speed
John Stites
E. Leland Taylor

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Walter H. Girdler — Horace A. Taylor
Angereau Gray — Robert F. Vaughan
James J. Hayes — Henry Vogt
E. Weinstock

The minutes of the meeting of December 13th were read and approved.

Notices to Directors of Board Meeting.

Upon motion duly made, seconded and carried, it was Resolved:

That notices of Board meeting sent to the directors of The Louisville Trust Company-National Bank of Kentucky be considered as notice to directors of THE BANCOKENTUCKY COMPANY that a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY will be held immediately following the other meetings, provided there is any business to be transacted.

Election of Proxies to Vote Stock at Annual Stockholders Meeting

It was moved, seconded and unanimously carried, that Messrs. C. F. Jones and L. L. Fontaine be and are hereby appointed to serve as proxies at the stockholders meeting to be held at 10 A. M. on January 14, 1930 at the offices of the Company in the National Bank of Kentucky, Fifth and Main Streets, Louisville, Kentucky.

As a matter of record, the following printed proxy was mailed to each stockholder of THE BANCOKENTUCKY COMPANY:

PROXY

KNOW ALL MEN BY THESE PRESENTS: that

I, ... being the holder of ..... shares of the capital stock of The BancoKentucky Company, a corporation of the State of Delaware, do hereby appoint Charles F. Jones and L. L. Fontaine, or either of them, my true and lawful Attorneys In Fact, with full power of substitution and revocation, to act for me and in my name, place and stead to vote on all matters coming before the annual meeting of stockholders of said corporation to be held on the 14th day of January, 1930, and at any adjournment of said meeting.

I hereby ratify and confirm all of the acts of my said Attorneys In Fact the same as if personally done by me.

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IN TESTIMONY WHEREOF, I have hereunto set my hand this the.....day of.....1930.

In the Presence Of

.....

.....

Amendment of Corporation Charter

Upon motion made by Director Anthony J. Carroll and seconded by Director William S. Speed, the following resolution was unanimously adopted:

RESOLVED, that it is deemed advisable by the Board of Directors of THE BANCOKENTUCKY COMPANY that the charter of the corporation be amended as follows:

1. By striking out the whole of Paragraph Number "Fourth" of the Certificate of Incorporation and inserting in lieu thereof the following:

"The total authorized capital stock of this corporation is Five Million (5,000,000) shares of common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Fifty Million ($50,000,000) Dollars, and being a total authorized capital stock of Fifty Million ($50,000,000) Dollars."

2. By adding to the Certificate of Incorporation an additional Paragraph as follows:

"The stockholders of the corporation shall have no pre-emptive right to subscribe for any newly authorized or issued shares of stock of the corporation."

RESOLVED, further, that the newly authorized shares, as hereinabove provided for, shall be disposed of at such times, in such amounts and upon such terms as may be determined by the Board of Directors of the corporation, but no shares shall be disposed of at a price of less than Twenty-five ($25.00) Dollars, per share.

RESOLVED, further, that the purpose of this increase of capital stock is to provide additional capital needed for the proper carrying on of the business of the corporation and the acquisition of other property.

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RESOLVED, further, that the proposed amendments of the Certificate of Incorporation, as above set out, be submitted to the stockholders at the annual meeting of the stockholders of the corporation, to be held on January 14, 1930, at ten o'clock A. M., at the office of the corporation in the National Bank of Kentucky, Fifth and Main Streets, Louisville, Kentucky.

RESOLVED, further, that with the letter containing the notice to stockholders of the annual meeting, which shall be mailed to each stockholder, at least ten days prior to the date of meeting, there shall be enclosed a copy of this resolution and a proxy appointing Attorneys. In Fact to represent stockholders at said annual meeting."

Letter to Stockholders Outlining the Above Resolution.

For the purpose of record, the letter outlined in the above Resolution, and sent to all stockholders of THE BANCOKENTUCKY COMPANY, is attached hereto and made a part of these minutes:

(LETTER ATTACHED HERETO)

Adjournment of the Meeting.

This being all the business to be transacted, the meeting, on motion, adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

(Attached to Page 29 is printed letter to Stockholders under date of 12/31/29, notifying them of stockholders' meeting called for January 14, 1930, to vote on charter amendment.)

Louisville, Kentucky

January 10th, 1930

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given. The following Directors were present:

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John S. Akers	James J. Hayes
H. J. Angermeier	T. Kennedy Helm
Richard Bean	Baylor O. Hickman
William Black	C. C. Hieatt
Oscar E. Bloch	Saunders P. Jones
Charles H. Bohmer	Milburn P. Kelley
George O. Boomer	Walter I. Kohn
R. R. Boswell	Charles C. Mengel
James B. Brown	Ben J. Metcalfe
R. Lee Callahan	T. J. Minary
Anthony J. Carroll	David C. Morton
George M. Clark	E. J. O'Brien, Jr.
Nicholas H. Dosker	Henry D. Ormsby
S. E. Duncan	Arthur M. Rutledge
Joseph H. Durham	E. Leland Taylor
C. Oscar Ewing	Horace A. Taylor
James Garnett	Henry Vogt
Angereau Gray	E. Weinstock

John Stites

Approval of Minutes Dec. 27th, 1929

The Minutes of the meeting of December 27th were read and approved.

Selection of Judges for Stockholders Meeting

Upon recommendation of the Board of Directors, Messrs. R. R. Williams and Benjamin Seelig Washer were selected as Judges for the stockholders meeting to be held Tuesday, January 14th, 1930 at 10 A. M. at the office of the Company in the National Bank of Kentucky, Fifth and Main Streets, Louisville, Ky.

Recommendation by Board as to Number of Directors.

The Board of Directors of THE BANCOKENTUCKY COMPANY recommended that the number of Directors, to be elected to serve for the ensuing year, be fixed at thirty-four.

Purchase 1428 Shares the Peoples-Liberty Bank & Trust Co Stock Approved.

Upon motion made, seconded and unanimously carried, the purchase of fourteen hundred twenty-eight (1428) shares capital stock of The Peoples-Liberty Bank & Trust Company, Covington, Kentucky, at two hundred fifty ($250.00) dollars per share, was ratified and approved.

Appointment of Committee on Reduction of Expenses

It was moved, seconded and carried, that the President be authorized to appoint a committee to meet and discuss and report their recommendations to the Board, which would show the savings that, in their opinion, could be effected by housing both companies

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in the same building—The National Bank of Kentucky doing all the commercial banking and The Louisville Trust Company doing a trust business only.

Thereupon, the President selected Messrs. Richard Bean and Charles F. Jones to act as the Committee and to make their report by Monday, January 13th, 1930.

Resignation of S. Clay Lyons as a Director

The resignation of Mr. S. Clay Lyons, Director in THE BANCOKENTUCKY COMPANY was read and, upon motion made and seconded, said resignation was accepted, with regret.

Adjournment of Meeting

There being no further business to be transacted, on motion, the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

ANNUAL MEETING OF STOCKHOLDERS
OF
THE BANCOKENTUCKY COMPANY

The annual meeting of the stockholders of The BancoKentucky Company was held on Tuesday, January 14, 1930, at ten o'clock A. M., at the principal office of the company in the National Bank of Kentucky, Fifth and Main Streets, Louisville, Kentucky, notice of said meeting having been given as required by law and the by-laws.

The meeting was called to order by Mr. A. J. Carroll, who was unanimously elected Chairman, and Mr. W. T. Zurschmiede was appointed Secretary. The Secretary announced that 1,079,083 shares of the capital stock of the corporation were represented by proxy and 8313 shares were represented in person, being a total of 1,087,396 shares out of 1,538,269 shares issued and outstanding.

A quorum being present, the Chairman announced that the first business in order was the election of Directors of the corporation to serve during the ensuing year. The chair appointed Messrs. R. R. Williams and Benjamin S. Washer as Judges to conduct the election.

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Mr. A. T. Farnsley offered the following resolution which was unanimously adopted:

RESOLVED, that the number of Directors of The BancoKentucky Company, to be elected at this meeting to serve until the next annual election, or the election and qualification of their successors be and the same is hereby fixed at thirty-four.

Mr. Farnsley nominated the following for Directors of the corporation:

William Black	C. C. Hieatt
Dr. Oscar E. Bloch	Saunders P. Jones
Charles H. Bohmer	Milburn P. Kelley
George O. Boomer	Walter I. Kohn
James B. Brown	Charles C. Mengel
R. Lee Callahan	J. Wm. Miller
Anthony J. Carroll	Thomas J. Minary
George M. Clark	David C. Morton
Samuel W. Coons	Edward J. O'Brien, Jr.
Allen P. Dodd	Ben Robertson
Stuart E. Duncan	Arthur M. Rutledge
Joseph H. Durham	William S. Speed
C. Oscar Ewing	Sam H. Stone,
James Garnett	E. Leland Taylor
Walter H. Girdler	Horace A. Taylor
T. Kennedy Helm	Robert F. Vaughan
Baylor O. Hickman	Henry Vogt

There being no further nominations, a vote was taken by ballot and the Judges announced that 1,087,396 shares had been voted for the above named persons to serve as directors of the corporation and no votes were cast against same.

The Chairman thereupon declared that the above named thirty-four persons were elected Directors of the corporation to serve until the next annual election or until the election and qualification of their successors.

The Chairman laid before the meeting a resolution adopted by the unanimous vote of the Directors of the corporation at a meeting held on December 27th, 1929, recommending that the Certificate of Incorporation of the corporation be amended so as to increase the authorized capital stock from 2,000,000 shares, each share of the par value of Ten Dollars, to 5,000,-

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000 shares, each share of the par value of Ten Dollars, and further to deny to stockholders of the corporation their preemptive right to subscribe for shares of the corporation, said resolution recommending said increase being set out in full in the minutes of the meeting of the Board of Directors held on the day above mentioned.

Mr. Henry S. Gray requested that the two suggested amendments to the Certificate of Incorporation be voted upon separately, which request was granted.

Thereupon the Chairman announced that a vote of the stockholders would first be taken on the question of amending the Certificate of Incorporation so as to increase the authorized capital stock from 2,000,000 shares to 5,000,000 shares, each of the par value of Ten Dollars.

The Chairman appointed Messrs. R. R. Williams and Benjamin S. Washer as Judges to conduct the voting. Thereupon, a vote by ballot was taken and the Judges having canvassed the same announced that 1,087,396 shares had been voted in favor of the amendment, above stated, and that no shares were voted against the same. Thereupon, the Chairman announced that the amendment had been ratified and approved by the vote of 1,087,396 shares out of 1,538,269 shares issued and outstanding.

The Chairman then announced that the next question was on the recommendation of the Board of Directors that the stockholders of the corporation be denied any preemptive right to subscribe for additional shares.

The question was fully discussed by Chairman Carroll, Mr. Henry S. Gray, and other shareholders, and at the conclusion of the discussion a vote by ballot was taken upon the adoption of said amendment to the Certificate of Incorporation. Said vote was conducted by the Judges above named, who, after canvassing the votes cast, announced that 1,087,121 shares had been cast in favor of the amendment and that 275 shares had been cast against the same. The Chairman thereupon announced that inasmuch as largely more than a majority of the shareholders had voted in favor of said proposed amendment, that the same was adopted, ratified and approved.

The Chairman laid before the meeting the form of an Amended Certificate of Incorporation of the Cor-

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poration carrying into effect the recommendation of the Board of Directors and the direction of the stockholders thereof, which proposed Amendment was as follows:

"The BancoKentucky Company, a corporation organized and existing under and by virtue of the provisions of an Act of the General Assembly of the State of Delaware, entitled 'An Act providing a general corporation law,' approved March 10th, 1899, and the Acts amendatory thereof and supplemental thereto, the Certificate of Incorporation of which was filed in the office of the Secretary of State of Delaware on the 16th day of July, 1929, and recorded in the office of the Recorder of Deeds for Kent County, State of Delaware, on the 13th day of December, 1929,

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of The BancoKentucky Company, duly held and convened on the 27th day of December, 1929, a resolution was duly adopted setting forth amendment proposed to the Certificate of Incorporation of said corporation, as follows:

By striking out the whole of Paragraph Number 'Fourth' of the Certificate of Incorporation and inserting in lieu thereof the following:

'The total authorized capital stock of this corporation is Five Million (5,000,000) shares of common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Fifty Million ($50,000,000.00) Dollars, and being a total authorized capital stock of Fifty Million ($50,000,000.00) Dollars. Ownership of shares of the capital stock of the corporation shall not entitle the holders thereof to any preemptive right to subscribe for or purchase, or to have offered to them for subscription or purchase any additional share or shares of stock, either of that authorized by the Certificate of Incorporation of the corporation or thereafter authorized or any shares whatsoever, however acquired, issued or sold by the corporation, it being the purpose and intent that the Board of Directors shall have full right, power and authority to offer for subscription or sale, or to make any disposal

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of any or all unissued shares of the capital stock of the corporation, upon such consideration in money or property as the Board of Directors shall determine and/or to make any disposal of any or all shares issued and thereafter acquired by the corporation upon such consideration in money or property as the Board of Directors shall determine.'

"SECOND: That thereafter pursuant to the aforesaid resolution of its Board of Directors, the annual meeting of the stockholders of The Banco-Kentucky Company was duly called and held, in accordance with law and the By-Laws of said corporation, at the office of the corporation in the City of Louisville, State of Kentucky, on the 14th day of January, 1930, at ten o'clock in the forenoon, at which meeting more than Seventy & Eight-Tenths of the stockholders of said corporation were present in person or by proxy; that at said meeting a vote of the stockholders by a ballot in person or by proxy was taken for and against said proposed amendment, which vote was conducted by R. R. Williams and Benjamin Seelig Washer, two Judges appointed for that purpose at said meeting, and that at said meeting, by vote conducted as aforesaid, said amendment was adopted, the persons holding more than Seventy & Eight-Tenths of the issued and outstanding stock of said corporation voting for said proposed amendment, to wit: 1,089,121 ******* shares out of the total issue of shares were voted for said proposed amendment and ****275***** shares were voted against the same, all as appears by duplicate certificate made by said Judges.

"THIRD: That such amendment has been duly adopted in accordance with the provisions of Section 26 of Chapter 65, of the Revised Code, as amended, of the State of Delaware, and that the capital of the corporation will not be reduced under or by reason of said Amendment.

"IN WITNESS WHEREOF, The BancoKentucky Company has caused its corporate seal to be hereunto affixed and this certificate to be signed by James B. Brown, its President, and W. T. Zurschmiede, its Secretary, this the 14th day of January, 1930."

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Mr. T. Kennedy Helm moved that the above form of Amendment to the Certificate of Incorporation be approved and a vote by ballot being taken thereon, which vote was conducted and canvassed by the Judges above named who announced that 1,087,121 shares had been cast for the approval of the above amendment and 275 shares against the same.

Messrs. R. R. Williams and Benjamin S. Washer, the two Judges appointed to conduct the vote upon the adoption of the Amendments to the Certificate of Incorporation, made out, signed and executed their Judges' Certificate, in duplicate, addressed to W. T. Zurschmiede, Secretary of The BancoKentucky Company, and it was ordered that said duplicate certificates be filed as part of the records of the corporation. Said certificate of the Judges was as follows:

"We, the undersigned, R. R. Williams and Benjamin Seelig Washer, do hereby certify that at the annual meeting of the stockholders of The Banco-Kentucky Company held on the 14th day of January, 1930, at ten o'clock A. M., to consider the resolution duly adopted by the Board of Directors of said corporation, at a meeting of said Board duly held and convened, proposing and declaring advisable an amendment to the Certificate of Incorporation of said corporation for the purpose of amending Article Four thereof, as herein set forth, we were appointed by said meeting of stockholders Judges for the purpose of conducting the vote of the stockholders taken at said meeting for and against said amendment; that said proposed amendment was as follows:

By striking out the whole of Paragraph Number "Fourth" of the Certificate of Incorporation and inserting in lieu thereof the following:

'The total authorized capital stock of this corporation is Five Million (5,000,000) shares of common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Fifty Million ($50,000,000.00) Dollars, and being a total authorized capital stock of Fifty Million ($50,000,000.00) Dollars. Ownership of shares of the capital stock of the corporation shall not entitle the holders thereof to any preemptive right to subscribe for or

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purchase, or to have offered to them for subscription or purchase any additional share or shares of stock, either of that authorized by the Certificate of Incorporation of the corporation or thereafter authorized or any shares whatsoever, however acquired, issued or sold by the corporation, it being the purpose and intent that the Board of Directors shall have full right, power and authority to offer for subscription or sale, or to make any disposal of any or all unissued shares of the capital stock of the corporation, upon such consideration in money or property as the Board of Directors shall determine and/or to make any disposal of any or all shares issued and thereafter acquired by the corporation upon such consideration in money or property as the Board of Directors shall determine."

"That at said stockholders meeting the vote of said stockholders by ballot in person or by proxy was duly taken for and against said proposed amendment; that said vote was conducted by the subscribers as Judges appointed as aforesaid for that purpose; that as said Judges we decided upon the qualification of the stockholders voting at said meeting for and against said proposed amendment and when said voting was completed we did count and ascertain the number of shares voted respectively for or against the proposed amendment and did find and declare that the persons or bodies corporate holding the majority of the issued and outstanding voting stock of said corporation had voted in favor of said amendment, to wit: 1,089,121 shares out of the total outstanding issue of 1,538,269 shares were voted for said amendment and 275 shares were voted against the same.

"IN WITNESS WHEREOF, we have made out the foregoing certificate in duplicate and subscribed our name hereto this the 14th day of January, 1930.

(Signed) Ben S. Washer
(Signed) R. R. Williams."

There being no further business the meeting adjourned.

(Signed) W. T. ZUR-SCHMIEDE,
Secretary.

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(Two pages representing Judges' Certificate of stockholders' meeting held January 14th, 1930.)

Louisville, Kentucky

January 13th, 1930

A special meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given. The following Directors were present:

John S. Akers	Angereau Gray
H. J. Angermeier	James J. Hayes
Richard Bean	T. Kennedy Helm
William Black	Baylor O. Hickman
Dr. Oscar E. Bloch	C. C. Hieatt
Charles H. Bohmer	Walter I. Kohn
George O. Boomer	Charles C. Mengel
R. R. Boswell	J. William Miller
James B. Brown	T. J. Minary
R. Lee Callahan	David C. Morton
Anthony J. Carroll	E. J. O'Brien, Jr.
George M. Clark	Henry D. Ormsby
Samuel W. Coons	Ben Robertson
Allen P. Dodd	Sam H. Stone
Nicholas H. Dosker	E. Leland Taylor
S. E. Duncan	Horace A. Taylor
Joseph H. Durham	Robert F. Vaughan
C. Oscar Ewing	Henry Vogt
James Garnett	E. Weinstock
Walter H. Girdler	John Stites

Resolution for Reduction of Expenses

Upon motion made by A. J. Carroll, duly seconded and unanimously carried, the following Resolution was adopted:

RESOLVED: That the officers of the National Bank of Kentucky be instructed to hold the expenses of the Bank, exclusive of interest charges and taxes, to as near as possible of a maximum of

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$45,000.00 per month; and that the officers of The Louisville Trust Company be instructed to reduce the expenses of the Bank, exclusive of interest charges and taxes, to as near as possible of a maximum of $35,000.00 per month.

There being no further business to be transacted, the meeting, on motion, adjourned.

.....
President

.....
Secretary

Louisville, Kentucky

January 17th, 1930

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 4:00 P. M. in the Director's Room of The Louisville Trust Company Building, due notice of the meeting having been given.

No quorum being present, the meeting, on motion, adjourned until Monday, January 20th, 1930.

.....
President

.....
Secretary

Louisville, Kentucky

January 20th, 1930

A meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY was held this date at 3:00 P. M. in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given.

The following Directors were present:

William Black	Walter H. Girdler
Dr. Oscar E. Bloch	Baylor O. Hickman
Charles H. Bohmer	C. C. Hieatt

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George O. Boomer	T. Kennedy Helm
James B. Brown	Saunders P. Jones, Jr.
R. Lee Callahan	Milburn P. Kelley
Anthony J. Carroll	J. William Miller
George M. Clark	T. J. Minary
Samuel W. Coons	Charles C. Mengel
Allen P. Dodd	E. Leland Taylor
Joseph H. Durham	Horace A. Taylor
C. Oscar Ewing	Robert F. Vaughan

There being no business, the meeting,

On motion, adjourned sine die.

.....

PRESIDENT

.....

SECRETARY

Louisville, Kentucky

January 20th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date in the Director's room of The Louisville Trust Company Building, the Secretary of the Board proceeded to read the Minutes of the stockholders' meeting held on Tuesday, January 14th, 1930, which included the Certificate of the Judge's election, showing the following Directors elected to serve for the ensuing year:

William Black	C. C. Hieatt
Dr. Oscar E. Bloch	Saunders P. Jones, Jr.
Charles H. Bohmer	Milburn P. Kelley
George O. Boomer	Walter I. Kohn
James B. Brown	Charles C. Mengel
R. Lee Callahan	J. William Miller
Anthony J. Carroll	T. J. Minary
George M. Clark	David C. Morton
Samuel W. Coons	E. J. O'Brien, Jr.
Allen P. Dodd	Ben Robertson
Stuart E. Duncan	Arthur M. Rutledge
Joseph H. Durham	William S. Speed
C. Oscar Ewing	Sam H. Stone
James Garnett	E. Leland Taylor
Walter H. Girdler	Horace A. Taylor

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T. Kennedy Helm	Robert F. Vaughan
Baylor O. Hickman	Henry Vogt

Upon call of the roll, only ten of the above named Directors were absent from this meeting, as follows:

Stuart E. Duncan	Ben Robertson
James Garnett	Arthur M. Rutledge
Walter I. Kohn	William S. Speed
David C. Morton	Sam H. Stone
E. J. O'Brien, Jr.	Henry Vogt

Nomination and Election of Officers.

Colonel Mengel was asked to preside as Chairman of the meeting. The Chairman announced the first business in order was the election of officers to serve for the ensuing year.

On motion of Mr. A. J. Carroll, seconded by Mr. C. Oscar Ewing, and unanimously carried, Mr. James B. Brown was elected President.

On motion of Mr. R. Lee Callahan, seconded by Mr. A. J. Carroll, and unanimously carried, Mr. Charles F. Jones was elected Vice-President.

On motion of Mr. Charles H. Bohmer, seconded by Mr. A. J. Carroll and unanimously carried, Mr. W. T. Zur Schmiede was elected Secretary-Treasurer.

Resolution Empowering Secy-Treas Endorse Ctfs Stock.

On motion made, duly seconded and unanimously carried, Mr. W. T. Zur Schmiede, Secretary-Treasurer, was authorized to endorse Certificate No. 296 for three hundred forty (340) shares capital stock in THE PEARL-MARKET BANK & TRUST COMPANY, Cincinnati, Ohio, in order to furnish qualifying shares for John W. Lewis, Polk Laffoon, P. Lincoln Mitchell, Gustave M. Mosler, J. J. Heisacher and James B. Brown as Directors in that institution; Also, Certificate No. 1 for one hundred (100) shares capital stock, THE BRIGHTON BANK AND TRUST COMPANY, Cincinnati, Ohio, in order to furnish qualifying shares for Joseph A. Helmers and James B. Brown as Directors in that institution.

Adjourning of Meeting

There being no further business to be transacted, the meeting—

On motion, adjourned.

.....
PRESIDENT

.....
SECRETARY

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Louisville, Kentucky

March 7th, 1930.

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 3:30 P. M. o'clock in the Director's room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

James B. Brown	Walter I. Kohn
Henry Vogt	C. Oscar Ewing
Stuart E. Duncan	Dr. Oscar E. Bloch
William S. Speed	George O. Boomer
T. J. Minary	David C. Morton
Robert F. Vaughan	E. Leland Taylor
Sam H. Stone	Charles C. Mengel
Horace A. Taylor	Charles H. Bohmer
T. Kennedy Helm	Allen P. Dodd
Milburn P. Kelley	Arthur M. Rutledge

Approval of Jan. 20th Minutes.

The Minutes of the meeting of January 20th, 1930, after reading, were approved.

Discussion of Contract with First Nat'l Bk of Paducah Kentucky

The President announced that he had been in negotiations with the FIRST NATIONAL BANK of PADUCAH, KENTUCKY, on a contract to exchange stock of that Bank for the stock of THE BANCOKENTUCKY COMPANY on the following basis:

"Twenty-seven thousand (27,000) shares of THE BANCOKENTUCKY COMPANY at twenty-five ($25.00) dollars per share, making a total of six hundred seventy-five thousand ($675,000.00) dollars for the entire capital stock of the First National Bank of Paducah, Kentucky—par value one hundred fifty thousand ($150,000.00) dollars; or, ninety ($90.00) dollars per share for each share of twenty ($20.00) dollars par value; or, four hundred fifty ($450.00) dollars per share for each share of one hundred ($100.00) dollars par value."

Approval of Contract and Authorizing Acceptance.

On motion of Mr. Robert F. Vaughan, seconded by Mr. Horace A. Taylor, President Brown was authorized to complete the trade with the FIRST NATIONAL BANK of PADUCAH, KENTUCKY, on the basis outlined above.

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Caldwell & Co. Contract.

On motion of Mr. David C. Morton, duly seconded and unanimously carried, President Brown was authorized to continue negotiations with CALDWELL & COMPANY and report to the Board.

There being no further business, on motion, the meeting adjourned.

.....
President

(Signed) W. T. ZUR SCHMIEDE
Sec'y-Treas.

Louisville, Ky.
March 21, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at three thirty P. M. o'clock in the Director's room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch
Charles H. Bohmer
George O. Boomer
James B. Brown
R. Lee Callahan
Anthony J. Carroll
George M. Clark
Allen P. Dodd
Stuart E. Duncan
C. Oscar Ewing
T. Kennedy Helm
Baylor O. Hickman
Clarence C. Hieatt
Saunders P. Jones, Jr.
Milburn P. Kelley
Walter I. Kohn
Thomas J. Minary
Edward J. O'Brien, Jr.
Ben Robertson
Arthur M. Rutledge
William S. Speed
Sam H. Stone
Horace A. Taylor
E. Leland Taylor
Robert F. Vaughan
Henry Vogt

Approval of Previous Minutes::

The Minutes of the meeting of March 7th, after reading, were approved.

Dividend Declared::

On motion of Charles H. Bohmer, seconded by Henry Vogt, dividend for the quarter ending March 31st, 1930 of twenty cents (20c) per share was declared, payable on April 1st to stockholders of record March 24th.

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Resolution Authorizing Issuance of Duplicate Certificate::

On motion made, duly seconded and carried, resolution was adopted authorizing the issuance, by the Harris Trust and Savings Bank of Chicago, and the registration by the Continental Illinois Bank and Trust Company of Chicago, of duplicate certificate No. TCO 1124 for fifty (50) shares capital stock THE BANCOKENTUCKY COMPANY in the name of LOUIS HOLBROOK, which duplicate certificate is protected by idemnity bond.

Adjourn Meeting::

There being no further business, on motion, the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky
March 27th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 3:30 P. M. o'clock in the Director's room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Block	Walter I. Kohn
George O. Boomer	Charles C. Mengel
James B. Brown	Thomas J. Minary
R. Lee Callahan	David C. Morton
George M. Clark	Edward J. O'Brien, Jr.
Samuel W. Coons	Arthur M. Rutledge
Stuart E. Duncan	William S. Speed
C. Oscar Ewing	Sam H. Stone
James Garnett	Horace A. Taylor
T. Kennedy Helm	E. Leland Taylor
Baylor O. Hickman	Robert F. Vaughan
Saunders P. Jones, Jr.	Henry Vogt

Mr. James B. Brown presided as Chairman at the meeting and Mr. W. T. Zur Schmiede as Secretary.

Approval of Previous Minutes::

The Minutes of the meeting of March 21st, after reading, were approved.

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The Chairman announced the first business in order was the recommendation, by the Board of Directors, of the trade between the SECURITY BANK of LOUISVILLE, KENTUCKY, and the ASHLAND NATIONAL BANK of ASHLAND, KENTUCKY.

Authorization of Trade::

On motion of Charles C. Mengel, seconded by E. Leland Taylor, Mr. Brown was authorized to complete the trade with the SECURITY BANK of Louisville, Kentucky, on the following basis:

Three hundred fifty ($350.00) dollars per share for each share of the outstanding capital stock, to be paid—either all in stock of THE BANCOKENTUCKY COMPANY at twenty-five ($25.00) dollars per share; or, ten (10) shares of THE BANCOKENTUCKY COMPANY stock at twenty-five ($25.00) dollars per share and one hundred ($100.00) dollars in cash—said trade to become effective only upon THE BANCOKENTUCKY COMPANY receiving at least fifty-one (51%) per cent of the outstanding capital stock of the SECURITY BANK.

On motion of T. Kennedy Helm, seconded by Dr. Oscar E. Block and unanimously carried, Mr. Brown was authorized to complete the trade with the ASHLAND NATIONAL BANK of ASHLAND, KENTUCKY, on the following basis:

Two hundred ($200.00) dollars per share, payable in stock of THE BANCOKENTUCKY COMPANY at twenty-five ($25.00) dollars per share; said trade to become effective only upon surrender of fifty-one (51%) per cent of the outstanding capital stock of the ASHLAND NATIONAL BANK, ASHLAND, KENTUCKY, to THE BANCOKENTUCKY COMPANY.

Listing of Additional Shares on Chicago Stock Exchange:

On motion made, duly seconded and carried, resolution was adopted that application be filed with the Chicago Stock Exchange for the listing of two million three hundred seventy thousand (2,370,000) additional shares of stock of THE BANCOKENTUCKY COMPANY, making a total of four million (4,000,000) shares listed on the Chicago Stock Exchange out of five million (5,000,000) shares authorized.

There being no further business, on motion, the meeting adjourned.

.....
PRESIDENT

.....
SECRETARY

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Louisville, Kentucky,

April 11th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 3:30 P. M. o'clock in the Director's room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch	Milburn P. Kelley
Charles H. Bohmer	Walter I. Kohn
James B. Brown	Charles C. Mengel
R. Lee Callahan	J. William Miller
Anthony J. Carroll	Thomas J. Minary
George M. Clark	David C. Morton
Samuel W. Coons	Edward J. O'Brien, Jr.
Allen P. Dodd	Ben Robertson
Joseph H. Durham	Arthur M. Rutledge
C. Oscar Ewing	William S. Speed
Baylor O. Hickman	E. Leland Taylor
Saunders P. Jones, Jr.	Horace A. Taylor

Robert F. Vaughan

Mr. James B. Brown presided as Chairman at the meeting and Mr. W. T. Zur Schmiede as Secretary.

Approval of Previous Minutes::

The Minutes of the meeting of March 27th, after reading, were approved.

Chairman Brown announced the first business in order was the recommendation, by the Board of Directors, of the trade between the STOCK YARDS BANK of LOUISVILLE, KENTUCKY:

Motion Authorizing Mr. Brown to Complete Trade::

On motion of Mr. Charles C. Mengel, seconded by J. William Miller, Mr. Brown was authorized to complete the trade with the STOCK YARDS BANK of Louisville, Kentucky, on the following basis:

"Three Hundred ($300.00) dollars for each share of the outstanding stock of the STOCK YARDS BANK to be paid for in stock of THE BANCOKENTUCKY COMPANY at twenty-five ($25.00) dollars per share; said trade to become effective only when THE BANCOKENTUCKY COMPANY receives at least fifty-one (51%) per cent of the out-

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standing capital stock of the STOCK YARDS BANK.

Adjourn Meeting: There being no further business, on motion—the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky
April 15th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 3:30 P. M. o'clock in the Director's room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch	Walter I. Kohn
George O. Boomer	Charles C. Mengel
James B. Brown	Thomas J. Minary
R. Lee Callahan	David C. Morton
Anthony J. Carroll	Edward J. O'Brien, Jr.
George M. Clark	Ben Robertson
Allen P. Dodd	Arthur M. Rutledge
C. Oscar Ewing	William S. Speed
James Garnett	Sam H. Stone
Walter H. Girdler	E. Leland Taylor
T. Kennedy Helm	Horace A. Taylor
Baylor O. Hickman	Robert F. Vaughan
Milburn P. Kelley	Henry Vogt

Mr. James B. Brown presided as Chairman at the meeting and Mr. W. T. ZurSchmiede as Secretary.

Approval of Previous Minutes: The Minutes of the meeting of April 11th, after reading, were approved.

Contract with Caldwell & Company: On motion made by Arthur M. Rutledge, seconded by Charles C. Mengel, and unanimously carried, Mr. Brown was authorized to draw a contract with CALDWELL & COMPANY for the purchase of one-half interest in CALDWELL & COMPANY, the basis of the

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trade being that THE BANCOKENTUCKY COMPANY will pay into CALDWELL & COMPANY two dollars twenty-two ($2.22) cents in stock of THE BANCOKENTUCKY COMPANY at twenty-five ($25.00) dollars per share for each dollar of assets of CALDWELL & COMPANY and receive fifty (50%) per cent of the capital stock of CALDWELL & COMPANY, which contract shall then be submitted to the Board for approval, or rejection.

Adjourn Meeting: There being no further business, on motion—the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky,

May 26th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 3:30 P. M. o'clock in the Director's room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch	Walter H. Girdler
Charles H. Bohmer	T. Kennedy Helm
George O. Boomer	Baylor O. Hickman
James B. Brown	Charles C. Mengel
R. Lee Callahan	Thomas J. Minary
Anthony J. Carroll	David C. Morton
George M. Clark	Edward J. O'Brien, Jr.
Samuel W. Coons	Ben Robertson
Allen P. Dodd	Arthur M. Rutledge
Stuart E. Duncan	Sam H. Stone
Joseph H. Durham	Horace A. Taylor
C. Oscar Ewing	Robert F. Vaughan
James Garnett	Henry Vogt

Mr. James B. Brown presided as Chairman at the meeting and W. T. ZurSchmiede as Secretary.

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Approval of Previous Minutes: Minutes of the meeting of April 15th, after reading, were approved.

Contract Caldwell & Co: Mr. Brown presented a tentative contract with CALDWELL & COMPANY, which was read to the Board and fully discussed.

Adjourn Meeting: There being no further business, on motion—the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky

May 29th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY, held this date at three thirty o'clock in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch	Baylor O. Hickman
Charles H. Bohmer	Saunders P. Jones, Jr.
George O. Boomer	Walter I. Kohn
James B. Brown	Charles C. Mengel
R. Lee Callahan	Thomas J. Minary
Anthony J. Carroll	David C. Morton
George M. Clark	Edward J. O'Brien, Jr.
Samuel W. Coons	Ben Robertson
Stuart E. Duncan	Arthur M. Rutledge
Joseph H. Durham	Sam H. Stone
C. Oscar Ewing	E. Leland Taylor
Walter H. Girdler	Horace A. Taylor
T. Kennedy Helm	Robert F. Vaughan

Henry Vogt

The President, James B. Brown, took the Chair and W. T. ZurSchmiede, Secretary-Treasurer of the Company, acted as Secretary of the meeting.

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Discussion of Contract with Caldwell & Co:

The contract with CALDWELL & COMPANY was presented to the Board and, after discussion, upon motion made by Sam H. Stone, seconded by Stuart E. Duncan and unanimously carried, it was resolved that a committee composed of Charles F. Jones, George O. Boomer and Robert F. Vaughan be elected to assist the President in determining the value of the assets of CALDWELL & COMPANY.

Upon motion by Anthony J. Carroll, seconded by Joseph H. Durham, it was resolved that the contract with CALDWELL & COMPANY be prepared in legal form; after which, the President was authorized to sign on behalf of THE BANCOKENTUCKY COMPANY. This motion carried twenty-six to one—Director Ben Robertson voting against same.

Issuance of the Banco-Kentucky Shares to Caldwell & Co:

The following resolution, offered by Anthony J. Carroll and seconded by Robert F. Vaughan, was adopted by a vote of twenty-six to one—Mr. Robertson voting against same:

"RESOLVED: That when the contract between THE BANCOKENTUCKY COMPANY and CALDWELL & COMPANY has been approved by the attorneys and signed by the President of the two corporations, that the proper officers of THE BANCOKENTUCKY COMPANY be and they hereby are authorized and directed to issue and deliver to CALDWELL & COMPANY nine hundred thousand (900,000) shares of the capital stock of THE BANCOKENTUCKY COMPANY, fully paid and non-assessable, in exchange for ten thousand (10,000) shares of newly authorized stock of CALDWELL & COMPANY.

"RESOLVED: Further, that in the judgment of this Board, said ten thousand (10,000) shares of stock are necessary for the business of this corporation and are of a value at least equal to the par value of the stock of this corporation, exchanged therefor, subject to the terms of said contract and on the basis therein stated."

Contract with Caldwell & Co. as Signed by President:

For the purpose of record, said contract, which was passed upon by Messrs. Anthony J. Carroll, T. Kennedy Helm and Robert F. Vaughan, and signed by the President—Mr. James B. Brown, is copied in full herewith and made a part of these minutes:

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"MEMORANDA OF AGREEMENT, made this 28th day of May, 1930, by and between THE BANCO-KENTUCKY COMPANY, a Delaware Corporation, as first party, and CALDWELL & COMPANY, a Tennessee corporation, as second party.

WITNESSETH

For and in consideration of the mutual promises and covenants of the parties hereinafter contained, it is agreed:

1. The second party has increased its authorized capital stock from $1,000,000.00 divided into 10,000 shares of the par value of $100 each, to 20,000 shares of the par value of $100 each.

2. The first party will issue and deliver to the second party 900,000 shares of the par value of $10.00 each of its presently authorized unissued stock for the additional 10,000 shares of stock of the second party, as provided in Section I hereof, which said 10,000 shares the second party will issue and deliver to the first party at the time of delivery to it of the aforesaid 900,000 shares of stock of the first party. Upon such mutual delivery of stock the second party will deposit 200,000 shares of the said 900,000 shares of capital stock of the first party with The Louisville Trust Company, Louisville, Kentucky, to be held by said trust company for redelivery to the second party upon the joint order of the presidents of the respective parties, pending such examinations and investigations as the first party may desire to make under sections 7 and 8 of this agreement and as security of performance by the second party under said sections 7 and 8.

3. At the time of such mutual delivery of stock, the first party will have 5,000,000 shares of stock of the par value of $10.00 each authorized of which, exclusive of the aforesaid 900,000 shares to be issued to the second party, 1,633,705 shares shall have been issued, and there is no option or contract for sale of stock of the first party outstanding (with exception of options on an aggregate amount of 250,000 shares of Common Capital Stock to H. M. Byllesby & Company, Blyth & Company and Wakefield & Company at $26.50 per share, such option expires June 1, 1930.)

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4. At the time of said mutual delivery of stock, the second party will have an authorized capital stock of 20,000 shares of the par value of $100.00 each of which, exclusive of the 10,000 shares to be issued to the first party, 10,000 shares shall have been issued.

5. Neither party, pending consummation of this transaction by the mutual delivery of said stocks, will make any disposition of any material portion of its assets nor take any unusual step or one other than in the due course of business except with the written consent of the other.

6. The first party covenants that it owns the following amounts of the total issued and outstanding stock of the following banks:

Name:	Location:	Total Capital Par Value	Amounts of Stock Owned
National Bank of Kentucky Louisville Trust Company	Louisville	$5,750,000.00	$5,391,190.00
Brighton Bank & Trust Co	Cincinnati	500,000.00	442,900.00
The Pearl-Market Bk & Tr. Co	Cincinnati	600,000.00	472,160.00
Peoples-Liberty Bk & Tr. Co	Covington, Ky	650,000.00	169,800.00
Central Sav Bk & Tr Co	Covington, Ky	60,000.00	54,800.00
Ashland National Bank	Ashland, Ky	800,000.00	626,300.00
First National Bank	Paducah, Ky	150,000.00	136,500.00
Security Bank	Louisville, Ky	300,000.00	209,000.00

The first party further represents that on May 1, 1930, the combined or total capital, surplus and undivided profits of the aforesaid banks, as shown by their books, were $17,192,870.76 and that the total assets of said banks, as shown by their books, were $124,129,966.95; that the first party had no liabilities and on said date it had cash to the amount of $1,297,893.47 and good and collectible notes in the principal amount of not less than $2,000,000.00.

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7. The second party represents that, as of May 28, 1930, its assets were of such fair aggregate value that, after deducting therefrom all of its liabilities, it had a net worth of not less than $9,000,000.00.

8. The first party shall within twelve (12) months from the date hereof, satisfy itself as to the valuation of the assets of the second party in the computation of the net worth of the second party, as set forth in Section 7 of this agreement.

The President of THE BANCOKENTUCKY COMPANY and the President of CALDWELL & COMPANY will determine the valuation of such assets in the computation of the net worth of the second party with the right of either party to have competent assistants in reaching a determination. If the Presidents of the respective parties are unable to agree upon the valuation of any asset or assets, then and in that event they will select a third party as arbitrator, who will then determine said valuation. If the Presidents of the respective parties are unable to agree upon a third party to act as arbitrator as aforestated, then and in that event they will select Mr. Whitefoord R. Cole, who will, in turn, select an arbitrator.

If the net worth of the second party is ascertained to be less than $9,000,000.00, based upon such valuation of its assets, then and in that event the second party at its option will deliver to the first party $2.22 in cash or stock of the first party (on basis of $25.00 per share) for each $1.00 of such deficit or the second party may forfeit any dividends on such part of its stock as is not owned by the first party until an amount equivalent to such deficit is accummulated in the treasury of the second party (provided its stockholders other than the first party shall agree to such forfeiture of dividends). If the net worth of the second party is ascertained to be more than Ten Million ($10,000,000.00) Dollars, then and in that event the first party will deliver to the second party $1.00 of its capital stock (on basis of $25.00 per share) for each $1.00 of such excess.

9. The first party agrees that in the event it desires to sell or otherwise dispose of all or any part of its stock interest in the second party at any time subsequent to the consummation of this contract, that it will not sell or otherwise dispose of said stock without

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first offering same to Rogers Caldwell, his successors and assigns, for an amount not in excess of bona fide offers obtained for such stock from other parties.

10. The first party agrees to establish and maintain a co-operative working agreement between the security departments of its several banks and the second party in the distribution and underwriting of securities.

11. The second party will retain a substantial investment in the insurance business and may carry further its program to acquire, direct and develop insurance companies.

12. The general spirit and purpose of this agreement and the consolidation of the interests of the first and second parties is to further the development of each company and to create a vehicle for further extension and development in the commercial and investment banking and insurance fields.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate through their officers duly authorized to act by their respective boards of directors on the day and date first above written.

THE BANCOKENTUCKY COMPANY

By .....
First Party.

CALDWELL & COMPANY

By .....
Second Party"

LOUISVILLE, KENTUCKY,
MAY 28, 1930

"BancoKentucky Company
Louisville, Ky

Gentlemen:

For and in consideration of the mutual promises and covenants of BancoKentucky Company and Caldwell and Company, contained in contract of

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agreement dated the 28th day of May, 1930, I hereby agree that, in the event I desire to sell or otherwise dispose of all or any part of my interest in the capital stock of Caldwell & Company, at any time subsequent to the consummation of the aforesaid contract, that I will not sell or otherwise dispose of said stock without first offering same to you for an amount not in excess of bona fide offers obtained for purchase of said stock from other parties.

Very truly yours,

(Signed) ROGERS CALDWELL"

"MAY 28, 1930—LOUISVILLE, KY"

Supplemental Agreement: "BancoKentucky Company, a Delaware Corporation, party of the first part, and Caldwell & Co., a Tennessee corporation, party of the second part:

WITNESSETH: The parties have this day agreed, that in consideration of mutual agreement in a contract of this date between the same parties, that first party has delivered to the second party, one hundred thousand (100,000) shares of its stock (being part of 900,000 shares referred to in said contract) in consideration of the second party agreeing to purchase from the National Bank of Kentucky, for one hundred thousand (100,000) shares of BancoKentucky stock, all of its rights, interests in or obligations owned by it of The Kentucky Wagon Manufacturing Company and National Motors Corporation.

"The second party agrees to liquidate or otherwise dispose of said companies their obligations and or securities to receive for services the necessary cost incurred and to repay to the first party all net proceeds realized from any disposition that may be made of same.

(Signed) JAMES B. BROWN

(Signed) ROGERS CALDWELL"

Adjourn Meeting: There being no further business, on motion—
The meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

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Louisville, Kentucky

June 18th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY, held this date at three thirty o'clock in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch	Baylor O. Hickman
Charles H. Bohmer	Saunders P. Jones, Jr.
James B. Brown	Walter I. Kohn
Anthony J. Carroll	Charles C. Mengel
George M. Clark	Thomas J. Minary
Stuart E. Duncan	Edward J. O'Brien, Jr.
Joseph H. Durham	Arthur M. Rutledge
C. Oscar Ewing	William S. Speed
T. Kennedy Helm	E. Leland Taylor

The President, James B. Brown, took the Chair and W. T. ZurSchmiede, acted as Secretary of the meeting.

Approval of Actions in Previous Minutes: On motion by Anthony J. Carroll, seconded by Charles C. Mengel, and unanimously carried, the Minutes of previous meetings, and all actions recorded therein, were approved.

Dividend Declared: On motion made, duly seconded and unanimously carried, dividend for the quarter ending June 30th, 1930, of twenty (20c) cents per share was declared, payable on July 1, 1930 to stockholders of record June 27th, 1930.

Adjourn Meeting: There being no further business, on motion—
The meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

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Louisville, Kentucky,

September 19th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at three o'clock in the Director's room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch	Walter H. Girdler
Charles H. Bohmer	T. Kennedy Helm
George O. Boomer	Saunders P. Jones, Jr.
James B. Brown	J. William Miller
R. Lee Callahan	Thomas J. Minary
Anthony J. Carroll	Edward J. O'Brien, Jr.
George M. Clark	Arthur M. Rutledge
Allen P. Dodd	William S. Speed
Stuart E. Duncan	E. Leland Taylor
Joseph H. Durham	Horace A. Taylor
C. Oscar Ewing	Robert F. Vaughan
James Garnett	Henry Vogt

The President, James B. Brown, took the Chair and W. T. Zur Schmiede acted as Secretary of the meeting.

Approval of Actions in Previous Minutes::

Minutes of the meeting of June 18th, after reading, were approved.

Declaration of Dividend::

On motion made, duly seconded, and unanimously carried, dividend for the quarter ending September 30th, 1930, of twenty (20c) cents per share was declared, payable on October 1, 1930 to stockholders of record September 28th, 1930.

Trade with Mechanics Sav. Bk & Tr. Co., Paducah, Kentucky.

On motion of R. Lee Callahan, seconded by J. William Miller, Mr. James B. Brown was authorized to complete negotiations with the MECHANICS SAVINGS BANK AND TRUST COMPANY of PADUCAH, KENTUCKY, on the following basis:

Two Hundred Twenty-five ($225.00) dollars per share for each share of the outstanding stock of the Mechanics Savings Bank and Trust Company, payable in stock of THE BANCOKENTUCKY COMPANY at twenty-five ($25.00) dollars per share;

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said trade to become effective only when THE BANCOKENTUCKY COMPANY receives at least fifty-one per cent of the outstanding capital stock of the Mechanics Savings Bank and Trust Company.

Adjourn Meeting::

There being no further business, on motion—the meeting adjourned.

.....

PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky

October 31st, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date in the Director's Room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Dr. Oscar E. Bloch	James Garnett
Charles H. Bohmer	Walter H. Girdler
George O. Boomer	Saunders P. Jones, Jr.
James B. Brown	Thomas J. Minary
R. Lee Callahan	David C. Morton
Anthony J. Carroll	Edward J. O'Brien, Jr.
George M. Clark	Ben Robertson
Samuel W. Coons	Arthur M. Rutledge
Allen P. Dodd	Sam H. Stone
Stuart E. Duncan	E. Leland Taylor
Joseph H. Durham	Horace A. Taylor
C. Oscar Ewing	Robert F. Vaughan

Henry Vogt

Minutes of the meeting of September 19th, after reading, were approved.

Reading of Minutes and Approval of Motion—Executive Committee Natl Bk of Ky—Lou Trust Company:

The Minutes of the joint meeting of the Executive Committee of the National Bank of Kentucky and The Louisville Trust Company was read by Mr. John S. Akers, Secretary.

Motion was made by Mr. Allen P. Dodd, seconded by Mr. Charles H. Bohmer, and unanimously carried, that the recommendations of the Executive Committee of the National Bank of Kentucky and The Louisville Trust Company be carried out; whereupon, Mr.

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James B. Brown appointed the following gentlemen as members of the Executive Committee of THE BANCOKENTUCKY COMPANY:

Allen P. Dodd
Charles H. Bohmer
Robert F. Vaughan
Anthony J. Carroll
George M. Clark
R. Lee Callahan

Resignation of Walter I. Kohn

The resignation of Walter I. Kohn was read and upon motion, was accepted, with regret.

Adjourn Meeting:

There being no further business, on motion, the meeting adjourned.

.....
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky
November 17th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 5:00 P. M. in the offices of the National Bank of Kentucky, the following Directors were present:

Arthur M. Rutledge
Samuel W. Coons
Allen P. Dodd
James Garnett
C. Oscar Ewing
E. Leland Taylor
T. Kennedy Helm
Robert F. Vaughan
Saunders P. Jones, Jr.
Joseph H. Durham
Edward J. O'Brien, Jr.
R. Lee Callahan
Anthony J. Carroll
Ben Robertson
William S. Speed
Thomas J. Minary

Minutes of the meeting of October 31st, after reading, were approved.

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Sale of Stock The Pearl-Market Bank & Trust Company:

Upon motion duly made and seconded, the following Resolution was adopted:

"RESOLVED: That R. LEE CALLAHAN, T. KENNEDY HELM and CHARLES F. JONES be and they are now named as a Special Committee with full authority to negotiate a sale of the capital stock now owned by THE BANCOKENTUCKY COMPANY in the PEARL-MARKET BANK AND TRUST COMPANY of CINCINNATI, OHIO, on such terms as in the judgment of the said Committee may be for the best interest of THE BANCOKENTUCKY COMPANY and carry the sale of same, if made into effect, by executing in behalf of THE BANCOKENTUCKY COMPANY such documents as may be necessary.

The said Committee is empowered to collect the proceeds of such sale after hereinafter described prior lien has been paid thereon, which proceeds of sale shall be turned over to the Receiver of the National Bank of Kentucky as set out hereinbelow:

The Chemical Bank and Trust Company of New York has a prior lien upon a part of said stock, to wit: TWENTY-FOUR THOUSAND TWO HUNDRED EIGHTY-FOUR (24,284) shares. After said lien has been satisfied out of the sale of the particular stock covered thereby, the balance of the proceeds of the sale, as well as the proceeds of the sale of such free stock, to wit: TWENTY-THREE THOUSAND FIVE HUNDRED SEVENTY (23,570) shares, shall be accounted for to the Receiver of the National Bank of Kentucky, as follows:

Any and all cash received from the proceeds of said sale shall be, by the Committee, deposited in the Cincinnati Branch of the Federal Reserve Bank, Cleveland, Ohio, for the credit of the Louisville Branch, Federal Reserve Bank, St. Louis, Missouri, for the use of PAUL C. KEYES, said Receiver of the National Bank of Kentucky. If, in the consummation of said sale, any stock or securities, or anything of value derived from the sale is received as part of the said purchase price of the above described stock, the same shall be, by the Committee, turned over to the said Receiver."

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Sale of Stock of the Brighton Bk & Trust Co:

Upon motion made, duly seconded and carried, the following Resolution was adopted:

"RESOLVED: That R. LEE CALLAHAN, T. KENNEDY HELM and CHARLES F. JONES be and they are now named as a Special Committee with full authority to negotiate a sale of the capital stock now owned by THE BANCOKENTUCKY COMPANY in the BRIGHTON BANK AND TRUST COMPANY of CINCINNATI, OHIO, on such terms as in the judgment of said Committee may be for the best interest of THE BANCOKENTUCKY COMPANY and carry the sale of same, if made into effect, by executing in behalf of THE BANCOKENTUCKY COMPANY such documents as may be necessary.

The said Committee is empowered to collect the proceeds of such sale after hereinafter described prior lien has been paid thereon, which proceeds of sale shall be turned over to the Receiver of the National Bank of Kentucky as set out hereinbelow.

The Chemical Bank and Trust Company of New York has a prior lien upon a part of said stock, to wit: TWENTY-SIX THOUSAND (26,000) shares. After said lien has been satisfied out of the sale of the particular stock covered thereby, the balance of the proceeds of the sale, as well as the proceeds of the sale of such free stock, to wit: EIGHTEEN THOUSAND TWO HUNDRED NINETY (18,290) shares, shall be accounted for to the Receiver of the National Bank of Kentucky, as follows:

Any and all cash received from the proceeds of said sale shall be, by the Committee, deposited in the Cincinnati Branch of the Federal Reserve Bank, Cleveland, Ohio, for the credit of the Louisville Branch, Federal Reserve Bank, St. Louis, Missouri, for the use of PAUL C. KEYES, said Receiver of the National Bank of Kentucky. If, in the consummation of said sale, any stock or securities, or anything of value derived from the sale is received as part of the said purchase price of the above described stock, the same shall be, by the Committee, turned over to the said Receiver."

Note: Written on the typewritten minutes in longhand in red ink is the following:

See amendment as noted in meeting of Dec. 12, 1930.

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Adjourn Meeting: There being no further business, on motion the meeting adjourned.

.....

PRESIDENT

(Signed) W. T. ZUR SCHMIEDE

SECRETARY

Louisville, Kentucky

November 18th, 1930

A meeting of the Executive Committee of THE BANCOKENTUCKY COMPANY was held this date at 11:30 A. M. in the office of A. J. CARROLL, INTER-SOUTHERN BUILDING. A quorum of the Executive Committee was present, as follows:

MESSRS. CARROLL, DODD, BOHMER and VAUGHAN

MR. CALLAHAN, another member of the Executive Committee, being at the time in Cincinnati, Ohio, in touch with the situation there and familiar with the transactions for which the meeting was called.

There also met with the Executive Committee the following Directors, whom the Executive Committee called into consultation on the matter:

MESSRS. E. LELAND TAYLOR, STUART DUNCAN, S. W. COONS, E. J. O'BRIEN, JR., JOSEPH H. DURHAM, SAM STONE and ARTHUR RUTLEDGE.

The Chairman stated that the meeting was called for the purpose of considering an emergency which had arisen in connection with the Peoples-Liberty Bank and Trust Company and the Central Savings Bank and Trust Company of Covington, Kentucky; that Mr. Kennedy Helm had telephoned the imperative necessity of selling these Banks if possible to purchasers in Cincinnati who were willing to buy them provided the purchase could be consummated immediately. Mr. Helm advised that a serious run upon both Banks was in progress and that a sale seemed advisable on the best terms obtainable. He then dic-

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tated over the telephone proposed option contract for the sale of stocks of these two Banks held by THE BANCOKENTUCKY COMPANY and asked the Executive Committee to consider same and give the Special Committee in Cincinnati, consisting of Messrs. Helm, Callahan and Jones, authority to proceed.

The proposed option contract is as follows:

(CONTRACT ATTACHED HERETO)

Said proposed contract was then read to the Executive Committee and to the other Directors who were present. The unanimous sentiment of all present was that under the circumstances and conditions prevailing in Covington and in the said Banks, the above proposition was fair and reasonable; and at all events, was the best price obtainable in the emergency. A resolution was thereupon adopted, unanimously concurred in by all of the other members of the Board present, authorizing the Special Committee consisting of Messrs. Helm, Callahan and Jones to close said sale on said terms.

Following the passage of this resolution, it was brought to the attention of the Committee that the Ashland National Bank might also become involved in difficulties due to its proximity to the Covington Banks, and it was felt that the emergency might be so great as to make it impossible to convene the entire Board or even a quorum of the Executive Committee. Whereupon the Executive Committee (the other Directors present concurring) adopted the following resolution:

"That T. Kennedy Helm and Robert F. Vaughan be and they are hereby authorized for and on behalf of THE BANCOKENTUCKY COMPANY and the Executive Committee of its Board, to sell and dispose of the shares of the Ashland National Bank owned by THE BANCOKENTUCKY COMPANY, and to sell and dispose of any other shares of other banks, not previously sold; and they are hereby vested with all the authority of the Board of Directors to act in this matter, and in the consummation of any sales they are authorized to execute all papers and documents necessary, and to take all

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such steps and do all such things as may be required to fully consummate the sale of said stock."

.....
CHAIRMAN

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky
November 19th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 2:00 P. M. o'clock in the Directors Room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Henry Vogt	C. Oscar Ewing
Stuart E. Duncan	Ben Robertson
George M. Clark	Thomas J. Minary
Edward J. O'Brien, Jr.	Anthony J. Carroll
Samuel W. Coons	Arthur M. Rutledge
T. Kennedy Helm	Charles H. Bohmer
R. Lee Callahan	Robert F. Vaughan
Allen P. Dodd	Horace A. Taylor
Sam H. Stone	James Garnett
George O. Boomer	Dr. Oscar E. Bloch
Walter H. Girdler	James B. Brown

Joseph H. Durham

Investigate Sale Assets First Natl Bk, Paducah, Ky

Upon motion made by James Garnett, seconded by Ben Robertson and unanimously carried, it was moved that the Executive Committee be directed to investigate the sale of the assets of THE FIRST NATIONAL BANK, PADUCAH, KENTUCKY, and to employ the necessary legal counsel to protect the rights of the stockholders.

Ratify Sales Cincinnati and Covington Bks: Delivery Stock Pearl-Market Bk:

Upon motion made, duly seconded and unanimously carried, the Board ratified the sale of the BRIGHTON BANK AND TRUST COMPANY, CINCINNATI, OHIO, capital stock at fifteen ($15.00) dollars per share; with the proviso that if the assets so checked out, there will be paid an additional ten

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($10.00) dollars; but, in no event, shall THE BANCO-KENTUCKY COMPANY receive more than twenty-five ($25.00) dollars per share. Binding upon the sale was the delivery of THE PEARL-MARKET BANK AND TRUST COMPANY stock without consideration.

The Board also ratified the sale of the stock of the PEOPLES-LIBERTY BANK AND TRUST COMPANY, COVINGTON, KY. at fifty ($50.00) dollars per share and the CENTRAL SAVINGS BANK AND TRUST COMPANY, COVINGTON, KY. at one hundred ($100.00) dollars per share.

Resignations:

Motion was made by Allen P. Dodd, seconded by Stuart E. Duncan, and unanimously carried, that all members of the Executive Committee and officers of THE BANCOKENTUCKY COMPANY be requested to resign; whereupon, JAMES B. BROWN, President, CHARLES F. JONES, Vice-President and W. T. ZUR SCHMIEDE, Secretary-Treasurer, and the entire Executive Committee, composed of Messrs. Dodd, Bohmer, Clark, Callahan, Carroll and Vaughan resigned.

Director Garnett moved that James B. Brown be made Chairman and W. T. Zur Schmiede, Secretary of the meeting.

Election New Officers:

The Chairman announced that the next business in hand was the election of officers:

Upon motion made, seconded and unanimously carried, HENRY VOGT was elected PRESIDENT; R. LEE CALLAHAN, VICE-PRESIDENT and W. T. ZUR SCHMIEDE, SECRETARY-TREASURER.

Amendment By-Laws:

Mr. Carroll offered the following resolution, which was seconded by Mr. Dodd and unanimously adopted:

RESOLVED: That the by-laws of THE BANCO-KENTUCKY COMPANY be and they hereby are amended by adding to said by-laws, as an additional clause, the following:

"The Board of Directors may elect, or confer upon the President the power to appoint an Executive Committee, from the membership of this Board, consisting of six members, the President to be ex-officio Chairman thereof. Said Committee shall have and exercise any or all of the powers and be invested with

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all of the authority of the Board of Directors in the management of the business and affairs of this corporation, at all times when the Board of Directors is not actually in session. Meetings of said Committee may be called at any time by the President or by any two members of the Committee."

Appointment Executive Committee:

Mr. Vaughan moved that the members of the Executive Committee be appointed by the President. The motion was seconded by Mr. Rutledge and unanimously adopted.

The President thereupon appointed the following to constitute the Executive Committee: R. Lee Callahan, Allen P. Dodd, A. J. Carroll, Robert F. Vaughan, George M. Clark and James Garnett.

Mr. Bohmer moved that the appointments of members of the Executive Committee, as announced by the President, be confirmed and that said Committee be invested with all the powers and authority specified in the amendment to the by-laws, which had been adopted at this meeting. The motion was seconded by Mr. Duncan and unanimously adopted.

Adjourn Meeting

There being no further business, upon motion—
The meeting adjourned.

(Signed) HENRY VOGT
PRESIDENT

(Signed) W. T. ZUR SCHMIEDE
SECRETARY

Louisville, Kentucky
November 19th, 1930

The Executive Committee of THE BANCOKENTUCKY COMPANY met at 8:00 P. M. o'clock in room 1210 Inter-Southern Building—there being present:

Messrs. Henry Vogt, President; R. L. Callahan, Vice-President; A. J. Carroll, R. F. Vaughan, James Garnett, George M. Clark, W. T. Zur Schmiede, Secretary and T. K. Helm, by request.

Sale Stock of Ashland Natl Bank:

The meeting was called to consider the sale of the stock owned by THE BANCOKENTUCKY COMPANY in the ASHLAND NATIONAL BANK, ASHLAND, KENTUCKY, at the request and suggestions of Messrs. Williamson and Field, directors.

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Mr. Williamson opened the discussion by stating that owing to the failure of the National Bank of Kentucky and the sale of the BANCOKENTUCKY COMPANY interest in Covington and Cincinnati, that the ASHLAND NATIONAL BANK interests that had sold out for THE BANCOKENTUCKY COMPANY stock, which had now become worthless, desired, but reluctantly, to take over a controlling interest in an institution that meant much to their territory; that while the institution had suffered somewhat from withdrawals, it was in a sound condition with a little over $1,000,000.00 of cash available and salable bonds of about $500,000.00 and re-discountable paper of about $500,000.00 or more; that these represented, roughly speaking, $2,000,000.00 against present deposits of $4,000,000.00, which had been recently reduced from $5,000,000.00.

Messrs. Williamson and Field stated that in view of the fact that their stockholders had all sold out for THE BANCOKENTUCKY COMPANY stock, with a total loss to them, and that while they were not authorized to offer any sum for the stock, they were authorized to say that if given an option at $30.00 per share on 4,000 shares, it would be acceptable.

It was pointed out to them that THE BANCOKENTUCKY COMPANY on the representation of the officers of their own bank, had paid $200.00 per share for 7115 shares; it, therefore, stood THE BANCOKENTUCKY COMPANY $1,423,000.00, and for the control of which they were offering only $120,000.00. (It was mentioned, incidentally, that THE BANCOKENTUCKY COMPANY, and most of its officers and directors, had reached the point where they were not giving away any bank that might be liquidated for three or four times the amount they were offering.)

(In red ink) Stricken out in Minutes of Dec. 12.30 before approval.

The Committee and the negotiators then separated to consider further action, and upon re-convening it was stated to the negotiators for the ASHLAND NATIONAL BANK that the Committee would sell 4,000 shares at $100.00 per share and accept its chances on selling later its remaining 3115 shares, or might consider a firm offer of $500,000 for its 7115 shares, because the Committee would like to clear up its local situation, though it believed that a profit would be realized by the investors of at least 50% or more with-

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in six months on that purchase, if the local interests would get behind and support their local bank.

In the discussion it was also pointed out that the Bank had a capital of $800,000.00, a surplus of $300,000.00 and the most modern bank building in that section of the State, which building was yielding over 4% on investment, though it represented a relatively high investment of the capital of the Bank.

After further discussion, neither side being willing to yield their views, it was suggested that the meeting adjourn to consider this subject further at the meeting of the Executive Committee at 11:00 A. M. November 20th, 1930, in the office of Mr. A. J. Carroll, 14th floor of the Inter-Southern Building.

Adjourn Meeting:

There being no further business, on motion—
The meeting adjourned.

(Signed) HENRY VOGT

(Signed) W. T. ZUR SCHMIEDE

Louisville, Kentucky,

November 20th, 1930.

A meeting of the officers and Executive Committee of THE BANCOKENTUCKY COMPANY was held at the office of Mr. A. J. Carroll, 1423-1426 Inter-Southern Building, on November 20th, 1930, at 11 o'clock A. M.

There were present the following: Mr. Henry Vogt, President, R. Lee Callahan, Vice-President, W. T. Zur-Schmiede, Secretary and Treasurer, and Messrs. Allen Dodd, James Garnett, George M. Clark, A. J. Carroll and Robert F. Vaughan—constituting the entire committee.

Re:Ashland National Bank Sale:

Messrs. Ben Williamson, Jr. and James T. Field, representing the ASHLAND NATIONAL BANK, appeared before the Committee and resumed negotiations for the purchase of stock in said Bank.

After several hours deliberation and conference, the following resolution was offered by Mr. Dodd and seconded by Mr. Callahan, and unanimously carried:

"RESOLVED: That THE BANCOKENTUCKY COMPANY sell and deliver to the syndicate of Ash-

land citizens, composed of Honorable Ben Williamson and John Buckingham and others, Four Thousand (4000) shares of THE ASHLAND NATIONAL BANK stock held by THE BANCOKENTUCKY COMPANY, at the price of Fifty Dollars ($50.00) per share, or a total of $200,000.00, terms cash upon delivery of certificates evidencing said shares, and that Messrs. Henry Vogt and W. T. Zur Schmiede be, and they are hereby authorized to endorse said certificates for transfer on the books of said corporation.

The purchase money for said shares to be delivered to the Louisville Branch of the Federal Reserve Bank for the account of the Receiver of the NATIONAL BANK OF KENTUCKY. Upon receipt of same the said Federal Reserve Bank is authorized to deliver said certificates to said syndicate."

Re:Situation at Paducah Kentucky:

The Committee discussed the situation in Paducah and on motion duly seconded and carried, Mr. T. Kennedy Helm was asked to make an investigation of this situation for the Committee and report back his findings as promptly as possible.

Audit Banco Ky Books:

A resolution was then adopted authorizing Mr. Henry Vogt, President, to have an audit made of the books of THE BANCOKENTUCKY COMPANY by an accountant of his selection.

Re:Trustees' Participation Shares:

Mr. T. Kennedy Helm was requested by resolution of the Committee to take such steps as may be necessary to call a meeting of the holders of the Trustees' Participation Shares of the National Bank of Kentucky and The Louisville Trust Company for purpose of considering the dissolution of said trust, looking to a possible sale of The Louisville Trust Company stock.

Custody the BancoKy Securities:

On motion of Robert F. Vaughan, seconded by A. J. Carroll, and unanimously carried, a resolution was adopted consenting that PAUL C. KEYES, RECEIVER for the NATIONAL BANK OF KENTUCKY retain custody of the following securities of THE BANCOKENTUCKY COMPANY until further order of the Board of Directors or of its Executive Committee:

3,125 shares ASHLAND NATIONAL BANK, Ashland, Kentucky

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Exhibit "Zur Schmiede No. 42"

633 shares SECURITY BANK, LOUISVILLE, KY.

540,384 shares TRUSTEES PARTICIPATION CERTIFICATES, NATIONAL BANK OF KENTUCKY - THE LOUISVILLE TRUST CO

10,000 shares CALDWELL & COMPANY
6,925 shares FIRST NATIONAL BANK, PADUCAH, KY

NOTE—JAMES B. BROWN, in the amount of $2,000,000.00.

625 shares UNION CENTRAL LIFE INSURANCE COMPANY

Adjourn Meeting: There being no further business, upon motion—The meeting adjourned.

(Signed) HENRY VOGT
(Signed) W. T. ZUR SCHMIEDE

Louisville, Kentucky
November 29th, k839

A meeting of the Executive Committee of THE BANCOKENTUCKY COMPANY was held at 8:00 P. M. o'clock in room ten fifteen of THE BROWN HOTEL. The following members were present:

Messrs. Allen P. Dodd, George M. Clark, R. Lee Callahan, A. J. Carroll, Robert F. Vaughan and Henry Vogt.

Re: Security Bank: The meeting was called for the purpose and discussion of the matter of the Security Bank with Mr. Percy Johnston of the Chemical Bank and Trust Company of New York.

Mr. Johnston explained that it was his purpose to open the SECURITY BANK, as, in his opinion, the Bank was solvent; but that it was desired THE BANCOKENTUCKY COMPANY should not have any ownership in the Bank when it was opened.

Upon motion of Allen P. Dodd, seconded by R. Lee Callahan and unanimously carried, it was moved that W. T. Zur Schmiede, Secretary and Treasurer of THE

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Exhibit "Zur Schmiede No. 42"

BANCOKENTUCKY COMPANY be authorized to deliver the remaining six hundred thirty-three (633) shares free stock of the SECURITY BANK to the Chemical Bank and Trust Company, New York, to be placed as additional collateral on the bills payable of THE BANCOKENTUCKY COMPANY and thereby remove from the free assets of THE BANCOKENTUCKY COMPANY all stock of the SECURITY BANK.

Mr. Johnston agreed to secure the same price for the 633 shs as the Chem Bk & Tr Co would get for their shares

There being no further business, upon motion—

The meeting adjourned.

(Signed) HENRY VOGT
(Signed) W. T. ZUR SCHMIEDE

Louisville, Kentucky,

December 12, 1930.

A called meeting of the Board of Directors of The BancoKentucky Company was held this date at 9:00 A. M. in the Directors' room of The Louisville Trust Building, due notice of the meeting having been given. The following Directors were present:

Dr. Oscar E. Bloch, R. Lee Callahan, A. J. Carroll, Samuel W. Coons, George M. Clarke, Allen P. Dodd, Stuart E. Duncan, Joseph H. Durham, T. Kennedy Helm, J. Wm. Miller, Thos. J. Minary, David C. Morton, Edward J. O'Brien, Wm. S. Speed, Sam H. Stone, Horace Taylor, Leland Taylor, Robert F. Vaughan, Henry Vogt.

Mr. Henry Vogt presided as President and W. T. ZurSchmiede acted as Secretary.

The minutes of the Directors' meeting held November 17, 1930, were read, and upon motion duly made, seconded and carried, the said minutes were amended to state what had actually occurred and had been omitted through oversight, viz:

"It was moved, seconded and carried that the Special Committee be and is hereby authorized to

Exhibit 23

Exhibit "Zur Schmiede No. 42"

investigate the conditions of the Peoples Liberty Bank and Trust Company and of the Central Trust and Savings Bank of Covington, Ky., and to sell the stock of The BancoKentucky Company therein upon the best price obtainable therefor."

And that with such amendment it was moved, seconded and carried that said minutes, as amended, be and are hereby approved.

The minutes of the Directors' meeting of November 19, 1930, were read, and upon motion made and seconded, were corrected to state more fully and accurately the facts referred to, as follows:

(1) As to the ratification of the sales of the Cincinnati and Covington banks and the delivery of stock, by adding to the said paragraph the following words:

"The Special Committee composed of T. K. Helm, R. Lee Callahan and C. F. Jones, read to the meeting a written report which was, on motion duly seconded and carried, ratified and approved and ordered filed with the minutes of the directors."

(2) Insofar as the recording of the Resolution by Mr. Carroll amending the By-Laws is concerned, by adding thereto the following Resolution, which was omitted by oversight and error, viz:

WHEREAS, an Executive Committee has heretofore for some weeks been functioning without the amendment of the By-Laws but whose acts have from time to time been reported to the Board and approved by it;

NOW, THEREFORE, BE IT RESOLVED, That all of the acts recorded in the minutes and reports of said Executive Committee heretofore serving by virtue of the appointment of the Board of Directors, be and are hereby ratified, approved and confirmed.

With the foregoing amendments it was moved, seconded and carried that the minutes of November 19th be approved.

The minutes of the Executive Committee meeting of November 19, 1930, held at 8:00 P. M. being read, it was moved, seconded and carried that the last sentence in the 6th paragraph beginning with the words "it was mentioned incidentally", etc. be stricken as

Exhibit 23

being mere trade talk, and not in any way intended to reflect a condition that had existed, for in fact no such condition had existed. And as amended said minutes were approved.

It was moved, seconded and carried that

WHEREAS, it has been called to the attention of this Board that suit #205223 was instituted in the Jefferson Circuit Court on November 24, 1930, by Henry Vogt, R. Lee Callahan and other stockholders of this Company, seeking the appointment of a Receiver for the Company by the Jefferson Circuit Court to take charge of all of its property and to administer same under its orders for the benefit of its stockholders and creditors, and that the appearance of this Company was entered in that case by W. T. ZurSchmiede, its Secretary, confessing the allegations of the petition and consenting to the appointment of such Receiver;

NOW BE IT RESOLVED, That the action of said Secretary in filing such entry of appearance and consent in said suit is ratified, approved and confirmed as the act of the corporation; and

BE IT FURTHER RESOLVED, That Hugh B. Fleece be authorized as attorney for this Company to file such further pleadings and take such further action in said proceeding as to him may seem best to protect the interests of the Company and in this connection to file an answer consenting to the receivership for the Company in said Jefferson Circuit Court.

It was moved, seconded and carried that

WHEREAS, suit has been instituted in McCracken Circuit Court against this Company by Jesse Weil and others, seeking a recission of their purchase of stock in this Company, and other suits have been instituted in the Federal court in Delaware and in the State court in Delaware, in the nature of receivership proceedings;

BE IT RESOLVED, That Selligman, Selligman and Goldsmith and David R. Castleman are authorized as attorneys for this Company to make such appearance and take such action in said proceedings as to them may seem proper for the protection of this Company's interests.

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Exhibit "Zur Schmiede No. 42"

There being no further business to come before the meeting, it adjourned.

(Signed) HENRY VOGT,
Chairman

(Signed) W. T. ZUR SCHMIEDE
Secretary

(Photostatic copies of papers found in BancoKentucky Company files in the office of Mr. Laurent, Receiver.)

Louisville, Kentucky
November 19th, 1930

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY held this date at 2:00 P. M. o'clock in the Directors Room of The Louisville Trust Company Building—due notice of the meeting having been given, the following Directors were present:

Henry Vogt	C. Oscar Ewing
Stuart E. Duncan	Ben Robertson
George M. Clark	Thomas J. Minary
Edward J. O'Brien, Jr.	Anthony J. Carroll
Samuel W. Coons	Arthur M. Rutledge
T. Kennedy Helm	Charles H. Bohmer
R. Lee Callahan	Robert F. Vaughan
Allen P. Dodd	Horace A. Taylor
Sam H. Stone	James Garnett
George O. Boomer	Dr. Oscar E. Bloch
Walter H. Girdler	James B. Brown

Joseph H. Durham

Investigation Sale Assets of First National Bank, Paducah, Ky:

Upon motion made by James Garnett, seconded by Ben Robertson and unanimously carried, it was moved that the Executive Committee be directed to investigate the sale of the assets of THE FIRST NATIONAL BANK, PADUCAH, KENTUCKY and to employ the necessary legal counsel to protect the rights of the stockholders.

Ratification of Sales Cincinnati Banks and Covington Banks: Delivery Pearl-Market Stock:

Upon motion made, duly seconded and unanimously carried, the Board ratified the sale of the BRIGHTON BANK AND TRUST COMPANY, CINCINNATI, OHIO, capital stock at fifteen ($15.00) dollars per share; with the proviso that if the assets so checked out, there will be paid an additional ten ($10.00) dollars; but, in no event, shall THE BANCO-

Exhibit 23

Exhibit "Zur Schmiede No. 42"

KENTUCKY COMPANY receive more than twenty-five ($25.00) dollars per share.

Binding upon the sale was the delivery of THE PEARL-MARKET BANK & TRUST COMPANY stock without consideration.

The Board also ratified the sale of the stock of the PEOPLES-LIBERTY BANK & TRUST COMPANY, COVINGTON, KY. at fifty ($50.00) dollars per share and the CENTRAL SAVINGS BANK AND TRUST COMPANY, COVINGTON, KENTUCKY, at one hundred ($100.00) dollars per share.

Resignation of Officers: Resignation Executive Committee:

Motion was made by Allen P. Dodd, seconded by Stuart E. Duncan, and unanimously carried, that all members of the Executive Committee and officers of THE BANCOKENTUCKY COMPANY be requested to resign; whereupon, JAMES B. BROWN, PRESIDENT, CHARLES F. JONES, VICE-PRESIDENT and W. T. ZUR SCHMIEDE, SECRETARY-TREASURER and the entire Executive Committee, composed of Messrs. Dodd, Bohmer, Clark, Callahan, Carroll and Vaughan resigned.

Mr. Garnett moved that Mr. Brown be made Chairman of the meeting and Mr. Zur Schmiede, Secretary.

Election of New Officers:

The Chairman announced that the next business in hand was the election of officers:

Upon motion made, seconded and unanimously carried, HENRY VOGT was elected PRESIDENT; R. LEE CALLAHAN, VICE-PRESIDENT and W. T. ZUR SCHMIEDE, SECRETARY-TREASURER.

Appointment Executive Committee:

Motion was made, duly seconded and unanimously carried, empowering the President and Vice-President to appoint an Executive Committee consisting of six members; whereupon, the following members were appointed:

R. LEE CALLAHAN, GEORGE M. CLARK, ALLEN P. DODD, JAMES GARNETT, ANTHONY J. CARROLL and ROBERT F. VAUGHAN.

It was moved, seconded and unanimously carried that the selection of the Executive Committee by the President be concurred in.

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Exhibit "Zur Schmiede No. 42"

Empowering Executive Committee:

Motion was made, seconded and unanimously carried that amendment to the By-Laws be written empowering the Executive Committee to act when the Board of Directors are not in session.

2 P. M. (Handwritten)

Mr. Carroll offered the following resolution which was seconded by Mr. Dodd and unanimously adopted:

"RESOLVED, that the by-laws of The Banco-Kentucky Company be and they hereby are amended by adding to said by-laws, as an additional clause, the following:

'The Board of Directors may elect, or confer upon the President the power to appoint an Executive Committee, from the membership of this Board, consisting of six members, the President to be ex-officio Chairman thereof. Said Committee shall have and exercise any or all of the powers and be invested with all of the authority of the Board of Directors in the management of the business and affairs of this corporation, at all times when the Board of Directors is not actually in session. Meetings of said Committee may be called at any time by the President or by any two members of the Committee.'"

Mr. Vaughan moved that the members of the Executive Committee be appointed by the President. The motion was seconded by Mr. Rutledge and unanimously adopted.

The President thereupon appointed the following to constitute the Executive Committee: R. Lee Callahan, Allen P. Dodd, A. J. Carroll, Robert F. Vaughan, George M. Clark and James Garnett.

Mr. Bohmer moved that the appointments of members of the Executive Committee, as announced by the President, be confirmed and that said Committee be invested with all the powers and authority specified in the amendment to the by-laws, which had been adopted at this meeting. The motion was seconded by Mr. Duncan and unanimously adopted.

Close (Handwritten)

A meeting of the officers and Executive Committee of The BancoKentucky Company was held at the office of Mr. A. J. Carroll, 1423-1426 Inter-Southern Building, on November 20th, 1930, at 11 o'clock A. M.

There were present the following: Mr. Henry Vogt,

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Exhibit "Zur Schmiede No. 42"

President, Mr. R. Lee Callahan, Vice-President, Mr. W. T. Zurschmiede, Secretary and Treasurer, and Messrs. Allen Dodd, James Garnett, George M. Clark, A. J. Carroll and Robert F. Vaughan, constituting the entire committee.

Messrs. Ben Williamson, Jr. and James T. Field, representing the Ashland National Bank, appeared before the Committee and resumed negotiations for the purchase of stock in said bank.

After several hours deliberation and conference, the following resolution was offered by Mr. Dodd and seconded by Mr. Callahan, and unanimously carried:

"RESOLVED, that The BancoKentucky Company sell and deliver to the syndicate of Ashland citizens, composed of Honorable Ben Williamson and John Buckingham and others, Four Thousand (4000) shares of the Ashland National Bank stock held by The BancoKentucky Company, at the price of Fifty Dollars per share, or a total of $200,000.00, terms cash upon delivery of certificates evidencing said shares, and that Messrs. Henry Vogt and W. T. Zurschmiede be and they are hereby authorized to endorse said certificates for transfer on the books of this corporation.

The purchase money for said shares to be delivered to the Louisville Branch of the Federal Reserve Bank for the account of the Receiver of the National Bank of Kentucky. Upon receipt of same the said Federal Reserve Bank is authorized to deliver said certificates to said syndicate."

The Committee discussed the situation in Paducah and on motion duly seconded and carried, Mr. T. Kennedy Helm was asked to make an investigation of this situation for the Committee and report back his findings as promptly as possible.

A resolution was then adopted authorizing Mr. Henry Vogt, President, to have an audit made of the books of The BancoKentucky Company by an accountant of his selection.

Mr. T. Kennedy Helm was requested by resolution of the Committee to take such steps as may be necessary to call a meeting of the holders of the Trustees' participation shares of the National Bank of Kentucky and Louisville Trust Company for purpose of considering the dissolution of said trust, looking to a possible sale of the Louisville Trust Company stock.

There being no further business the meeting adjourned.

Exhibit 24

ALBANY, NEW YORK, 184 STATE ST.
CHICAGO, 20 N. LA SALLE ST.
DOVER, DELAWARE, 19-21 DOVER GREEN
JERSEY CITY, 15 EXCHANGE PLACE
LOS ANGELES, 901 VAN NUYS BLDG.
MINNEAPOLIS, 1226 BAKER BLDG.
PHILADELPHIA, 1200 PENNSYLVANIA BLDG
SAN FRANCISCO, 1332 RUSS BLDG.

EXECUTIVE OFFICES
120 BROADWAY
NEW YORK

FOR LAWYERS

ST. LOUIS, 604 CARLETON BLDG.
TALLAHASSEE, FLORIDA, DEMENTREE BLDG
TRENTON, 28 WEST STATE STREET
WASHINGTON, D. C., 911 NATIONAL PRESS BLG

FOR EUROPE
INTERNATIONAL CORPORATION COMPANY
20 RUE DE LA PAIX, PARIS
HOWARD K. WOOD, President

United States Corporation Company

DIRECTORS AND OFFICERS
HOWARD K. WOOD,
Chairman
DAN FELLOWS PLATT,
H. O. COUGHLAN, President
SAMUEL B. HOWARD, Vice President
ARTHUR W. BRITTON, Vice Pres. and Sec'y
LOUIS H. GUNTHER, Treasurer
GEORGE V. REILLY, Assistant Secretary
SAMUEL C. WOOD, Assistant Secretary
RAYMOND J. GORMAN, Assistant Secretary
HARRY C. HAND, Assistant Treasurer

19-21 DOVER GREEN
DOVER, DELAWARE

JAMES M. SATTERFIELD
DELAWARE COUNSEL

CHARLES H. JARVIS
DELAWARE SECRETARY

PLAINTIFF'S
EXHIBIT No.
OCT 18 1929
OFFICIAL REPORTER

July 16, 1929

W. Charles W. Jones
National Bank of Kentucky
Louisville, Kentucky

My dear Jones:

We completed the organization of "THE [illegible]KentuckyCOMPANY" today and I am enclosing a certified copy of the charter.

You will observe that there is a technical change in Section Five of my original draft in order to conform to the new Delaware Law. As a matter of fact it is more simple than the old form.

I also enclose statement of corporation to be filled out, signed by the President or Secretary of the new corporation and sent to the Secretary of State of Kentucky together with a filing fee of $1.00. When this is done, the corporation will be fully organized to do business in Kentucky.

There will be mailed to you tomorrow the original of the minute book containing copy of charter and the by-laws. According to instructions, I mailed the forty-nine directors elected at the organization meeting. All that will be necessary for you to do at the meeting on Friday is to elect the officers and if you so desire, also elect an executive

Exhibit 24

ALBANY, NEW YORK 84 STATE ST.
CHICAGO, 30 N. LA SALLE ST.
DOVER, DELAWARE 19-21 DOVER GREEN
JERSEY CITY, 15 EXCHANGE PLACE
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MINNEAPOLIS, 1226 BAKER BLDG.
PHILADELPHIA, 1220 PENNSYLVANIA BLDG.
SAN FRANCISCO, 9-17 RUSS BLDG.

EXECUTIVE OFFICES
160 BROADWAY
New York

FOR LAWYERS

ST. LOUIS, 804 CARLETON BLDG.
TALLAHASSEE, FLORIDA, DEMENTREE BLDG.
TRENTON, 28 WEST STATE STREET
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FOR EUROPE
INTERNATIONAL CORPORATION COMPANY
20 RUE DE LA PAIX, PARIS
HOWARD K. WOOD, President

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DIRECTORS AND OFFICERS
HOWARD K. WOOD
Chairman
DAN FELLOWS PLATT
H. O. COUGHLAN, President
SAMUEL B. HOWARD, Vice President
ARTHUR M. BRITTON, Vice Pres. and Secy.
LEWIS H. GUNTHER, Treasurer
GEORGE V. REILLY, Assistant Secretary
SAMUEL C. WOOD, Assistant Secretary
RAYMOND J. GORMAN, Assistant Secretary
HARRY C. HAND, Assistant Treasurer

19-21 DOVER GREEN
DOVER, DELAWARE

JAMES M. SATTERFIELD
DELAWARE COUNSEL

CHARLES H. JARVIS
DELAWARE SECRETARY

Mr. Chas. J. Jones

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committee. I do not know what Jim's views are in regard to the executive committee but I would like to be a member of it, if it does not interfere with any other arrangement.

I had the minute book and other papers sent by registered, first-class mail and also had special delivery stamps affixed. The records will be mailed probably tonight and certainly not later than tomorrow morning, so that you will receive them in ample time for the meeting on Friday. I had them addressed to you at the bank.

Give my regards to everybody and if you can get away, I would be glad if you would pay us a visit at Atlantic City.

Very sincerely yours,

A. J. Carroll

AJC/ECH
Encs.

PATRONS ARE REQUESTED TO PAY ON CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

WESTERN UNION

SIGNS

DL = Day Letter
NM = Night Message
NL = Night Letter
LCO = Deferred Cable
NLT = Cable Letter
WLT = Week-End Letter

NEWCOMB CARLTON, PRESIDENT J. C. WILLEVER, FIRST VICE-PRESIDENT

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at 405-407-409 West Market St. (Near 4th Ave.), Louisville 1929 JUL 17 AM 10 42

NA195 14=RA ATLANTICCITY NJ 17 1125A

CHARLES F JONES=

NATIONAL BANK OF KENTUCKY LOUISVILLE KY=

CORPORATION FULLY ORGANIZED ALL RECORDS MAILED WEDNESDAY NIGHT STOP SEND COPY OF PROSPECTUS HERE=

A J CARROLL.

PLAINTIFF'S EXHIBIT 24-1 OCT 18 1938 Chas. G. Gorman OFFICIAL REPORTER

3411-Pacific ave
Atlantic City
N.J.

1241

24-1

THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE

July 20,1929.

Mr. A. J. Carroll,
3411 Pacific Ave.,
Atlantic City, N.J.

Dear Judge :

Enclosed herein find letter which was mailed to all stockholders today.

Everything is in fine shape and in my opinion will go over big.

With best regards, I am,

Yours very truly,

PLAINTIFF'S EXHIBIT 24-Y
OCT 18 1929
CLERK

PLAINTIFF'S EXHIBIT
OCT 16 1939
OFFICIAL REPORTER

Louisville, Ky., July 19, 1929.

To the Holders of Trustees' Participation Shares,
National Bank of Kentucky and The Louisville Trust Company:

1. Your Officers and Directors have studied the rapidly changing conditions in the banking business in America, with a view to preparing the two banking institutions under their management, to meet these changed conditions, and to take early advantage of new opportunities presented thereby.

2. The conclusion unanimously reached, as a result of their deliberations, is that the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the operations of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections.

3. Such a reorganization is in line with the trend of business and finance in this country; and the strength and influence of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities, frequently presented in the course of business of the two banks, but not available to them, because of the restrictions upon their powers and activities.

4. The following is the Plan of Reorganization agreed upon by the Officers and Directors of the two banks, and approved by formal Resolutions of the Trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

5. There has been organized under the laws of the State of Delaware, a corporation known as The BancoKentucky Company, with an authorized capital of 2,000,000 shares, having a par value of Ten ($10.00) Dollars each. The stock will be exchanged or sold, in accordance with this Plan, on the basis of Twenty-five ($25.00) Dollars per share, which will give the Company a capital of Twenty Million ($20,000,000.00) Dollars, and a surplus of Thirty Million ($30,000,000.00) Dollars, or a total capital and surplus of Fifty Million ($50,000,000.00) Dollars. No stock will be sold by the Company at less than Twenty-five ($25.00) Dollars per share.

6. The corporation is given broad charter powers, including the right to acquire stocks, bonds and other securities of other corporations, and evidences of indebtedness created or issued by other corporations; the power to underwrite securities and take part in syndicate management, and to charge fees and commissions for its services in connection with the reorganization or refinancing of other corporations; the power to issue bonds and to guarantee the obligations of others and to become surety, guarantor and endorser thereof. The foregoing is merely a brief summary of the broad powers given the corporation; complete details of these powers appear in the Certificate of Incorporation of the Company, copies of which may be examined at the offices of the two banks by any one interested.

7. It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participation Shareholders, and that it be managed and operated by the Boards of Directors and the officers of the two banks. The BancoKentucky Company, therefore, offers to the Trustees' Participation Shareholders of the National Bank of Kentucky and The Louisville Trust Company, through the Trustees as agents in the transaction, its entire capital stock, on the bases and subject to the terms and conditions hereinafter set out:

8. It is an essential part of this Plan that:

(a) On or before September 19, 1929, the holders of the Trustees' Participation Shares must deposit their Certificates with the Trustees for exchange into the shares of The BancoKentucky Company; and for each Participation Share thus deposited, the Trustees will cause to be issued to the holder thereof, Two (2) shares of the stock of the new corporation. In addition thereto the depositing shareholder will have the right to subscribe for as many additional shares of the stock of The BancoKentucky Company as he may desire at the price of Twenty-five ($25.00) Dollars per share subject to allotment ratably if over-subscribed. Trustees' Participation Shareholders who fail to deposit their shares on or before September 19, 1929, will be deemed to have waived their rights to thus exchange their shares and subscribe for stock in the new Company, unless the Trustees shall extend the time for deposit and subscription (as they may do in their discretion), in which event the Trustees' Participation Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time.

(b) The entire Plan of Reorganization, and the deposit and subscription privileges and rights hereinabove set out, are all, and each of them is, conditioned expressly upon the acquisition by the Trustees' Participation Shareholders, either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of The BancoKentucky Company; and further conditioned upon the acquisition by The BancoKentucky Company of at least a majority of the Trustees' Participation Shares issued and outstanding as of September 19, 1929.

9. It is the unanimous recommendation of your Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees' Participation Shareholders immediately deposit their shares under this Reorganization Plan, and that they exercise their right to subscribe to the additional shares of stock of the BancoKentucky Company.

Exhibit 24 - 3

10. There is enclosed herewith a subscription form covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees, at their office, 421 West Market Street, together with your Certificate or Certificates for Trustees' Participation Shares, endorsed in blank and witnessed. There will be issued to you an Interim Receipt for the shares deposited which, when the Plan has become effective as above set forth, may be presented for exchange for the permanent certificates of the BancoKentucky Company, in accordance with the Plan of Reorganization.

NATIONAL BANK OF KENTUCKY

By James B. Brown

President

THE LOUISVILLE TRUST CO.

By Richard Bean

President

DIRECTORS

JOHN STITES, *Chairman*

JOHN S. AKERS
HENRY J. ANGERMEIER
RICHARD BEAN
WILLIAM BLACK
DR. OSCAR E. BLOCH
CHARLES H. BOHMER
GEORGE O. BOOMER
R. R. BOSWELL
JAMES B. BROWN
R. LEE CALLAHAN
ANTHONY J. CARROLL
GEORGE M. CLARK
SAMUEL W. COONS
ALLEN P. DODD
NICHOLAS H. DOSKER
STUART E. DUNCAN
JOSEPH H. DURHAM
C. OSCAR EWING
JAMES GARNETT
WALTER H. GIRDLER
ANGEREAU GRAY
JAMES J. HAYES
T. KENNEDY HELM
BAYLOR O. HICKMAN
C. C. HIEATT
SAUNDERS P. JONES
MILBURN P. KELLEY
WALTER I. KOHN
BRAINARD LEMON
S. CLAY LYONS
CHARLES C. MENGEL
BEN J. METCALFE
J. WM. MILLER
THOMAS J. MINARY
DAVID C. MORTON
EDWARD J. O'BRIEN, JR.
HENRY D. ORMSBY
JOHN B. PIRTLE
BEN ROBERTSON
ARTHUR M. RUTLEDGE
WILLIAM SHORT
WILLIAM S. SPEED
SAM H. STONE
E. LELAND TAYLOR
HORACE A. TAYLOR
ROBERT F. VAUGHAN
HENRY VOGT
E. WEINSTOCK

TRUSTEES

CHARLES H. BOHMER
ALLEN P. DODD
STUART E. DUNCAN
BEN J. METCALFE
THOMAS J. MINARY
HENRY VOGT

OFFICE OF TRUSTEES
421 WEST MARKET STREET
THE LOUISVILLE TRUST COMPANY BUILDING
LOUISVILLE, KENTUCKY

Exhibit 24 - 4

Louisville, Ky., July_____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of ..... Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

.....

Signature of Stockholder.

.....

Address

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for ..... additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

.....

Signature of Stockholder.

.....

Address.

Exhibit 24-4

Exhibit 24 - 5

PLAINTIFF'S
EXHIBIT 24-5
OCT 18 1938
OFFICIAL REPORTER

Louisville, Ky., September 12, 1929.

TO THE STOCKHOLDER ADDRESSED:

We enclose copy of letter which was mailed to you under date of July 19, 1929. This letter fixed September 19, 1929, (unless such time should be extended) as the last day for the exchange of your Trustee's Participation Shares of the National Bank of Kentucky and The Louisville Trust Company for shares of The BancoKentucky Company, and also explained your right to subscribe for additional shares of stock of The BancoKentucky Company at the price of Twenty-Five ($25.00) Dollars per share, and the objects, purposes and advantages of making the exchange.

THE TRUSTEES AND DIRECTORS HAVE DECIDED NOT TO EXTEND THE TIME BEYOND SEPTEMBER 19, 1929.

We state for your information that The BancoKentucky Company has under consideration several large and, as we believe, very profitable proposals from banks and other corporations, which proposals cannot be finally acted upon until after September 19, 1929, the date upon which the plan becomes effective.

If it is your intention to exchange your Trustee's Certificates, or buy additional shares in The BancoKentucky Company, you should do so on or before September 19, 1929, as the privilege given you in the letter of July 19, 1929, to exchange or subscribe for additional shares, terminates on that date.

THE BANCOKENTUCKY COMPANY

By James B. Brown
President

Exhibit 24 - C

PLAINTIFF'S
EXHIBIT 24-6
OCT 18 1938
OFFICIAL REPORTER

Louisville, Ky., September 24, 1929.

TO SUBSCRIBERS FOR STOCK
OF THE BANCOKENTUCKY COMPANY:

You have heretofore subscribed for 5 *shares of the capital stock of The BancoKentucky Company and agreed to pay for each share the sum of $25.00. The total amount due is $* 125.00.

This letter is to advise you that payment of the above amount must be made ON OR BEFORE OCTOBER 1, 1929, to The BancoKentucky Company at any one of the following offices:

The National Bank of Kentucky, Fifth and Main Streets, Louisville, Ky.
The National Bank of Kentucky, Fourth and Chestnut Streets, Louisville, Ky.
The Louisville Trust Company, 421 West Market Street, Louisville, Ky.

THE BANCOKENTUCKY COMPANY;

James B. Brown
President.

W. R. MacNeal,
4200 W. Market St.,
City.

5F

Please bring this letter with you.

24-6

Exhibit 25

ASSOCIATE COUNSEL
IN FEDERAL TAX CASES
AND OTHER WASHINGTON BUSINESS
MILLER & CHEVALIER
LOUISVILLE - WASHINGTON

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

July 6, 1929

PLAINTIFF'S EXHIBIT No. 25
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. James B. Brown, President
National Bank of Kentucky
Louisville, Kentucky

Dear Sir:

In Re: Bancokentucky Company

On yesterday you asked me whether the holders of the Trustees Participation Shares would be subject to income tax, in the event they exchanged their shares for the shares of Bancokentucky Company, in accordance with the terms of the prospectus.

I have conferred with my associates, Messrs. Miller and Chevalier, and submit herewith our composite view on this question.

1) If the Bancokentucky Company cannot be considered as a "reorganization" under the Revenue Act of 1928, then, undoubtedly the holders of the Participation Shares would be taxable on the transfer, on the amount of the profit realized from the transaction. This profit would be the difference between the cost of the Participation Shares and the fair market value of the shares of Bancokentucky Company, which would be $25.00 or more. In view of the fact that every shareholder of the National Bank of Commerce is still a shareholder in the two institutions, it will be at once seen that the taxable gain would be very large, were it not possible to treat the Bancokentucky Company as a reorganization under the Revenue Act of 1928.

2) We believe that the Bancokentucky Company will be treated as a reorganization, provided it acquires not less than a majority of the Trustees Participation Shares. A reorganization is defined in the Revenue Act as a merger or consolidation, including the acquisition by one corporation of at least a majority of the voting stock of another corporation. For the purposes of our transaction, it is our opinion that the Trustees for the National Bank of Kentucky and The Louisville Trust Company will be treated as an Association or Corporation. This opinion is based upon two facts:

a. Because the Rules and Regulations Section of the Income Tax Unit have held that Trustees, under similar trust agreements, are to be treated as an Association or Corporation for income tax purposes; and

b. Because under Section 701 of the Revenue Act of 1918, the term, corporation, is defined to include "Associations."

25

Exhibit 25

42. " Bancokentucky Company.

Assuming that we are right in the foregoing conclusions, then, no taxable gain will be realized as a result of the exchange of the shares, under Subsection 3 of Section 112, Revenue Act of 1928, which reads as follows:

> "No gain or loss shall be recognized if stock or securities in a corporation, a party to a reorganization, are, in pursuance of the plan of reorganization, exchanged solely for stock or securities in such corporation, or, in another corporation, a party to the reorganization."

Of course, the foregoing Section would apply only in the event the Department should treat the Trustees, for the National Bank of Kentucky and the Louisville Trust Company, as a corporation, for, in that event, the Trustees would be a "party to the reorganization" within the meaning of the above Section, and the Bancokentucky Company would be the other party thereto. It is our best opinion, as above stated, that the Trustees would be so treated by the Department, and, therefore, that no taxable gain would result from these transfers.

In order to clinch our right, as far as possible, to claim for our stockholders the immunity provided for in the above Section, we believe it will be necessary to add a clause to the prospectus, providing that, the offer of the Bancokentucky Company stock on the plan outlined is conditioned upon the acceptance thereof by at least a majority in interest of the Trustees Participation Shareholders.

Yours very truly,

Robert F Vaughan

RFV:IJ

Exhibit 25-1

SUGGESTED PREFACE TO THE PROSPECTUS

To the Holders of
Trustees Participation Shares,
National Bank of Kentucky,
Louisville, Kentucky.

Your Officers and Directors have, for sometime past, been seriously considering a reorganization of your banking institutions to meet the rapidly changing conditions in the banking business in this country, and also, to prepare for still greater changes, which, in our opinion, are rapidly approaching.

We are unanimously of the opinion that the first step to be taken by our shareholders in this reorganization is the creation of a third corporation, under state laws, with broad powers and strong resources, to be operated by your Officers and Directors in conjunction and in close cooperation with the two banks, expanding their credit facilities and supplementing their functions in the financial world.

Accordingly, your Directors have caused to be organized, subject to your approval, as hereinafter set forth, a corporation under the laws of Delaware, known as The Buncokentucky Company. In keeping with the idea of its formation and the plans of its future operation, it is essential that the shares of the Company, or at least a substantial majority thereof must be owned by the present holders of the Trustees Participation Shares.

(Here follows the prospectus approved at the meeting on Friday, July 5th.)

Exhibit 25-A

of our banks for they can feel certain of loans running beyond the usual sixty or ninety-day time limit of commercial banks.

Capitalization

There will be for the present only one kind of stock, common, $10.00 par value, two million shares, representing a capitalization of $20,000,000.00. The first offering of this stock will be made at $25.00 per share, and to the present stockholders of the National Bank of Kentucky and The Louisville Trust Company we offer two shares of this stock for every share of bank stock that they now own. In addition to that, we offer to each stockholder one share of the BancoKentucky Company for each share of bank stock now owned for $25.00 in cash. As an example, if one today holds ten shares of bank stock, he can trade this for twenty share of stock in the BankcoKentucky Company and at the same time he has the privilege of buying ten shares of stock in the BancoKentucky Company for $250.00.

Should our stockholders all decide to do this, the BancoKentucky Company will own all of the stock in the banks and the stockholders will own the stock in the BancoKentucky Company. Stockholders will please understand that there is nothing obligatory about this at all - we are simply making the offer which you may or may not accept at your own pleasure. You can retain your bank stock just as you now hold it if that is what you prefer. You may or may not buy the new stock, just as you prefer.

Should all stockholders exercise their option, it will still leave in the treasury of the Company 275,000 shares of stock, which the Directors will sell a need for capital arises, or they will use it in purchasing other institutions that we would like to have allied with us.

The Directors and Officers of the two banks have given serious consideration to this proposal, and all unite in commending the company to you. Not only will it serve a very useful purpose in our community in promoting industry, but, in our opinion, it will make a very profitable investment for you.

Exhibit 25-5

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

July 9, 1929

25-1

Mr. James B. Brown, President
National Bank of Kentucky
Louisville, Kentucky

Dear Mr. Brown:

IN RE: THE BANCOKENTUCKY COMPANY

Supplementing my former letter to you under date of July 6th, on yesterday I had a conversation with a lawyer, representing the Income Tax Unit at Washington, in the General Counsel's Department, who shortly expects to become a member of the firm of Miller and Chevalier, my office associates in Louisville, which firm, as heretofore explained, specializes in Federal Tax cases, with offices in Washington and New York.

The gentleman gave as his opinion (without opportunity to study the history of the entire transaction) that it was highly important that every preliminary paper, resolution, etc., dealing with this Company and its organization, should clearly recite that the Company is a "reorganization," within the purview of the Revenue Act of 1928.

In other words, the issue and delivery of two shares of stock of the Company, for one Trustees Participation Share, must be made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property.

I believe we can accomplish this result, without in anywise impairing the structure of the setup already agreed upon, by prefacing the prospectus with some general remarks, as per the enclosed draft herewith submitted for your criticism.

Yours very truly,

Robert F. Vaughan

RFV:IS
1 Encl.

Ex 25 24

Exhibit 25-7

To the stockholder addressed:

The officers and directors of the National Bank of Kentucky and The Louisville Trust Company have caused to be formed under the laws of Delaware a corporation named THE BANCOKENTUCKY COMPANY. Its authorized capital stock is 2,000,000 shares of common stock, each share of the par value of Ten Dollars, making the aggregate capital Twenty Million ($20,000,000). This stock will not be sold for less than Twenty-Five ($25.00) Dollars per share.

The corporation will not do a banking business but its powers are large and diversified. Among the things it is authorized to do, in any State of the United States or any foreign country, are the following: The acquiring of all or any portion of the capital stock or assets of any other corporation; the buying, selling or holding of shares of the capital stock, bonds, securities or evidences of indebtedness, created or issued by any other corporation; the purchasing of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing or managing of any commercial, manufacturing or business enterprise; the underwriting of any issue of stocks, bonds or other securities issued by any corporation; to undertake or assume the whole or any part of the liabilities of any person, firm or corporation; the power to act as registrar or transfer agent of any corporation and to act as agent in general for any person, firm or corporation; the power to issue bonds, debentures or other obligations; the power to guarantee the obligations of any person, firm or corporation and to become surety therefor and to become joint maker, endorser or acceptor of any such obligations; the right to charge fees and commissions for all services rendered by it.

In addition to the above, the corporation has many broad powers, covering practically all business or financial under-

25

takings.

As stated, the corporation will not do a banking business or compete, in any manner, with the National Bank of Kentucky or The Louisville Trust Company. On the contrary, it will act in full co-operation with these two institutions.

In view of these facts the officers and directors of the National Bank of Kentucky and The Louisville Trust Company deem it just and proper that the opportunity be afforded to each stockholder of these institutions to acquire shares of the new corporation before disposing of such shares to others. Accordingly, the following offer is made: In exchange for each participation ~~certificate~~ share, owned by stockholders of these institutions, the new corporation will give two shares of its capital stock at $25.00 per share making a total present exchange value of $50.00 for one $10.00 par value participation ~~certificate~~ share. In addition, the right will be given to each stockholder to purchase one additional share of the new corporation for each participating ~~certificate~~ share now owned by him, at the price of $25.00 per share.

It must be understood that no stockholder of the National Bank of Kentucky or The Louisville Trust Company is under any obligation either to make the exchange, as above stated, or to purchase shares of the new corporation. It is entirely optional, but the officers and directors of these two affiliated institutions unanimously recommend that every stockholder take advantage of the above offer. In their opinion, the formation of a financial group of the character of The Bancokentucky Company, The National Bank of Kentucky and The Louisville Trust Company, is necessary to meet the changing, increasing and broadening scope of financial and commercial affairs; that it is in line with the trend of modern, financial deve- ent that the assets of the corporation, wisely managed, will n nly be of great benefit

to these two institutions and the territory they now serve but also will be a stabilizing and developing influence in this entire section of the country. The new corporation can exercise many profitable and important functions which neither a bank or trust company has authority to exercise; it can take advantage of many sound and profitable business opportunities and the stockholders of these two affiliated institutions will reap the benefits from its activities.

Should all stockholders exercise their option it will leave in the treasury of the company 375 750,000 shares of stock which the directors will sell as need for capital arises or they will use it in purchasing other institutions that in their opinion should allied with us.

Each stockholder who desires to take advantage of this offer must on or before , 1929, deliver his participation certificates, or such number thereof as he desires to exchange, to The BancoKentucky Company at its office at Louisville, Kentucky, and two shares of the stock of the new corporation will be exchanged for each participation ~~certificate~~ share so delivered, and each stockholder may, on or before the above date, subscribe and pay for if any such additional shares of the Bancokentucky Company as he may desire, at the price of $25.00 per share.

the stock allotted him and

Exhibit 25-7

The officers and directors of the National Bank of Kentucky and The Louisville Trust Company have caused to be formed under the laws of Delaware a corporation named THE BANCOKENTUCKY COMPANY. Its authorized capital stock is 2,000,000 shares of common stock, each share of the par value of Ten Dollars, making the aggregate capital Twenty Million ($20,000,000). This stock will not be sold for less than Twenty-Five ($25.00) Dollars per share.

The corporation will not do a banking business but its powers are large and diversified. Among the things it is authorized to do, in any State of the United States or any foreign country, are the following: The acquiring of all or any portion of the capital stock or assets of any other corporation; the buying, selling or holding of shares of the capital stock, bonds, securities or evidences of indebtedness, created or issued by any other corporation; the purchasing of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing or managing of any commercial, manufacturing or business enterprise; the underwriting of any issue of stocks, bonds or other securities issued by any corporation; to undertake or assume the whole or any part of the liabilities of any person, firm or corporation; the power to act as registrar or transfer agent of any corporation and to act as agent in general for any person, firm or corporation; the power to issue bonds, debentures or other obligations; the power to guarantee the obligations of any person, firm or corporation and to become surety thereafter and to become joint maker, endorser or accepter of any such obligations; the right to charge fees and commissions for all services rendered by it.

In addition to the above, the corporation has many broad powers, covering practically all business or financial under-

18

Exhibit 25-2

takings.

As stated, the corporation will not do a banking business or compete, in any manner, with the National Bank of Kentucky or The Louisville Trust Company. On the contrary, it will act in full co-operation with these two institutions.

In view of these facts the officers and directors of the National Bank of Kentucky and The Louisville Trust Company deem it just and proper that the opportunity be afforded to each stockholder of these institutions to acquire shares of the new corporation before disposing of such shares to others. Accordingly, the following offer is made: In exchange for each participation certificate, owned by stockholders of these institutions, the new corporation will give two shares of its capital stock at $25.00 per share making a total present exchange value of $50.00 for one $10.00 par value participation certificate. In addition, the right will be given to each stockholder to purchase one additional share of the new corporation for each participating certificate now owned by him, at the price of $25.00 per share.

It must be understood that no stockholder of the National Bank of Kentucky or The Louisville Trust Company is under any obligation either to make the exchange, as above stated, or to purchase shares of the new corporation. It is entirely optional, but the officers and directors of these two affiliated institutions unanimously recommend that every stockholder take advantage of the above offer. In their opinion, the formation of a financial group of the character of the Bancshares Company, the National Bank of Kentucky and The Louisville Trust Company, is necessary to meet the changing, increasing and broadening scope of financial and commercial affairs; that it is in line with the trend of modern, financial development that the assets of the corporation, wisely managed, will not only be of great benefit

25-2-5

Exhibit 25-V

to these two institutions and the territory they now serve but also will be a stabilizing and developing influence in this entire section of the country. The new corporation can exercise many profitable and important functions which neither a bank or trust company has authority to exercise; it can take advantage of many sound and profitable business opportunities and the stockholders of these two affiliated institutions will reap the benefits from its activities.

Should all stockholders exercise their option it will leave in the treasury of the company 750,000 shares of stock which the directors will sell as need for capital arises or they will use it in purchasing other institutions that in their opinion should allied with us.

Each stockholder who desires to take advantage of this offer must on or before , 1929, deliver his participation certificates, or such number thereof as he desires to exchange, to The BancoKentucky Company at its office at Louisville, Kentucky, and two shares of the stock of the new corporation will be exchanged for each participation certificate so delivered, and each stockholder may, on or before the above date, subscribe and pay for such additional shares of The BancoKentucky Company as he may desire, at the price of $25.00 per share.

P-X-6 /

20

Exhibit 25

Important Information

Date Jan 11-29 Hour

Bob

Paragraphs marked might have a suggestion for you in formulating the prospectus

R Bean

By

Don't Say It—Write It!

21

Exhibit 25-A

2,000,000 Shares - $10.00 Par

BancoKentucky Company

Transfer Agent

The Louisville Trust Company

Registrar

National Bank of Kentucky

Business

The BancoKentucky Company has been incorporated under the laws of the State of Delaware to carry on a general operating and investment business. The Officers of the two interested concerns - The National Bank of Kentucky and The Louisville Trust Company - for a long time have felt the need of an organization in Louisville with sufficient capital and experience to meet the growing demands for a constructive financial service in our community. Most lines of business have undergone radical changes in the last few years, and commercial banks must furnish the kind of service that these changes demand. Those corporations which formerly borrowed during their heavy season from commercial banks have sometime since sold stocks and bonds to the public so they no longer need bank loans.

Investors holding stocks and bonds of our industrial corporations find themselves no longer welcome at commercial banks because of the inflexibility of banking regulations. These, we will serve. Prosperous but under-financed corporations are unable to pay off their bank loans every year, and the new company can handle loans of that nature because it is not necessary that its assets be liquidated every few months as is necessary with a bank. Investments in securities can be bought and carried for a while to the great advantage of our stockholders, and this represents another type of service we can render.

The BancoKentucky Company will operate under very flexible policies, rendering service to manufacturers and merchants that, in our opinion, are worthy of support and are safe and profitable. Such a policy will be a great relief to the patrons

HERALD-POST
Kentucky's Greatest Newspaper
LOUISVILLE, KY., FRIDAY EVENING, SEPTEMBER 27, 1929

L GALE SHIFTS RO

Cincinnati Enquirer Lauds BancoKentucky Deal; Sees Great Advantage To City

Cincinnati Banks Join Middle West Chain Brighton And Pearl Market In Big Deal Forming Unit In BancoKentucky Grou

WOMAN ASSISTS IN TAXI HOLDUP

Toast
Palmolive
Soap

N' FOLKS!

2 MILES SOUTH

Handle

N-1

$1.19

...AID-POST

...Greatest Newspaper

...RENOUNCES McCHE...

...Legion Post

...Streets, More Boulevards Mapped By Plan Engineer

2 OHIO BANKS TAKEN OVER BY RAIDUKY

State ... Critic... Report...

...SHIELD WARNED IN BOMB HUNT

...DUNLAP ... DEATH

...WAYS RETU... FROM DIV...

WEATHER

...AR MOTHERS PLANT MEM... TREES AT COURTHOUSE, P...

...COUNCILS ...

OPS CLASH ON CHINESE F

ks Here Form $50,000,000 Financi

City's First Mail Plane Pilot Killed

LEGION VOTES TO GET LEASE ON DOG TRACK TO H. L. PETTY

Birthplace of Robert E. Be... a Nation...

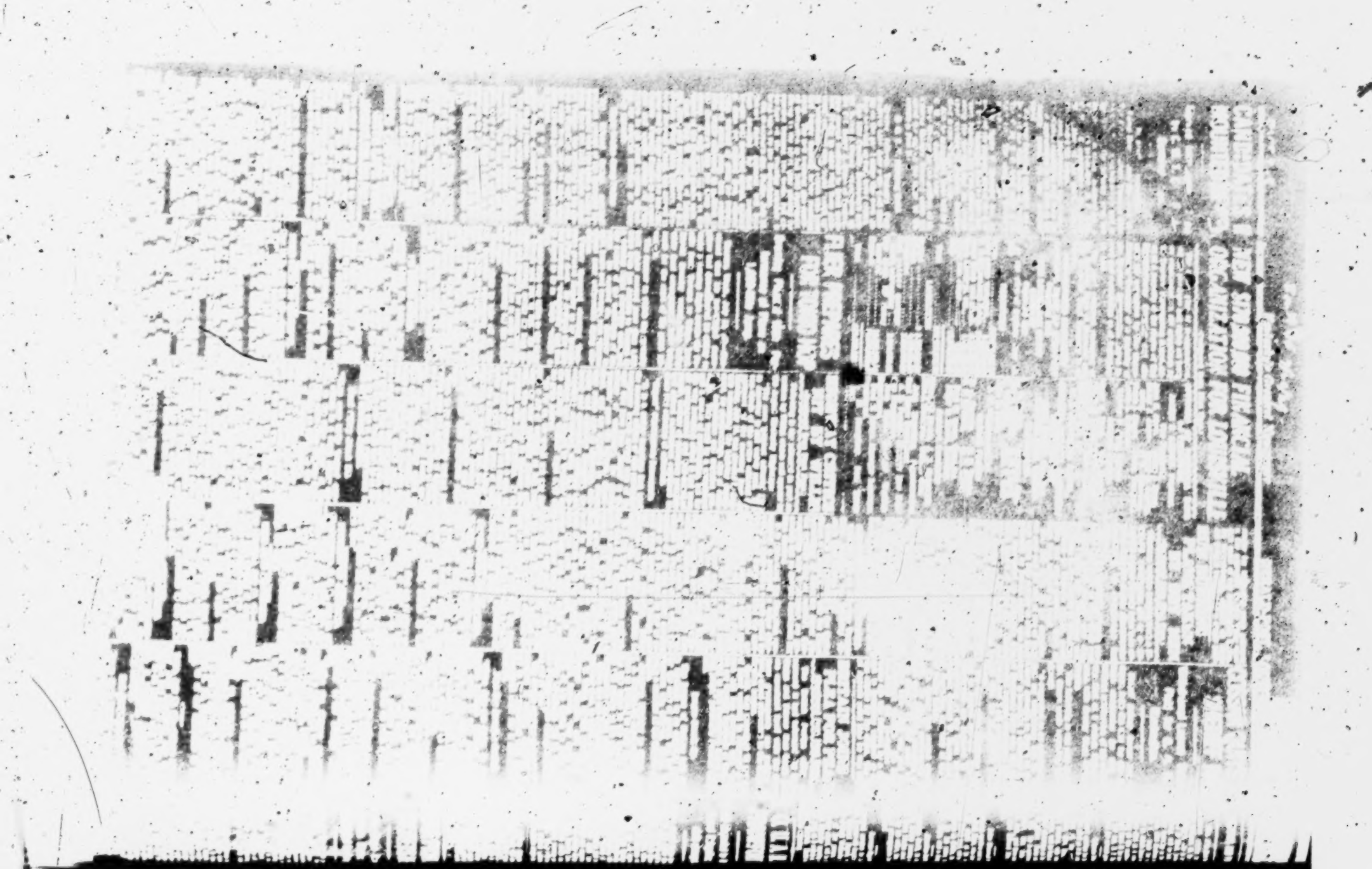
HINES GETS LIFE IN CLOSE BALLOT

B. & O. Offers to Cut Mileage From List of Roads In Merger Outline

French Deputies ... On Ratification of ...

HERALD-POST

70,000,000 FINANCIAL



HINA BREAKS WI

Great Financial Organization Is Given Louisville

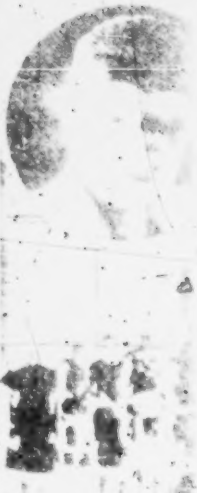
CITY AWAITS AUTO CLUB TOUR PARTY

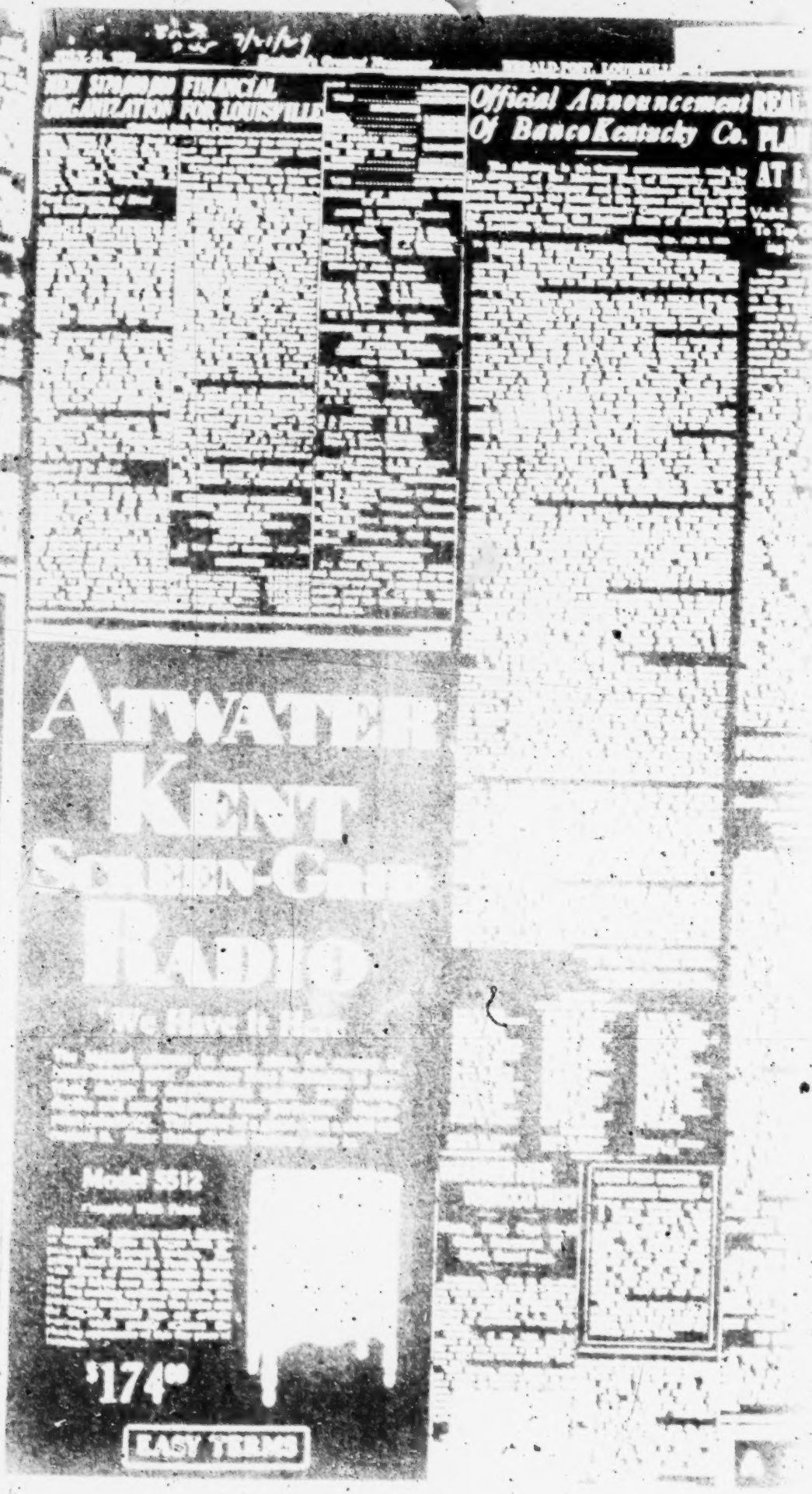
POINCARE WINS VICTORY ON DEBT

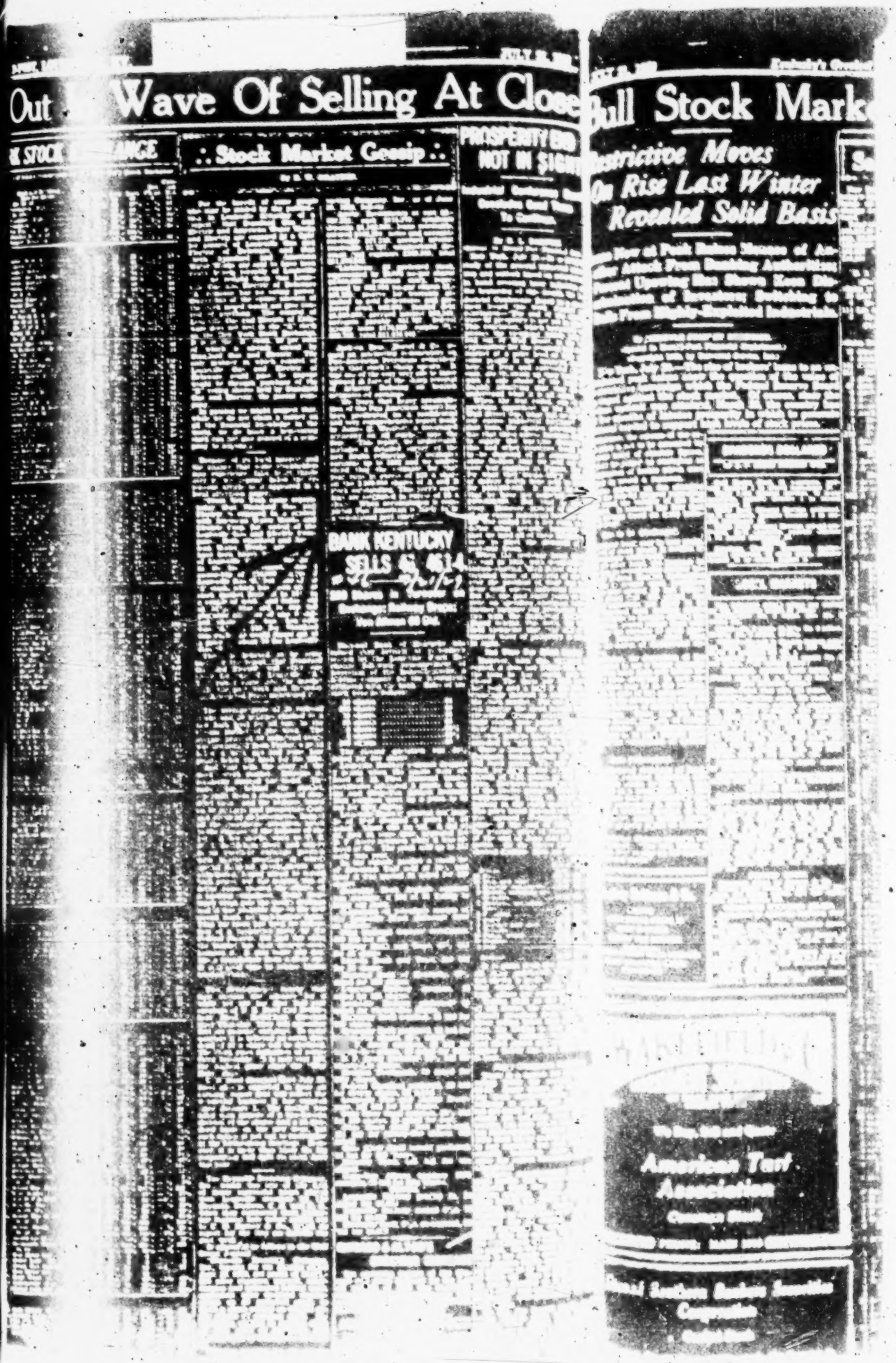
REGISTERED COURTHOUSE

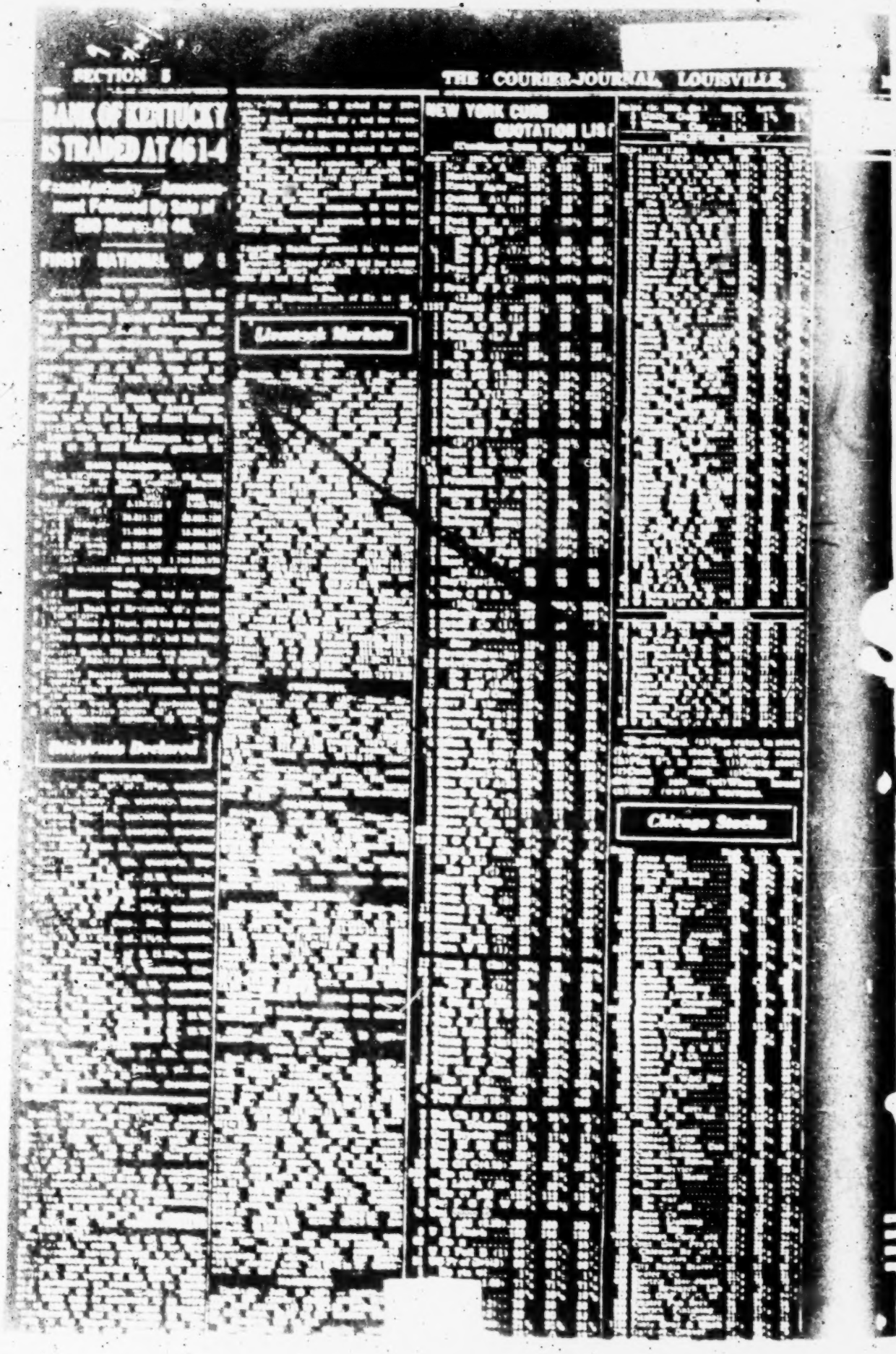
OFFICER SLAIN FROM AMBUSH

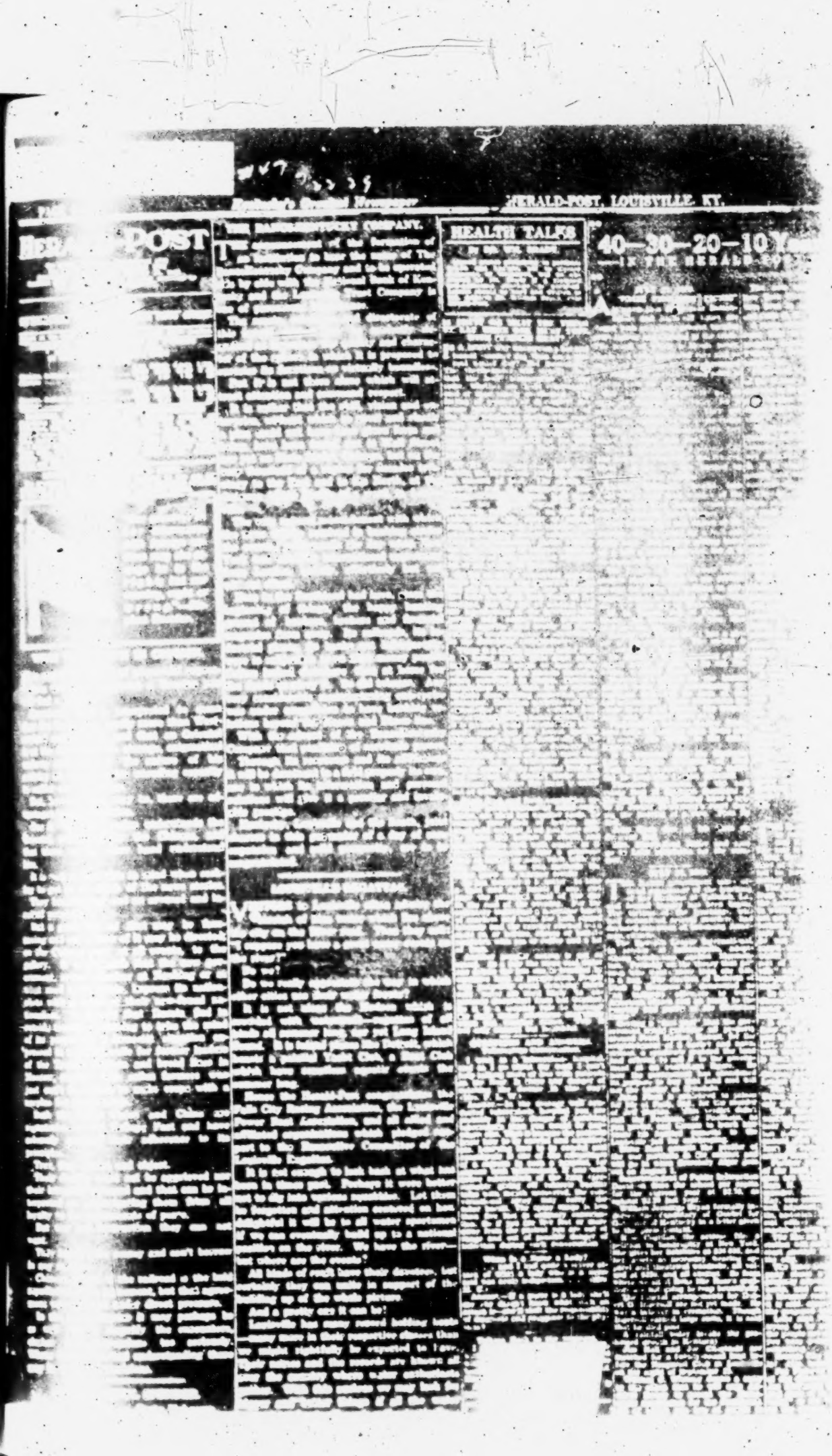
DANVILLE READY FOR CONVENTION




NEW STRONGER FINANCIAL
ORGANIZATION FOR LOUISVILLE
Official Announcement
Of BancoKentucky Co.
ATWATER
KENT
RADIO
Model 5512
'174"
EASY TERMS


Out
Wave Of Selling At Close
ull Stock Mark
:. Stock Market Gossip :.
PROSPERITY BID
NOT IN SIGHT
estrictive Moves
On Rise Last Winter
Revealed Solid Basis
BANK KENTUCKY
SELLS S. 4514
American Turf
Association


SECTION B
THE COURIER-JOURNAL, LOUISVILLE,
BANK OF KENTUCKY
IS TRADED AT 461-4
NEW YORK CURB
QUOTATION LIST
Chicago Stocks


HERALD-POST, LOUISVILLE, KY.
POST
HEALTH TALKS
40—30—20—10

Louisville Industrial

LOCAL INVESTMENT BANKING FIRM PRO

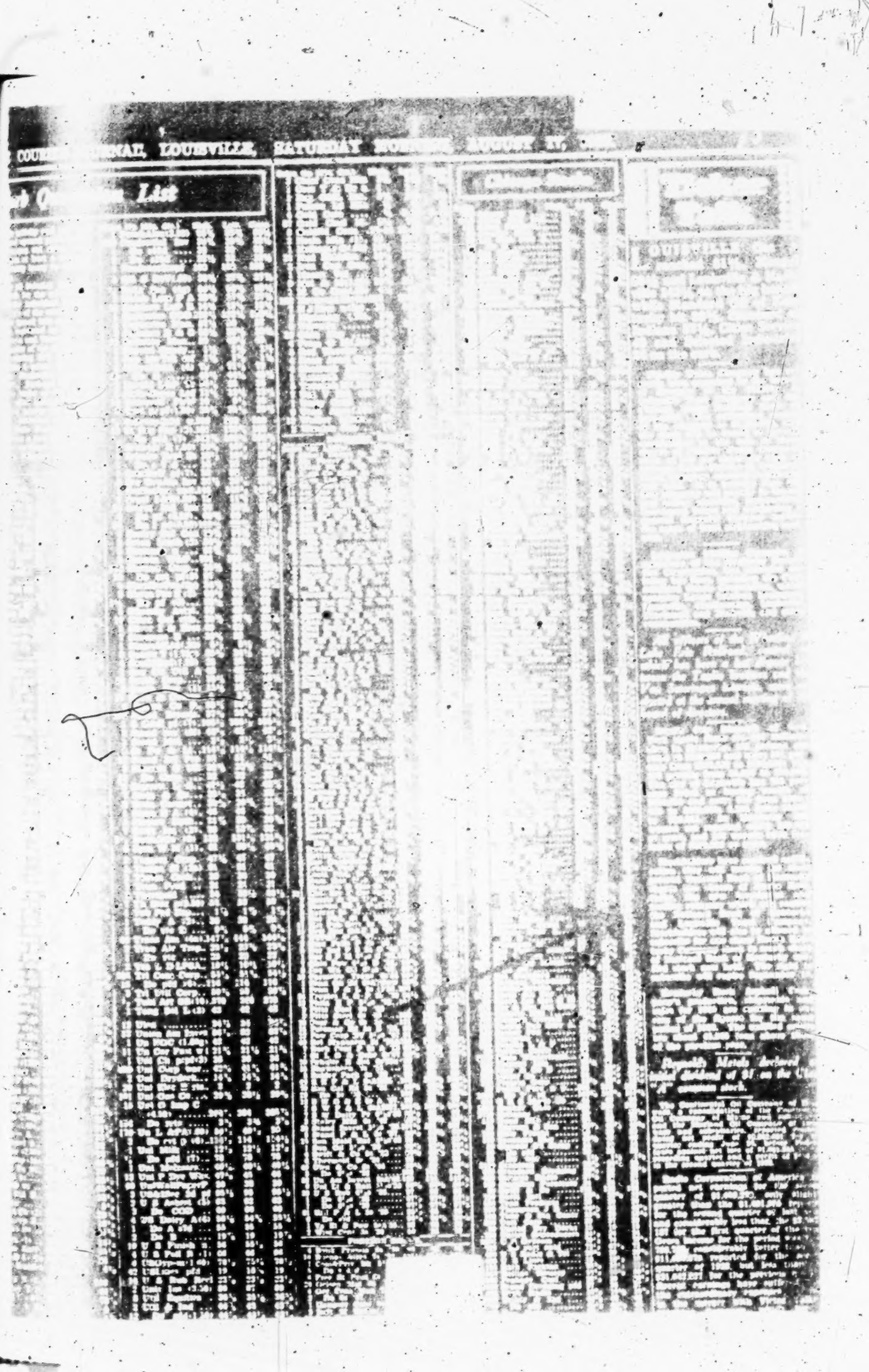
HERTZ DRIV-UR-SELF SYSTEM ANNOUNCE NEW RENTAL RATE

Why Louisville Grows

AMERICAN Life and Accident Insurance Co. of Kentucky

A COMPACT SHELF OF

LIBERTY BLO



Chicago Avenue
Gas & Electric Co.

New York Stock Exchange Quotations

NATL. BANK OF KY. IN ACTIVE TRADING

Total of 301 Shares Sold at 465½; Federal Chemical Pfd. Is Easier.

OHIO RIVER YARD PUMP

Produce Markets

FRANKLIN TITLE & TRUST CO.

and the

FRANKLIN BOND AND MORTGAGE CO.

Take Pleasure In Announcing the Organization

of the

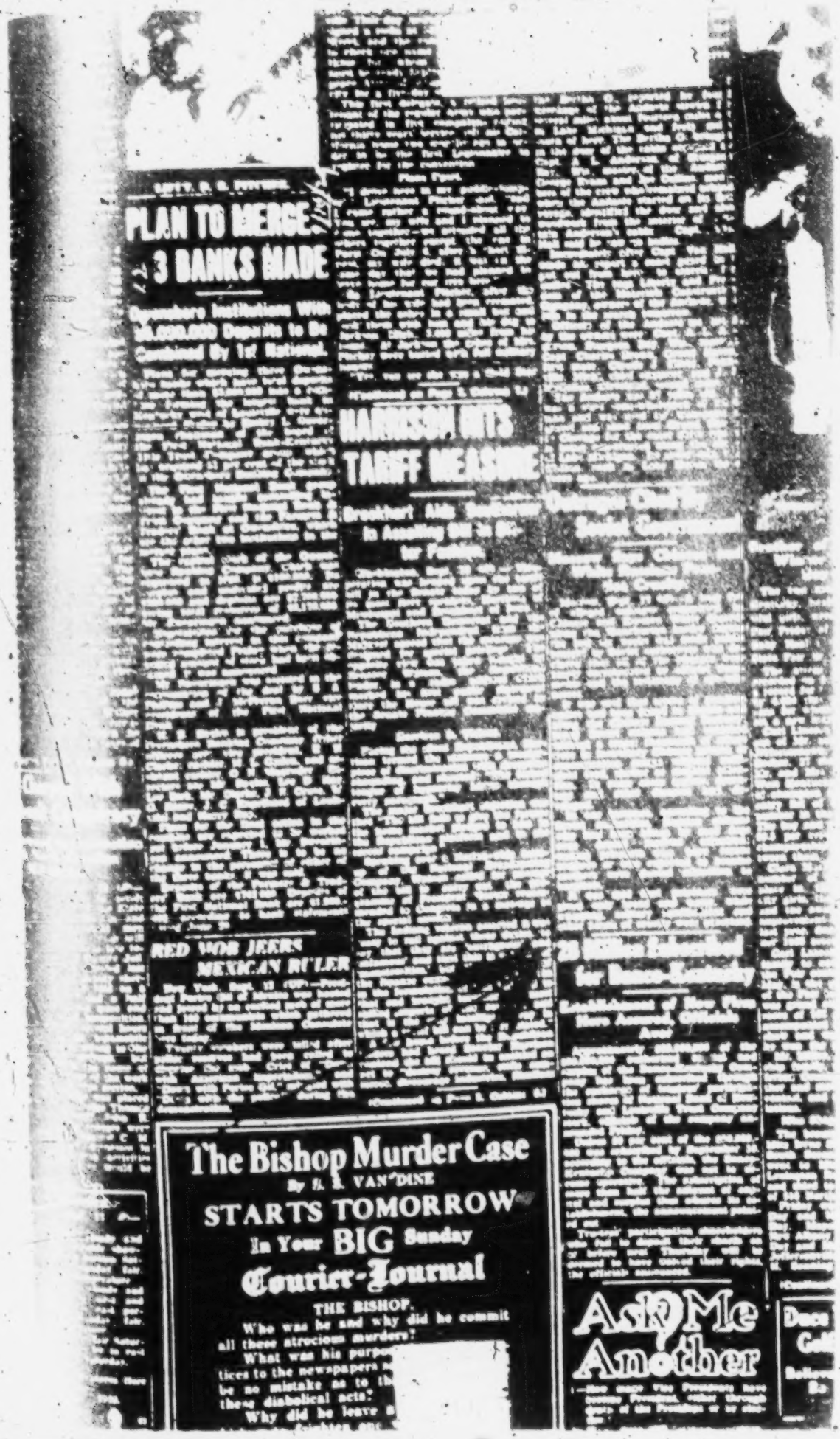
Franklin Fire Insurance Co.

LOUISVILLE, KENTUCKY

Officers

Directors

Heavy Week End Readjustm



PLAN TO MERGE 3 BANKS MADE

Depositors' Institutions With $4,000,000 Deposits to Be Combined by 1st National.

HARRISON HITS TARIFF MEASURE

RED WOB JEERS MEXICAN RULER

The Bishop Murder Case
By S. S. VAN DINE
STARTS TOMORROW
In Your BIG Sunday
Courier-Journal

THE BISHOP.
Who was he and why did he commit all these atrocious murders?
What was his purpose
tices to the newspapers
be no mistake as to th
these diabolical acts?
Why did he leave

Ask Me Another

WHAT'S BEHIND YOUR STOCK?

WOMEN VOTERS MAY AID PLAY

BANK OF KY. CUP
IN SALE AT 44 1-4

Stock Closes Firm
At 44½ Away
Price of 89½

KYROCK

Local Securities

Previous Exchange

PAGE

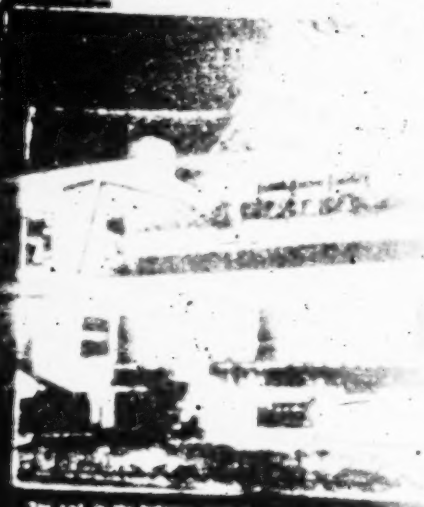
Kentucky's Greatest Newspaper

Louisville Industri

Why Louisville Grows

NEGLECTED HEATING PLANT MENACE TO HEALTH, SAFETY

DE



Sale Of Atkins-Fisher Products Show Big Increase During Year

SCIENCE WIPES 'WASTE MATT FROM LEXICONS OF BUSIN

Grainger & C

BANCOKENTUCKY STOCK IS LISTED

2,000,000 Shares On Local Exchange; Sale Made Before Close At 26¾.

GREER, TROST ADMITTED

Stocks Ex-Dividend

Miscellaneous Issues

THE COURIER-JOURNAL
THE LOUISVILLE TIMES
Classified Advertising

CADILLAC LA SALLE

Due to the popularity of the new models Cadillac and La Salle we have a large selection of high-grade, high class used cars.

BRANCH NO. 1
AT 3RD AND YORK STS.

BRANCH NO. 2
3500 FRANKFORT AVE.

STANDARD AUTO CO.

CHEVROLET
Used Car Headquarters
With An O. K. That Counts
649 S. Brook—City 3303
927 E. Broadway—East 3056

Always Bargains
AT RANGE MOTOR
834 E. Third St.

Range Motor Company

A REAL SALE

Buy a Better Used Car for Winter

THIS GREAT INVENTORY REDU
SALE

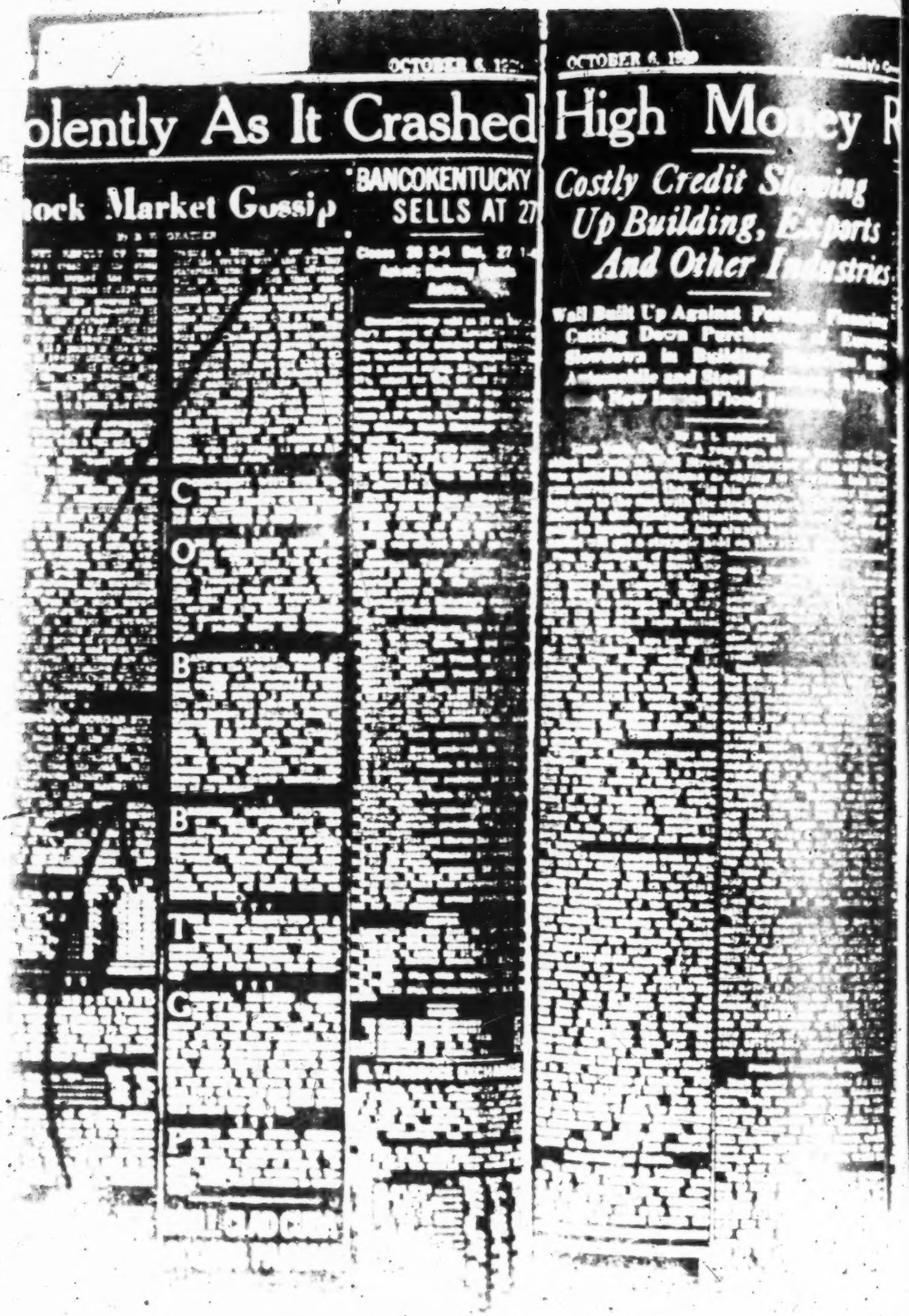
Makes Your Purch Possible

SEE THESE CA

Arranged In Five P Groups for Your venience.

GROUP NO. 1
Under $100

CLEVELAND COACH
Dodge Coupe



OCTOBER 6, 192-

olently As It Crashed

ock Market Gossip

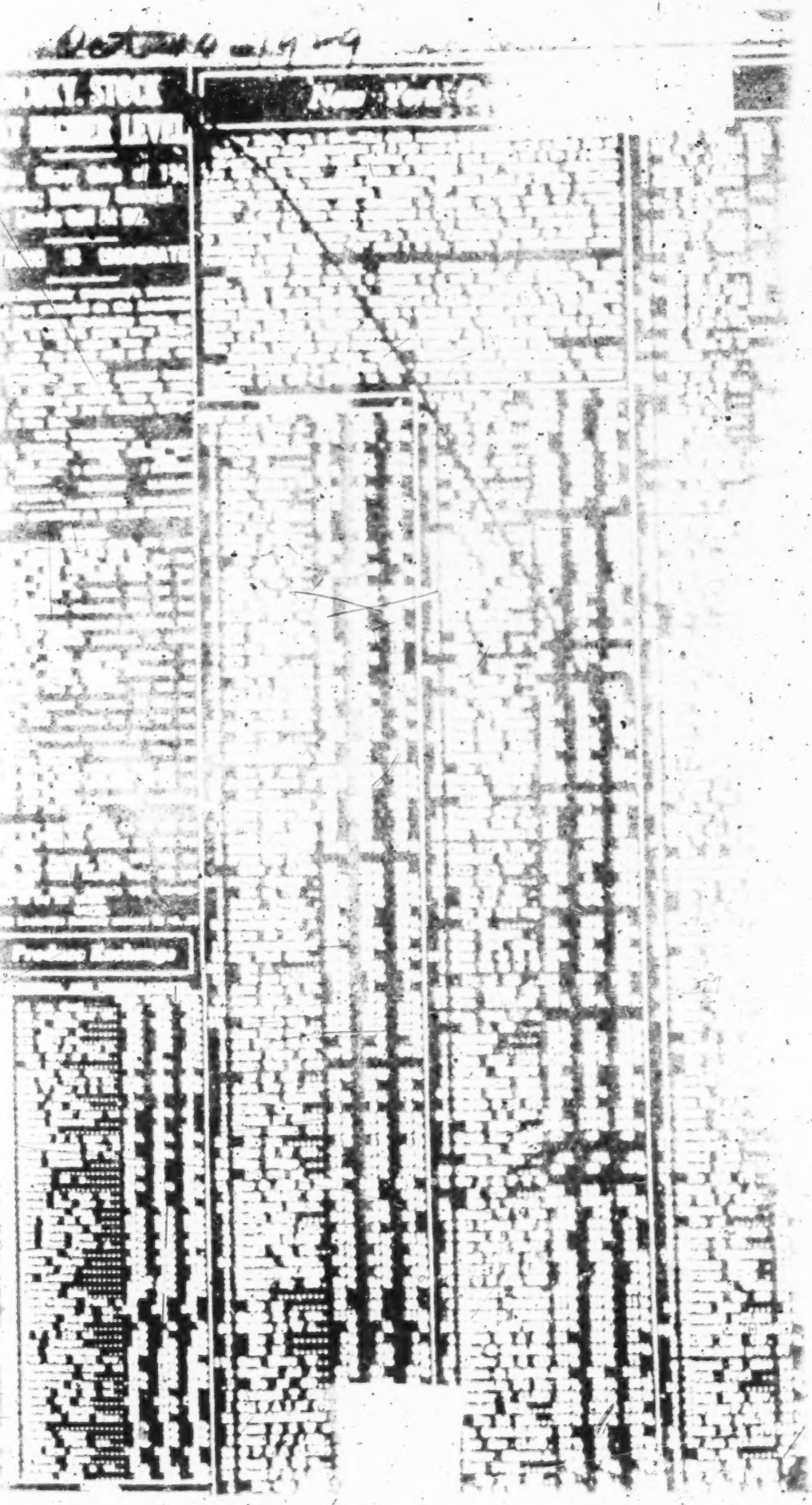
BANCOKENTUCKY SELLS AT 27

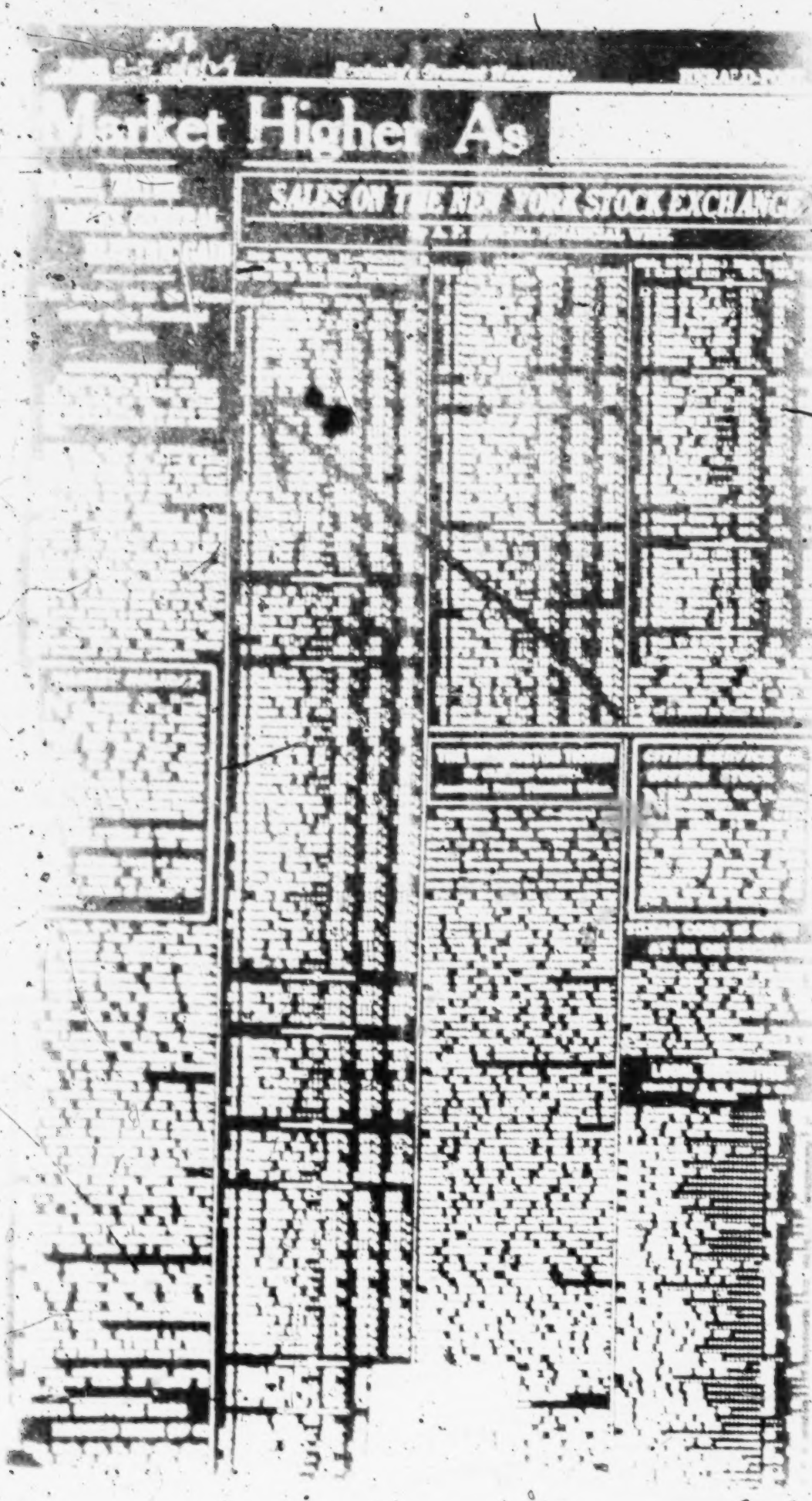
OCTOBER 6, 1929

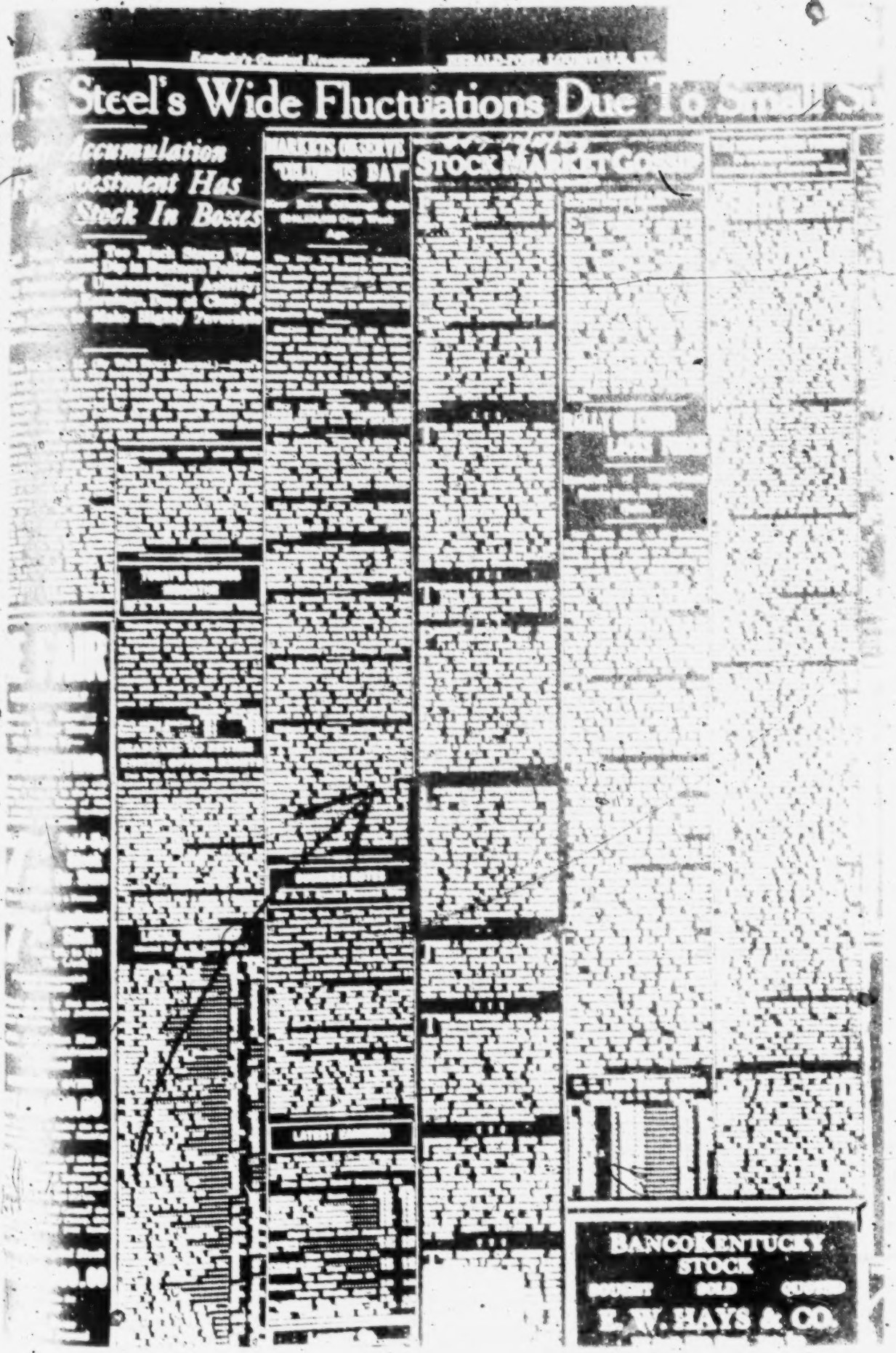
High Money R

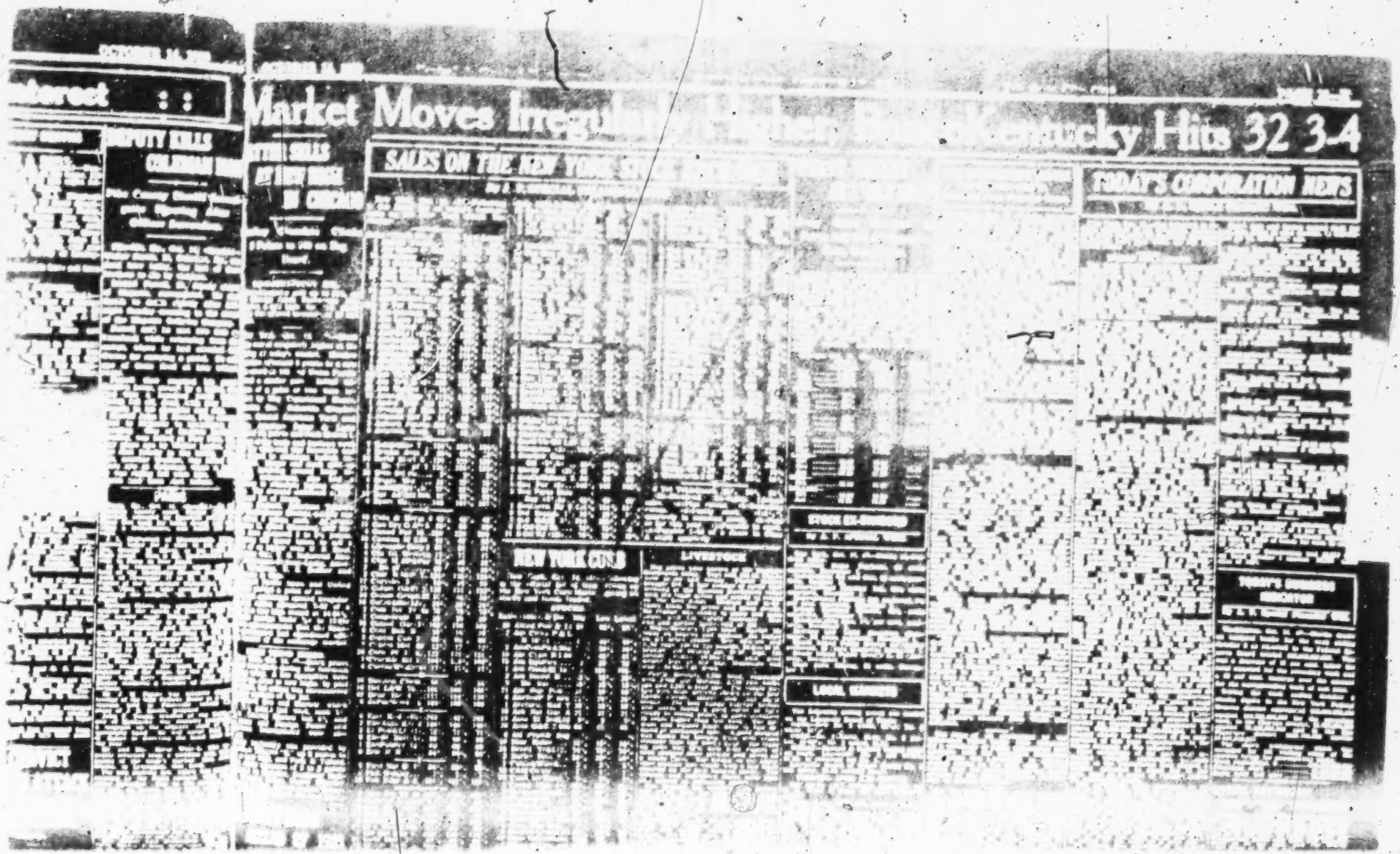
Costly Credit Slowing Up Building, Exports And Other Industries

Wall Built Up Against
Cutting Down Purchas
Slowdown in Building
Automobile and Steel
New Issues Flood




Market Higher As
SALES ON THE NEW YORK STOCK EXCHANGE


Steel's Wide Fluctuations Due To
Accumulation
Investment Has
Stock In Boxes
MARKETS OBSERVE
"COLUMBUS DAY"
STOCK MARKET GO
BANCOKENTUCKY
STOCK
BOUGHT SOLD QUOTED
E. W. HAYS & CO.


Market Moves Irregu
SALES ON THE NEW YO
tucky Hits 32 3-4
TODAY'S CONSOLIDATION NEWS

HERALD-POST

Kentucky's Greatest Newspaper

LOUISVILLE, KY., TUESDAY EVENING, OCTOBER 15, 1929

Price THREE CENTS—On Trains FIVE CENTS

UR PARTY LANDS HERE

Big Crowd Cheers 28 Contest Pilots At Bowman Field

Crackup at Cincinnati Prevents Miss Frances Harrell, Texas Aviatrix, From Continuing Flight; Luncheon for Fliers to Be Given at Municipal.

Twenty-eight planes of the National Air Tour and three other aircraft accompanying them began arriving here at 10:15 o'clock Tuesday morning on their scheduled 1,000-mile trip which touches thirty-two cities in fourteen States and Canada.

CAPONE AIDE HELD AS KEY TO MURDERS

Women's Letters Threaten Exposure of Lake Slaying, Gang Massacre.

Girl Flier Faints On Arrival

GIRL AIDS TAXI BANDIT IN HOLDUP

Driver Relieved of $6.80 and Car; Cab Found Later by Police.

STATE CHARTER TAKEN BY BANK

National Bank of Kentucky Deep-rooted; Follows Popular Trend.

FLOOD SWEEPING ON FLORIDA TOWN

Lake Forced to Overflow Water Covers Millions of Acres.

Nine-Ton Elephant to Be Hanged Or Shot to Expiate Woman's Death

MASONS ELECT MAYSVILLE MAN

C. Everett Peterson Chosen Grand Steward by Grand Council.

SENATE INQUIRY ON LOBBY BEGINS

Witnesses Called to Testify on Influence of Telegram Messages.

WEATHER

WEDNESDAY'S ENTRIES AT LATONIA COURSE

MACDONALD CLOSES U. S. PEACE MISSION

PRISON SUNDAY TO BE OBSERVED

W. C. T. U. HEAD'S SON HELD IN CAR RING RAP

TAX LIENS FILED AGAINST ACTRESS

STEAMER GROUNDED IN ALASKAN NARROWS

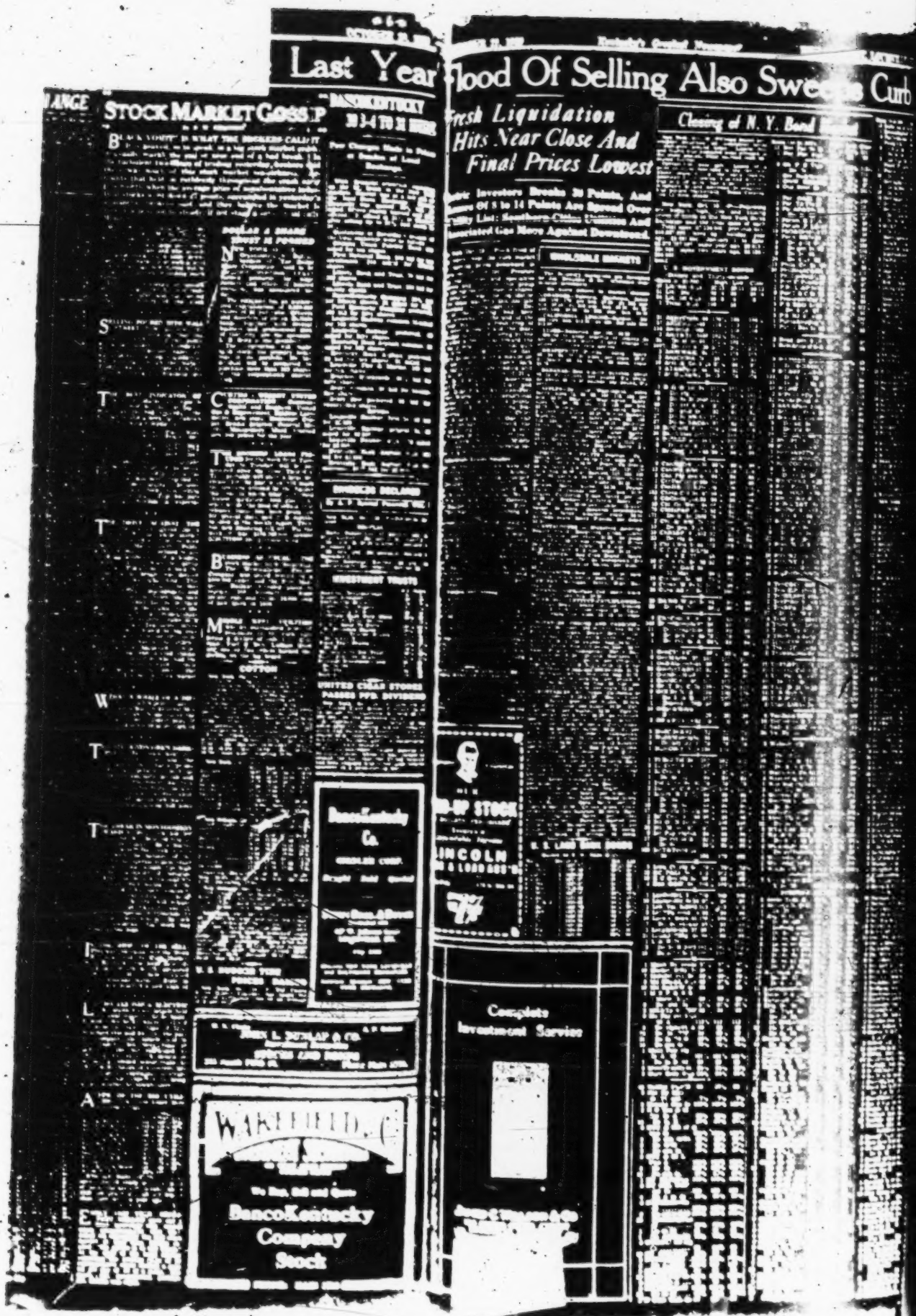
SPAIN STAFF MOVES TO DELUDE OFFICERS

PARSONS TO ATTEND POLICE CHIEFS' MEET

EXTRA FARE INQUIRY PLANNED BY I. C. C.

TODAY'S SCRATCHES AT LATONIA COURSE

CONSENSUS OF HANDICAPPERS ON TODAY'S LATONIA RACES


Last Year
STOCK MARKET GOSSIP
Flood Of Selling Also Swe
Fresh Liquidation
Hits Near Close And
Final Prices Lowest
Closing of N. Y. Bond
Complete
Investment Service
WAKEFIELD
BancoKentucky
Company
Stock

Livestock Markets

Louisville Markets

Local Grain

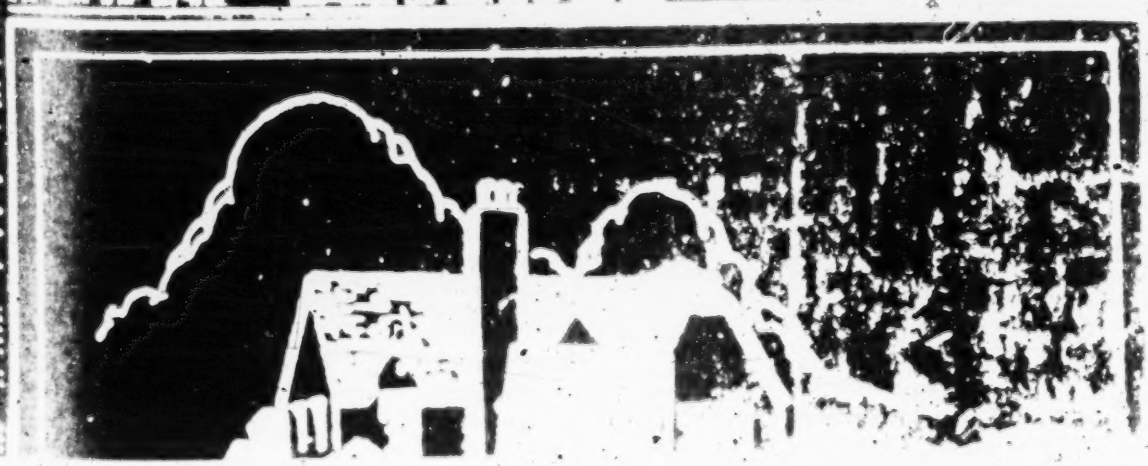
Cotton Markets

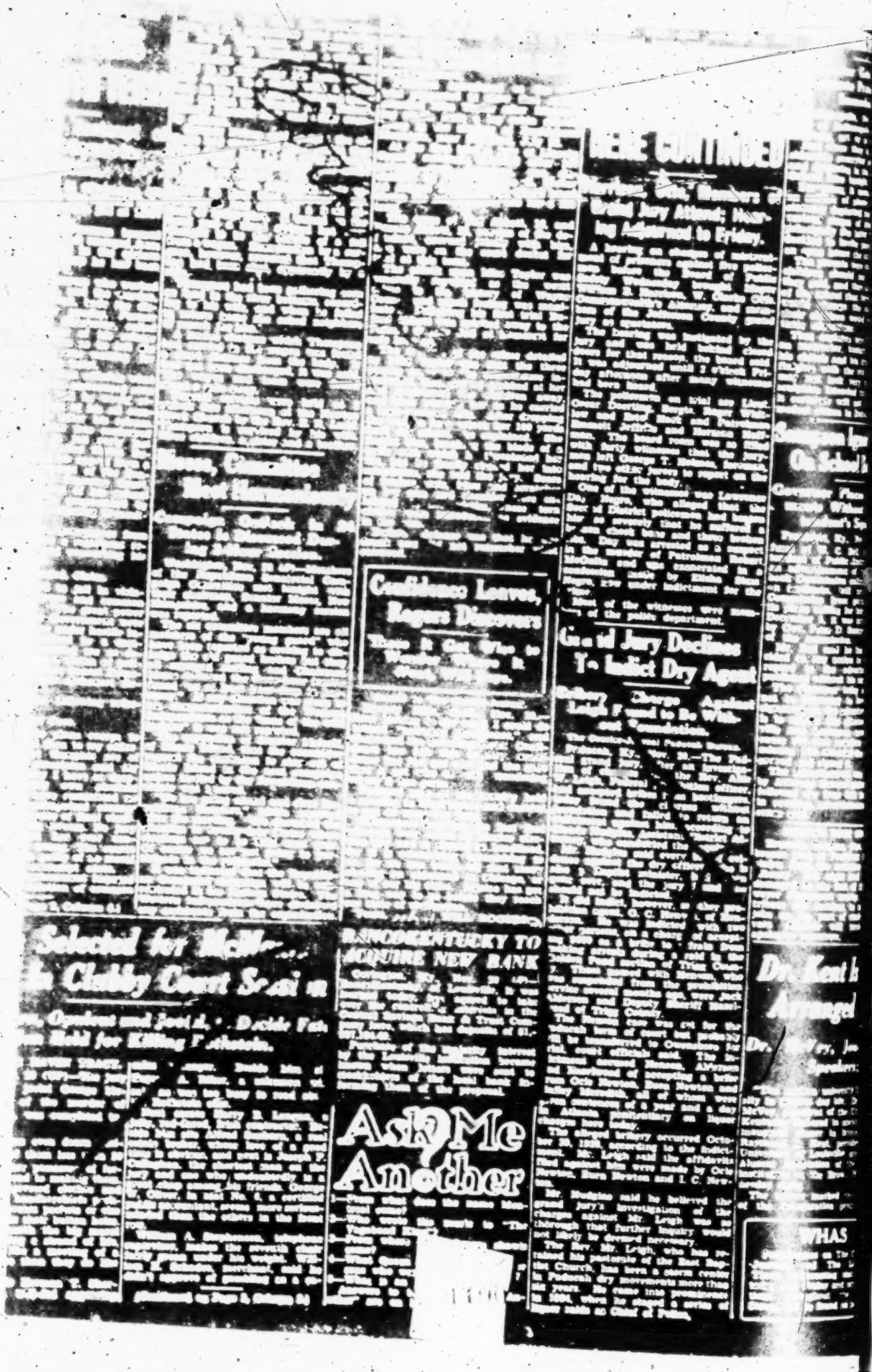
Out-Of-Town Stocks

CANCKEY. DROPS 4 POINTS TO 23 1-2

Kentucky Rock Asphalt Common Issue When Offered At 28 Level.

BIDDING HERE INACTIVE

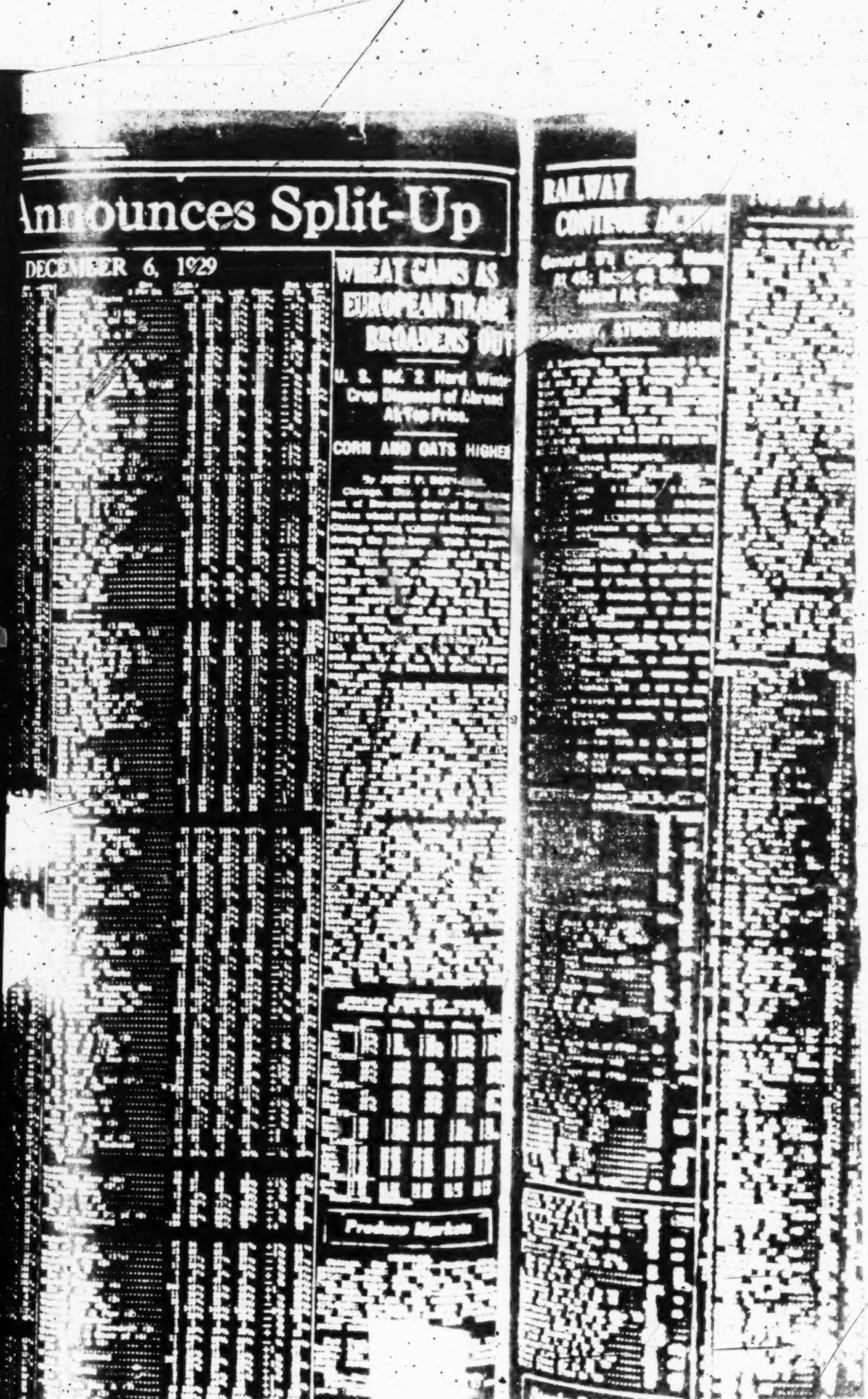




Confidence Leaves, Rogers Discovers

Grand Jury Declines To Indict Dry Agent

Ask Me Another



Announces Split-Up

DECEMBER 6, 1929

WHEAT GAINS AS EUROPEAN TRADE BROADENS OUT

U. S. No. 2 Hard Winter Crop Disposed of Abroad At Top Prices.

CORN AND OATS HIGHER

RAILWAY

Stock Market Continue[illegible]

LEADING ISSUES 1 TO 1 1-2 POINTS HIGHER AT START

Gold Dust Sugar Ink. Tel., Can and Am. Smelting Up 1 1-2 Points.

BANCROFT ORDERS INITIAL DIVIDEND

D[illegible]

L. & N. ORDERS NEW EQUIPMENT

N[illegible]

WALL STREET GOSSIP

By Leased Wire to Louisville Courier-Journal, Wall Street Journal and Dow Jones News Ticker

N[illegible]

American Smelting—

Gt. N[illegible] Ore—

F. C. Bamb[illegible]

Radio Corp—

American Bank—

WHEAT MARKET IN EARLY DROP

Break at Liverpool Brings Fresh Decline at Chicago; Corn Weak.

LIVESTOCK

INVESTMENT TRUSTS

Sales On [illegible] York St[illegible]

By A. P. [illegible]

BANK SECURITIES AT LOWER LEVELS

Citizens-Union, First National, U. S. Trust Co., BancoKy, Offered Easier.

NO TRANSACTIONS MADE

Bank stocks again headed for lower levels at Saturday's session of the Louisville Stock Exchange. Otherwise, the market was unchanged, without any trades being transacted.

Citizens-Union-Fidelity was down 5 points more at 500 asked, while First National certificates were down similarly at 600 asked. U. S. Trust Company was a point lower at 300 asked, while BancoKentucky was at its new low level in some time at 31 asked.

The Board is ... quarters which the Exchange has occupied for several years. Monday's session will be in new quarters in the Bankers' Trust Company Building.

BANK CLEARINGS.

Bank clearings ... Saturday, and for the week to ... of the Louisville Branch Federal Reserve Bank were:

	1929	1928
Day's clearings	$4,257,000	$3,874,000
Clearings for week	46,495,710	37,300,000
Bank transactions	22,000,000	14,000,000
Bank transactions week	138,000,000	100,741,000
Clearings year to date	$1,600,000,000	$1,000,000,000

Closing quotations on the local exchange follow:

Bonds.

Citizens-Union-Fidelity Bank, 500 asked for ... shares.

First National Bank, 600 asked for ... shares.

... Bank & Trust, 70 asked for ... shares.

Lincoln Bank & Trust, 200 asked for ... shares.

BancoKentucky Company, 31 asked for ... shares.

Louisville Title Company, 200 asked for ... shares.

First Kentucky Company preferred, 100 bid for ... shares.

U. S. Trust Company, 300 asked for ... shares.

... Railway common, 12½ asked for ... shares.

... Railway preferred, 40 asked for ... shares.

... Ry. Appliance common, 10 asked for ... shares.

... Bank preferred, 95 asked for ... shares.

... Chemical common, 70 asked for ... shares.

... Distilleries, 40 asked for ... shares.

... Bank preferred, 99½ bid for ... shares.

... common, 40 asked for 100 shares.

Stocks.

... Railway, 100 bid for 10 and ... asked for 10 shares.

... Railway preferred, 40 bid for ... shares.

... Railway Gas, 10½ asked for ... shares.

... Bank, 215 asked for ... shares.

SHARE EARNINGS OF BIG CORPORATIONS

Local Credits

Ticker Talk

Unusual Markets

THE CO...

HOG PRI... IN LOCA...

Market Low... Grades; ... Calves A...

CATTLE CO...

Local

Produce Exchange

Investment Trusts

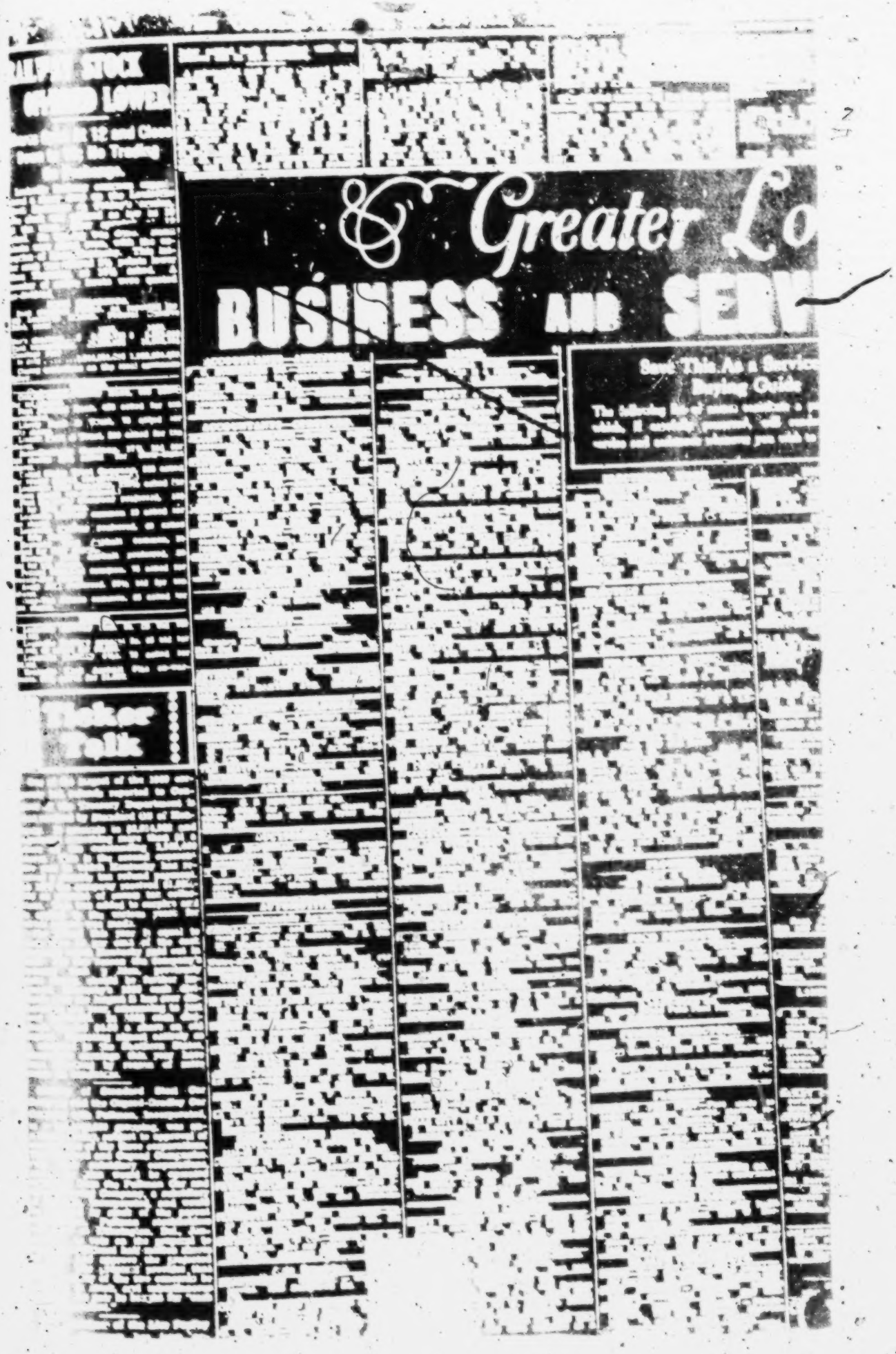
FIRST NATIONAL OFFERED EASIER

Certificates Show Loss of 2 Points; Railway Down to Recent Low of 12.

DIVIDEND FOR PEE-GEE

Ticker Talk

Chicago Stocks


& Greater Lo
BUSINESS AND SER

Stock Increase, Plan Of Southern Pacific

Approval for $200,000,000 Will Be Sought At Annual Meet

(Continued on Page 3, Column 1)

California Dry, Rogers Confesses

No Rain Since Noah Took Movie Actors Into Ark, Will Says.

(Continued on Page 3, Column 1)

U. S. Intervention In Latin America

(Continued on Page 3, Column 1)

Brown Buys Ernst's Covington Bank Stock

To Merge Peoples-Liberty With Central Savings, $1,450,000 Is Asked.

Cold Check Writer To Pay For License

Stiglitz Issues Warrant Charging Signers of $2,421.30 In Bad

(Continued on Page 3, Column 1)

Dismiss the Budget,' Chicago Fire Chief Cries At Plan to Oust 23

To Kell With the City Council," He Says, "If Are Ur ornamental Mess."

(Continued on Page 3, Column 1)

MAYOR SIGNS ON 2 PARK LISTS

Ask Another

49¢

MEN'S DEPARTMENT

$1.69

2.5¢

GLOVES $1

$1.49

10¢

$4.95

TALCUM

SHOES 39¢

PERFUME 10¢

SHEETS

COATS $3

COATS $1

FROCKS 57¢

HATS

BLANKETS 49¢

SUITS 55¢

POWDER

BOYS' DEPARTMENT

$3.95

LOUNGES 75¢

SUITS

$3.98

FLANNEL SUITS

FIRST FLOOR, RIGHT AISLE

29¢

TOWELS 8¢

HOSE 69¢

AT PRICE

BROS.

MARKET

VOL. CIV.—NO. 93

GRAYSON GETS

Bank of Kentucky, Louisville Trust to Have New Homes

National Bank of Kentucky to Occupy Building at 421 West Market Street, While Louisville Trust Company Returns to Old Site at Fifth and Market Streets.

Changes in location for two of Louisville's leading banking institutions—the Louisville Trust Company and the Bank of Kentucky—were announced Saturday morning by officials of the institutions.

SENATE HEARS OF FLOOD PERIL

Bruce Banks Ohio River Survey Since Nine-Foot Stage Is Established.

3,000 CHEST WORKERS IN FIELD TODAY

$713,844 Asked to Carry on Work of Forty-One Member Agencies.

CAUCUS ALLAYS HOUSE FRICTION

Passage of Substitute Road "Slipper" Apparently Assured With Compromise.

WEATHER

Start of Fishing ... Awaited By Pro...

CITY RUNS OUT OF PAPER TO PEN CONFESSIONS OF C...

VOTE CHARGES FAIL TO HOLD

Initial Meeting of Road Probe Body Fails Short of Startling Disclosures.

GOVERNOR URGES DEBT PAYMENTS

Letter Sent to Treasurer Showing Saving by Taking Up Warrants.

STATE ... FOUR...

$1,534 ... MADE

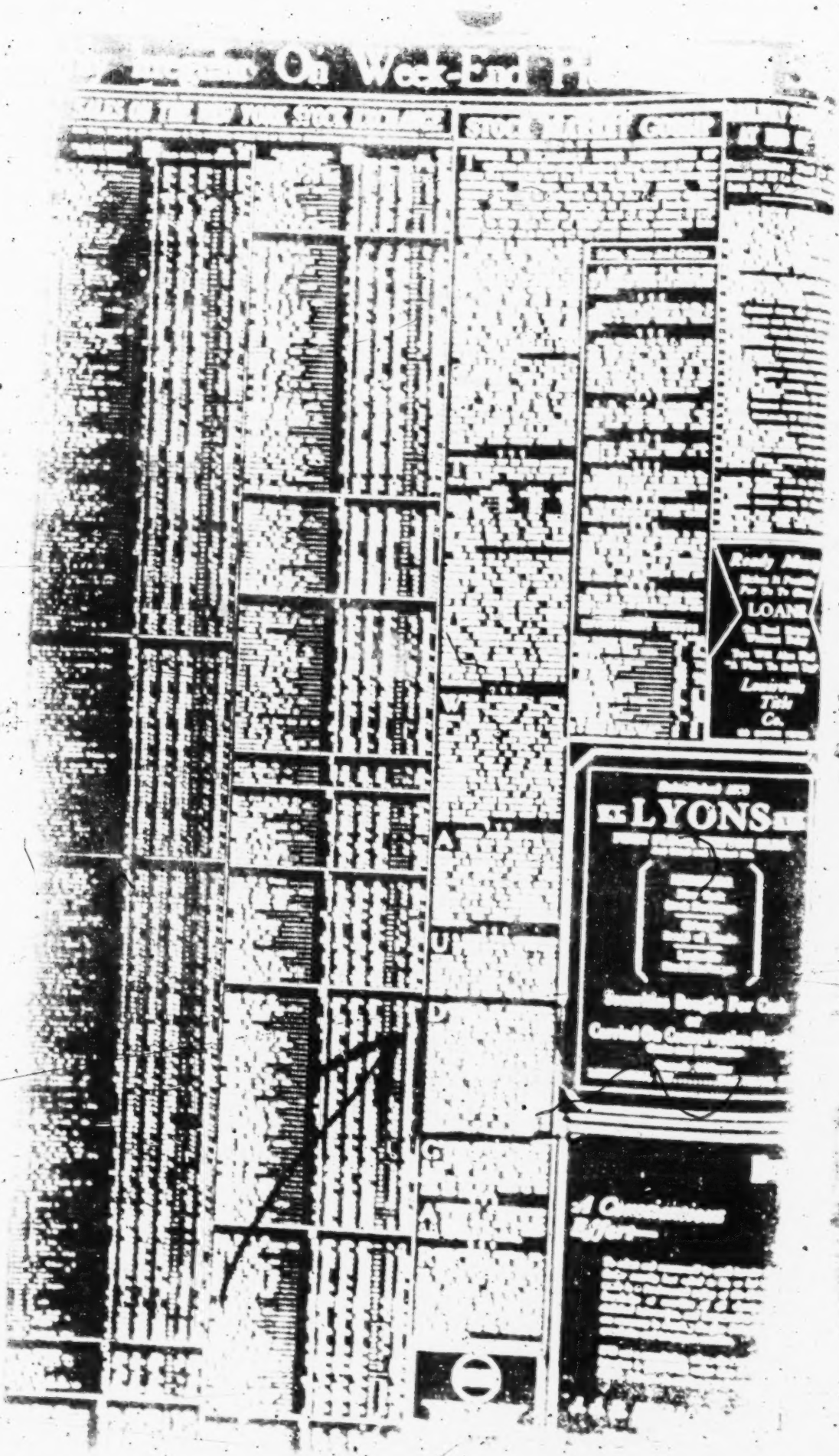
3 RESCUERS KILLED AT MINE BLAST SITE

JURORS DEADLOCKED 4 DAYS IN BRADY CASE

FIVE CITY CONCERNS DENIED RADIO LICENSE

EARLE DENIES GIRL'S STORY OF MARRIAGE

RAILWAY AUDITOR DEFENDS AT HOME


LOANS
LYONS

Kentucky's Greatest Newspaper

Stock Market Opens Strong

GAINS OF ONE TO TWO POINTS MADE IN EARLY TRADE

WALL STREET GOSSIP

A New Pool Has Been Formed In London, According to a Wall Street Report.

Sales On the New York Stock Excha

T POST, LOUISVILLE, KY. Telephone City 6000 PAGE

w Peak Levels In Vigorous

ORK STOCK EXCHANGE

STOCK MARKET GOSSIP

By A. W. GRATTAN

Happy days are here again,
Skies above are clear again,
For the stock ticker is "busy" as the

THINGS ARE BOOMING IN THE STOCK MARKET again. The "old days" have come back. The ticker is running an hour behind and trade in volume is breaking records. Prices of "blue chip" issues are climbing, some to levels higher even than before the memorable crash of last October and November. Brokers' offices are filled with enthusiastic traders—as public is "in" again. Investors are snatching up stocks now that they would not look at a few months ago when they were selling 10, 20 and even 50 points lo

Bonds, Bears And Others

BANCOKENTU... SELLS UP TO ...

Closes at Top on ... Board: Ry. ... Sell at ...

6%

LOAN

4/1/30 Courier-Journal

JUDGE DEFERS COPS' SENTENCE

Hearing On Motion for New Trial Is Set for Wednesday.

FALLS' STATUS UP TO MITCHELL

Effect of State Legislation to Be Subject of Legal Opinion.

Murder Charged to Deputy In Raid Killing

Kenton County Officer to Be Given Examining Trial Friday.

Czar Will Hays O.K.'s New Code Of Ethical Conduct for Movies

Naughty Stuff to Be Out, Virtue Glorified, As Far As Plot Permits.

Directors Propose Security Bank Sale

Stockholders to Be Asked to Ratify Deal With Bankruptcy.

Winds Hold Hawkins After Cubs Rewake

Officer Plans Speedy Flight to Tennessee Mines to Make Up Time.

Fall Files Appeal From Bribe Verdict

Plea Charges Lobby Secured Ouster With Oil Lease Responsibility.

"Census Takers" Rob Rich Family of $50,000

DEPUTY ACCUSED IN MURDER WRIT

Indiana Officer Held for Killing Deputy in Ind.

MRS. HUNTER DIES AT JASPER HOME

Member of G. O. P. State Committee Claimed Thursday by Stroke.

WEATHER

...ASHER ...PORTS A CURE

...Sooner, Over Oklahoma City Area, Check Will.

GRADE PROJECT NEARER START

Approved by City Railway Pole Consent Up to R. & L.

SECURITY BANK ... SALE PROPOSED

Directors Agree to Accept Offer of Bank-Kentucky; Cash and Stock Terms.

SECOND ST. THIEF AT WORK AGAIN

Woman's Screams Bring Check Recovery; Pearls Stolen on Block Robbed.

NEW U.S. COURT DEBATE SLATED

Committee to Appear Pro, Against Plan for Added Benefit.

Placed At

of Labor Chief
of Records; 3,700,-
Not Working.

Count Today;
Ask 200 Questions

U. S. to Have Definite
Answer.

Doctor Arr
Insurance

Ashland Bank O. K.'s
Bancokentucky Offer

Ask Me Another

Calendar of Events

3,000 Bond

Charge of Police
Aid in Killing of Em-
Accused's Record
New Inquiry Set For

TO BERMUDA

Young Spends Night on
Sea, Then Is Towed to
Hamilton

Army of Engineers Begins Nose Through City

A. & N. DIRECTORS AWAIT REPORT

WATER

CITY, RAILROADS AIR GRADE WORK

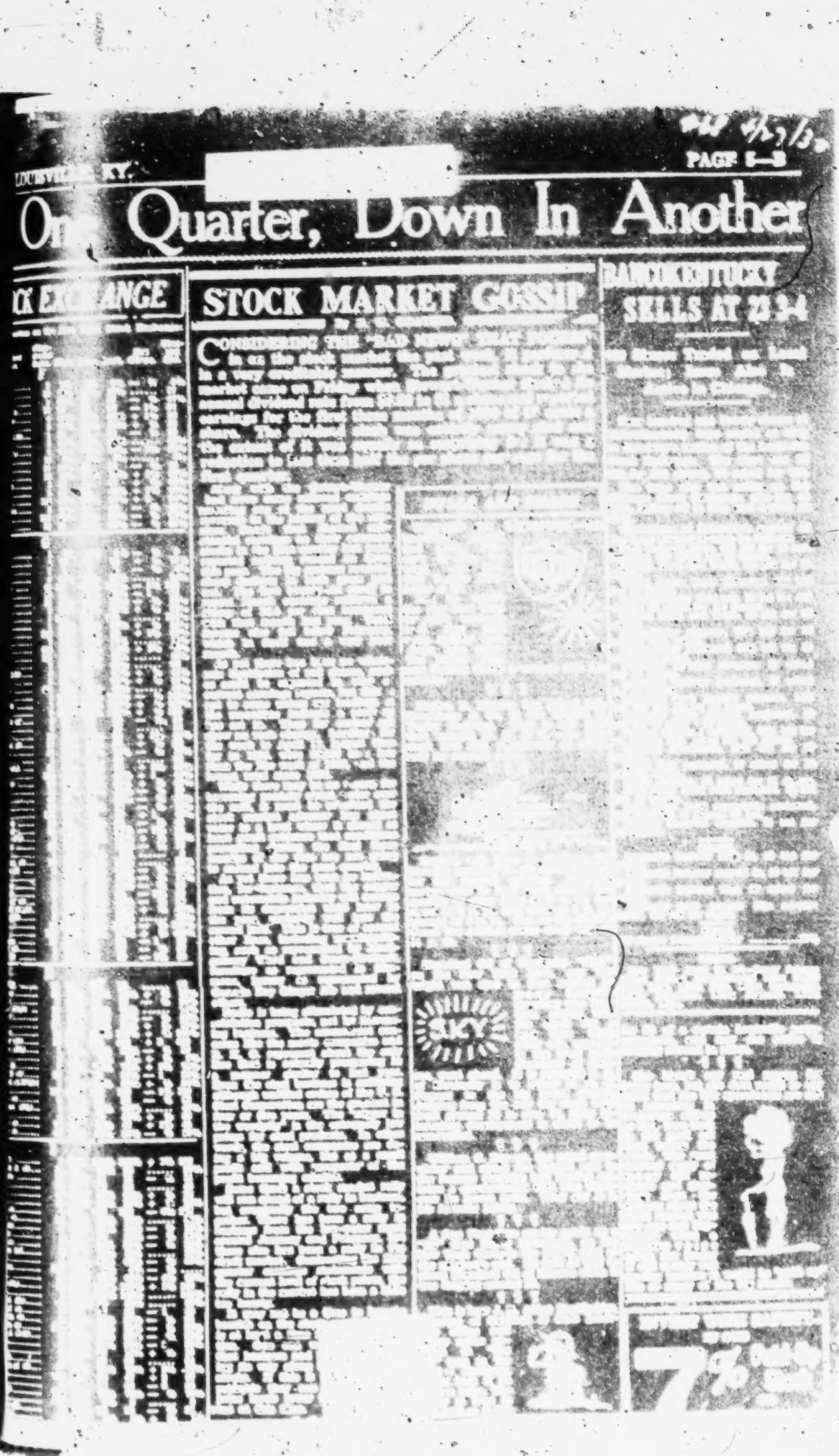
On Quarter, Down In Another

...CK EX...ANGE

STOCK MARKET GOSSIP

CONSIDERING THE "BAD NEWS"

BANK KENTUCKY SELLS AT 29-34



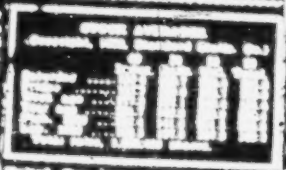
Stocks Jump Two to Seven Points V

Advance Starts In Utilities and Soon Spreads Over List

Strong Market With Turnover of 1,800,000 Shares Make Strange Contrast to Panicky Session Last Saturday When 4,047,500 Shares Were Sold While Prices Crashed; Steel Climbs Despite Fall in Tonnage.

By [illegible], Associated Press Financial Writer.

New York, May 23.—The stock market showed unexpected [illegible] today and closed with a strong and broad list of gains of two to seven points, continued activity and [illegible] in the volume of transactions. Transactions totaled 1,800,000 shares, both in the [illegible] were 1,800,000 shares, against 4,047,500 shares a week ago when the recent [illegible] crash [illegible] [illegible]



RAILWAY FIRST 5S OFF TO 95 ASKED

WHAT'S BEHIND YOUR STOCK?

[illegible] Year Predicted for Radio Industry

Dayton Airplane Engine Elects Head

Bendix Expected to Earn 1930 Dividend

7% Public Service Co. of Kentucky Preferred Stock

Sales on the New York Stock Exchange

LOANS

kyscraper Mystery," A Wonderful Thriller, Starts Today On Page 3-B

HERALD-POST

Home Edition

Kentucky's Greatest Newspaper

TWO SECTIONS — LOUISVILLE, KY., MONDAY EVENING, JUNE 2, 1930 — Price THREE CENTS—On Trains FIVE CENTS

GE BANK DEAL COMPLETED

...ans Claim 4 Wounded ...up Of War

DEATH TAKES FORMER U. S. BUDGET HEAD

Council Lord, Retired Expert, at Home in Capital.

Prison Gas Chamber Takes Builder's Life

FORMER OFFICIAL DIES AT CAPITOL

KERLAND USED FOR DAVIS IN VOTE REPORT

Caldwell & Co. Is Merged With BancoKentucky

BOY CRITICALLY INJURED BY TRUCK

Caldwell-Banco-Kentucky Merger Announced

DEAL AFFECTS INSURANCE FIRMS, BANKS

4 Children Are Injured In Crashes

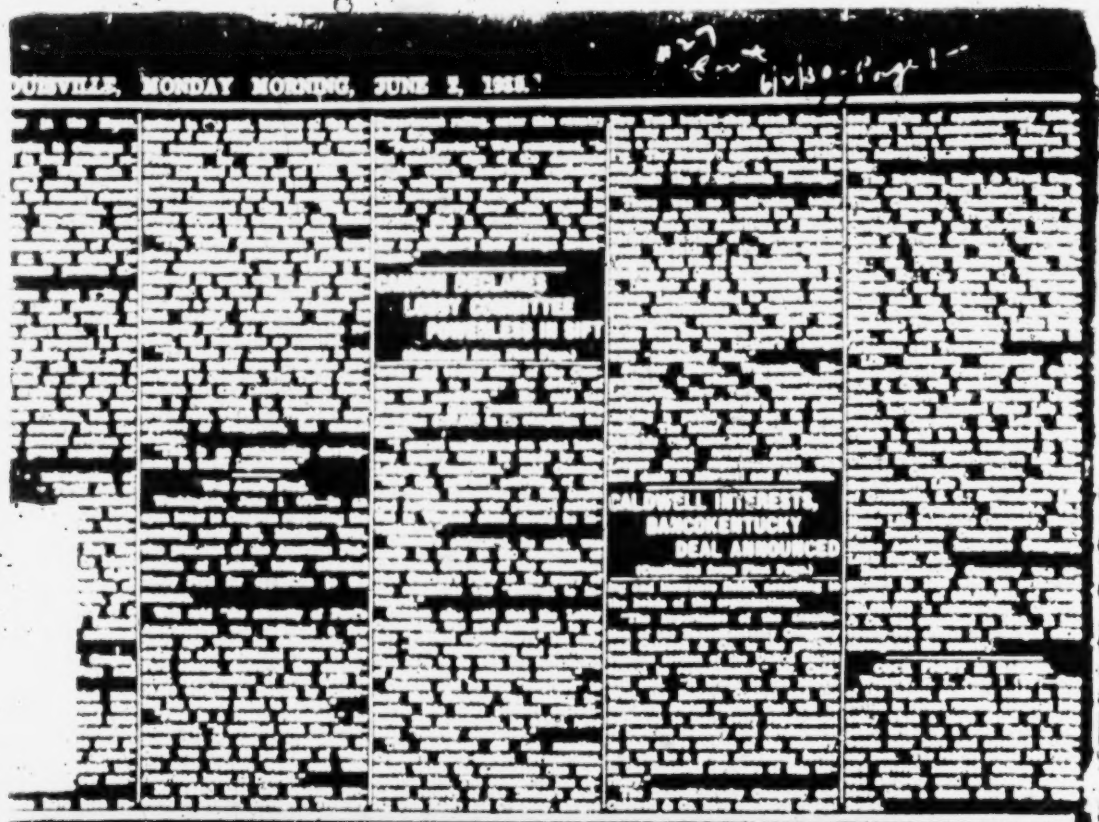
G. O. P. HEADS DEFEND NEW TARIFF BILL

CANDIDATES FOR DEGREES AT U. OF L. ATTEND BACCALAUREATE

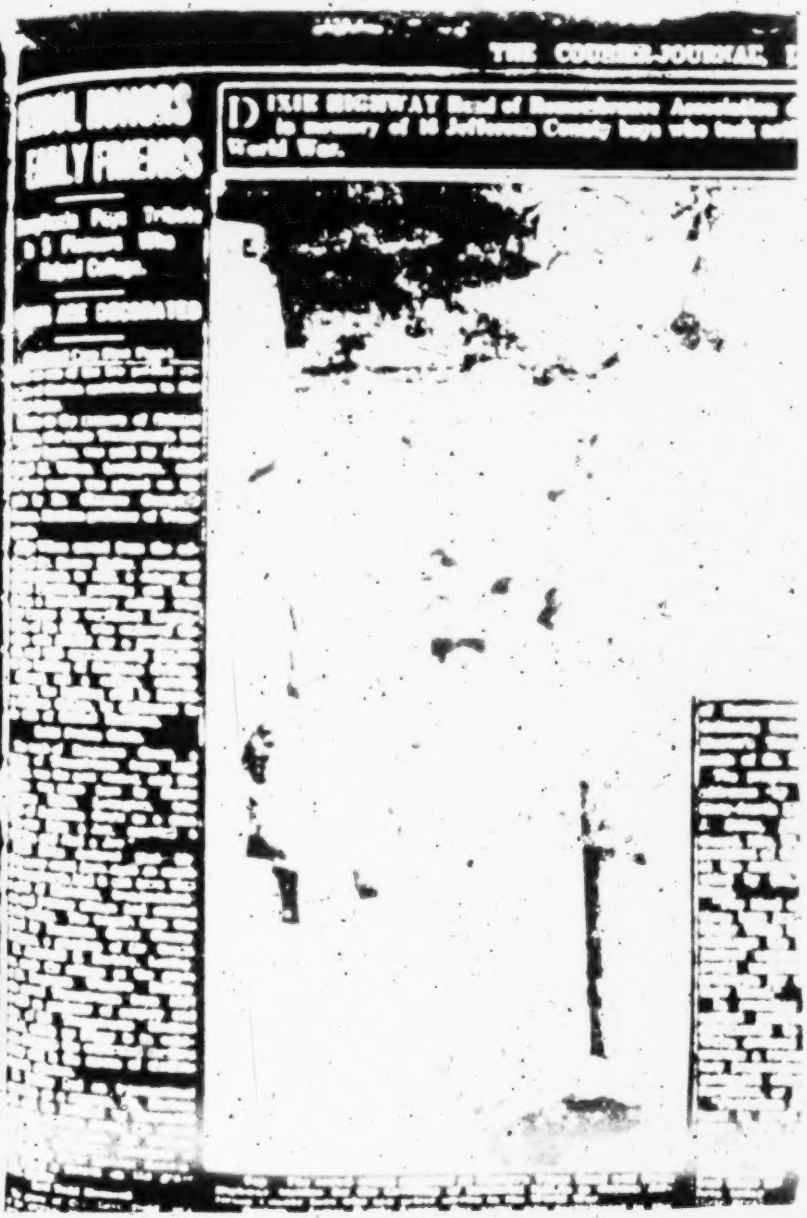
MOTHER, 5 TOTS DIE IN FLAMES

BACCALAUREATE HELD BY U. OF L.

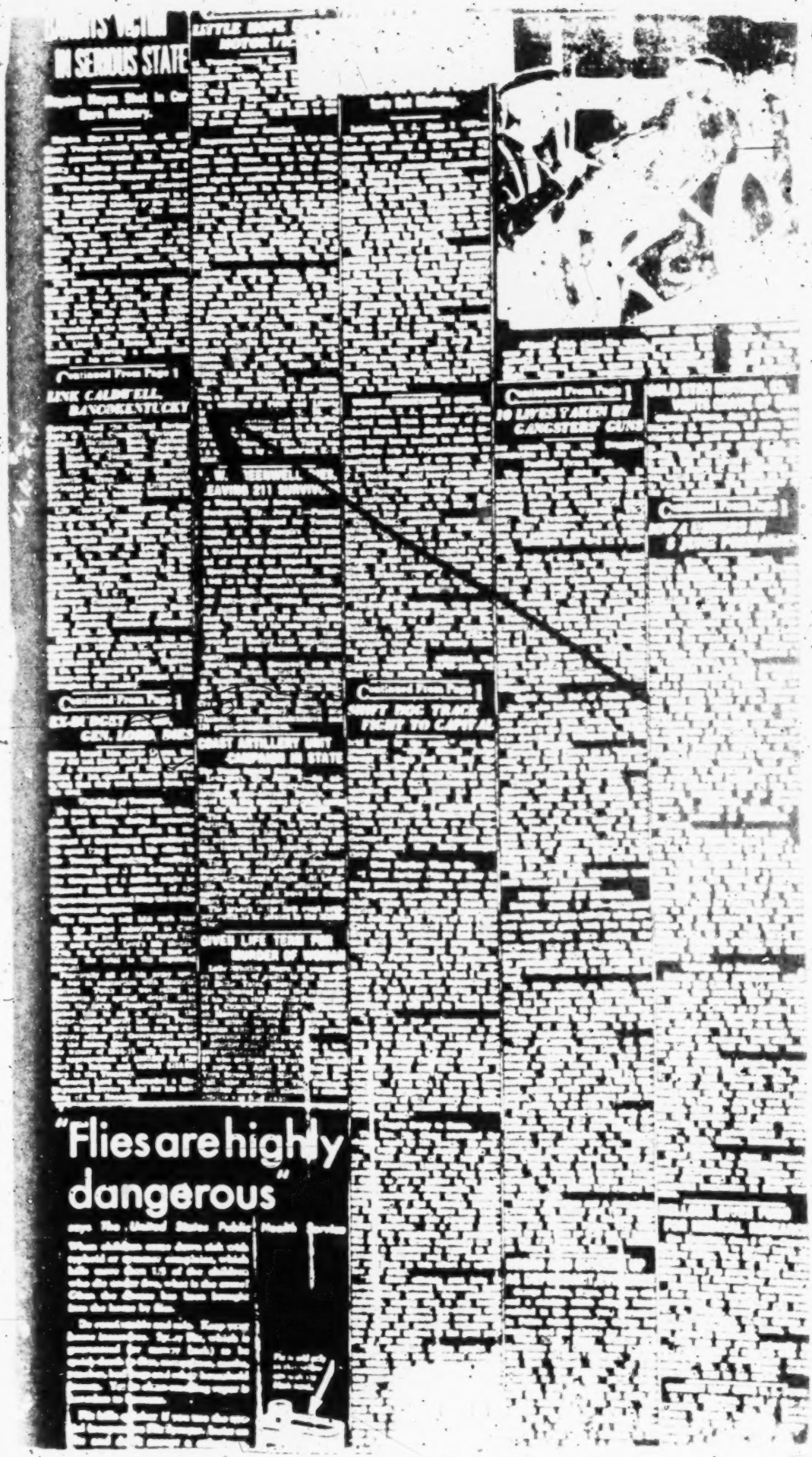
CLERK REPLIES TO LEHMAN POST

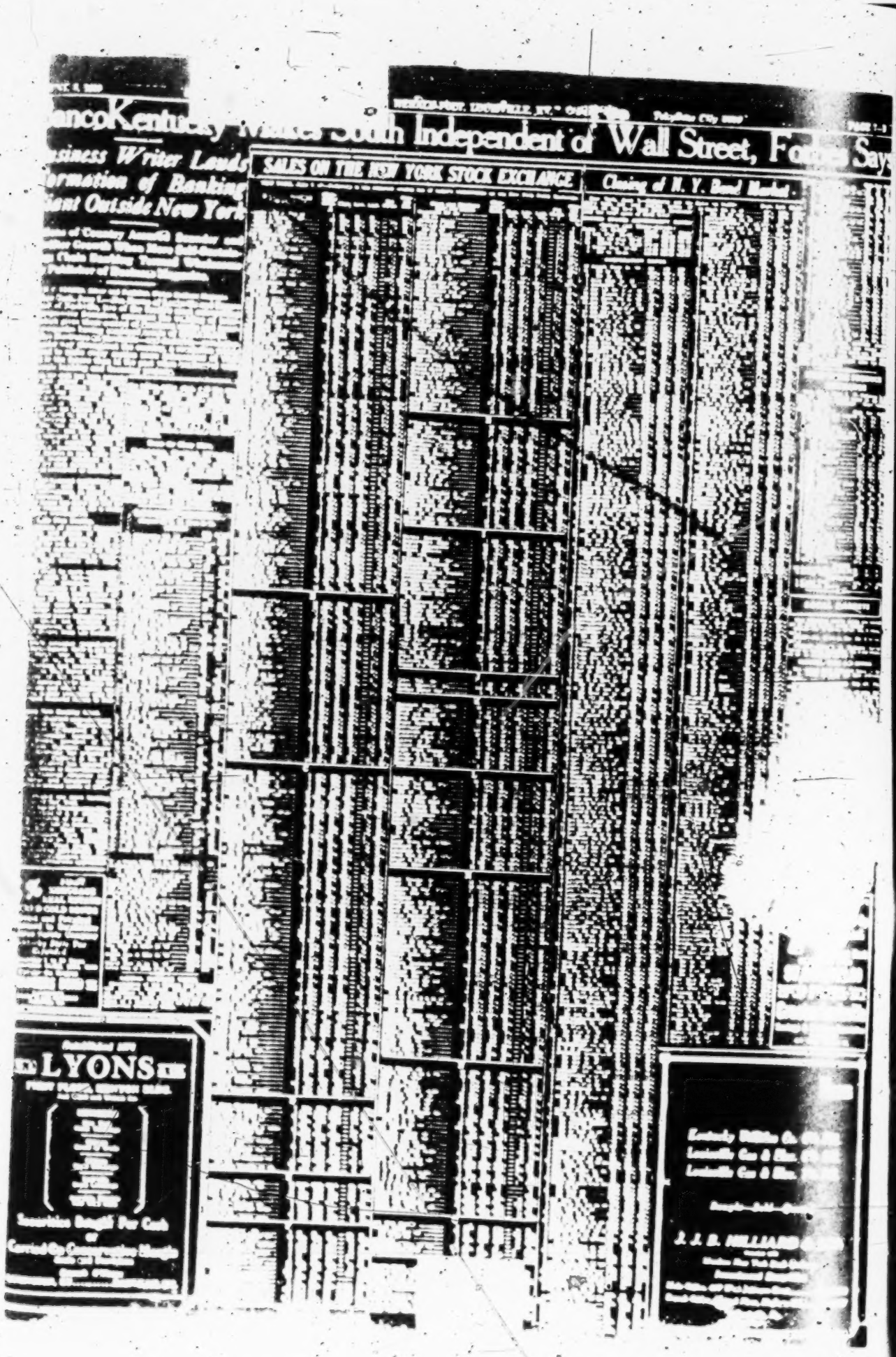


In an executive it's Leadership



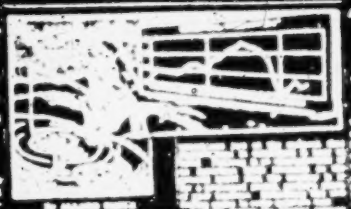
CAGO, DE
GANGSTER BU
TRUCK CAPITAL
LINK COLWELL, BARON KENTUCKY
SCENE, VICTIMS OF CHICAGO TRIPLE MURDER
LITTLE HOPE FOR MOTOR VICTIM, 8
IOWA USHERS IN 5 JUNE PRIMARIES
BUSINESS LOOKING AHEAD, EXPANDING
DAM MARKS END OF INDIAN RAIDS


IN SERIOUS STATE
LINK CALDWELL
BANDMASTER DIES
10 LIVES TAKEN BY
GANGSTERS' GUNS
"Flies are highly
dangerous"



Turns Downward Again;

TRADE RECESSION NOT LIKELY TO LAST LONG



STEEL MAKERS EXPECTS GOAL

STOCK MARKET

PIPE

W. J. HOLLIDAY & CO.

LYONS

Securities Bought For Cash or Carried On Conservative Margin

ACTIVE AT 23

Gloom Of Wall Street Held Omen Of Good

Stock Purchase Warr... As Speculation

DRINK WATER
BEFORE BREAK
TO FLUSH

UTOMOBILE WITH SIX
TURNS OVER ON DIXIE

ASHVILLE BANKS
AID CALDWELL & CO.

Investment Affair Investigated
by Clearing House
Company Is Solvent.

RIVER NEWS

SCHOOL FIRE CLAIMS
THIRD CHILD'S LIFE

Two others, Curtis Ray, 4 and
Abbott Ray

COGI

City Scoreboard

QUESTIONS AND ANSWERS

Georgetown Crippled For Wesleyan Scrap

Likely to Be Regu

For Geor

JOBS For the JOBLESS

RADIO
NEWS

TRAPPED IN
COAL PIT
GUARD PATROLS
DISASTER SCENE

THE COURIER-JOURNAL, LOUISVILLE, THURSDAY MORNING, NOVEMBER 6, 1930.

Leaves Aboard Ice Hinders By 775

C.-J. Forecasts On... Borne Out By Count of Ballots

BANKS TO AID ... CALDWELL & CO.

BRUSSELS SPROUTS

...LEA & ...ERRIN ...SAUCE

Boston Leaguers

HOUSE OF DISTINCTION 98 FOURTH AVENUE

FASHION-RITE COATS

Of Highest Quality—At Lowest Prices

...o Instinctively ...gs We Offer

...N SHOES

t Death ches 76; dy Found

dition After Escap- Underground In- Identify Victims; Way.

INCUMBENTS LEAD IN SCHOOL RACE

ted Returns Favor Re-Election of Board; Gottschalk Leads.

TR[redacted] DOOR-LOCK, SCALES WALL

Grace Brouder, Jailed as "Blonde Beauty," Escapes From Reformatory.

Herald-Post Bureau

Frankfort, Ky., Nov. 6.—Two women prisoners, one serving a term for murder and the other convicted of banditry, made their escape from the women's department of the hospital of the State reformatory between 11 o'clock last night and 6 o'clock this morning.

They were Otis Grammer sent up for life from Harlan county for murder, Grace [illegible], owner-operator of bank robberies in Daviess county and sentenced to twenty years, and Alma Williams, known as the "blond beauty" sent up for [illegible] from Campbell county for [illegible].

Page 9, Column 8, Section A.

HACKSAWS, RAZOR FOUND IN JAIL

Search of Passageway Follows Break Attempt Reveals Tools; Sift Continues.

Two hacksaw blades and a razor were found in murderers' row in the Jefferson county jail Tuesday morning while jailers were continuing their intensive search as the result of an attempted break Tuesday afternoon.

The saws, one of which were complete, were discovered in a pile of dirt at the foot of wall of the runway outside the cells to which condemned murderers are confined.

Jailer Thomas Dover declared that if he had to tear the entire jail to pieces he would find every tool and bit of dope which had been cached by prisoners.

CITY TRAINMAN HURT AS BOILER EXPLODES

Henderson, Ky., Nov. 6.—The boiler of a locomotive on a Louisville & Nashville railroad train, bound from Henderson to Louisville, exploded at Barker's Station, seven miles from here this morning. Frank Hattingly of Louisville, engineer, received a broken leg when he and the fireman jumped from the cab of the locomotive. The fireman was unhurt.

The train was stopped at Barker's Station when the explosion occurred.

Returns In Race For Louisville Education Board

Events at the Hotels

TODAY

[illegible]—Kentucky Music Teacher Association meeting, first session, 10 a. m. Rotary Club luncheon, 12:15 p. m. Alumni Club, Louisville Girls' High School meeting, 3 p. m. Louisville Society of Madison dinner, 8 p. m.

Seelbach—Exchange Club luncheon, 12:15 p. m. Insurance Underwriters' luncheon, 12:15 p. m. Crescent Hill Chapter American War Mothers meeting, 2:30 p. m. Edward J. Meyer dinner, 6:30 p. m. Four Transportation Brotherhoods meeting, 7:30 p. m. Notre Dame Club meeting, 8:30 p. m. Delta Mandla Sigma Institute.

Kentucky—Round Table luncheon, 12:15 p. m. Hillo Club luncheon, 12:30 p. m.

[illegible]—Optimist Club luncheon, 12:15 p. m. Music Box, A Z O

FRIDAY

[illegible]—Kentucky Music Teachers' Association meeting, 9 a. m. Lions Club luncheon, 12:15 p. m. Kiwanis Club luncheon, 12:15 p. m. Rotary Club luncheon, 12:15 p. m. Louisville Real Estate Board luncheon, 12:15 p. m. Louisville Society of Madison dinner, 8 p. m.

Seelbach—Exchange Club luncheon, 12:15 p. m. Insurance Underwriters' luncheon, 12:15 p. m. Crescent Hill Chapter American War Mothers meeting, 2:30 p. m. Edward J. Meyer dinner, 6:30 p. m. Four Transportation Brotherhoods meeting, 7:30 p. m. Notre Dame Club meeting, 8:30 p. m. Delta Mandla Sigma Institute.

Kentucky—Round Table luncheon, 12:15 p. m. Hillo Club luncheon, 12:30 p. m.

[illegible]—Optimist Club luncheon, 12:15 p. m. Music Box, A Z O

[illegible]ow Motion Count Awaited By Nation

CALDWELL & CO. IN STRONG POSITION

James B. Brown Makes Statement; Deal With BancoKentucky Never Closed.

James B. Brown, president of the BancoKentucky Company, has made the following statement with regard to Banco Kentucky and Caldwell & Co.:

"Negotiations which have been in progress for several days between Caldwell & Co. and the BancoKentucky Company have not been consummated. The BancoKentucky Company is therefore not involved in any way with the affairs of Caldwell & Co. Moreover, I consider Caldwell & Co. perfectly sound and in a strong position. This is the judgment also of the committee of Nashville bankers who made an examination of the company as set forth in the statement issued at Nashville.

"Caldwell & Co. is one of the largest investment houses in the United States. It is of vital importance to a large section of the country and especially to the South.

"The company has felt the same situation that has confronted scores of investment houses in the country as the result of the abnormal business conditions that have prevailed for more than a year. It holds millions of dollars worth of bonds and securities due to commitments which had been made and which the company has not. These securities are perfectly sound but it is impossible to sell them at present at anything like their real value."

Caldwell & Co. also owns and operates several corporations, including banks and insurance companies. Mr. Caldwell has decided to dispose of his insurance properties and arrangements of this sort are expected in a short time. This will give the company a large amount of cash and will adjust the situation by doing away with the necessity of waiting for a change in the condition of the securities market.

CHARTERS APPROVED FOR THREE COMPANIES

Herald-Post Bureau

Frankfort, Ky., Nov. 6.—Articles of incorporation of the Thomas D. Clines Amusement Enterprise, Louisville, capitalized at $2,000, have been approved by the secretary of state. The incorporators were Thomas D. Clines, M. H. Clines and William M. Clines.

Other articles approved follow:

The Standard Art Work Louisville, for dissolution, of which is that all capital stock of the corporation shall be common stock, consisting of 500 shares common and 310 preferred.

Baker Grocery Company, Louisville, increasing capital stock from $20,000 to $50,000.

Late of Congress Control in Doubt as State Law Paralyzes Check.

A [illegible] of Kentucky [illegible] Kentucky hindered and [illegible] operating the [illegible] in Louisville at [illegible] probably will not be completed [illegible] next week, the Associated [illegible] reported last night.

Upon Kentucky and Minnesota [illegible] depend the balance in the [illegible].

[illegible] from clearing up previous election difficulties, the election law [illegible] to handle the results of [illegible] returns. The big body of workers [illegible] all had completed the count of [illegible] fifty-two precincts out of the [illegible] of 443 precincts in Louisville and [illegible] county in Wednesday night. At this late thirteen days would be required in making the tabulations.

The count Wednesday speeded up [illegible] the day however, so that possibilities were made that despite the [illegible] and the disputes between [illegible] returns could not [illegible] the [illegible] of the new [illegible] would [illegible] hampered by their [illegible] before the end of the [illegible] session was seen by the end of the week.

(Page 9, Column 2, Section A.)

ROWE DECLARED VICTOR AT N. A.

Democrat Defeats Congressman Dunbar; Incumbent Carries Home County.

Eugene B. Crowe, Democrat, defeated Congressman James W. Dunbar, Republican, for representative from the Third Congressional district, according to unofficial returns. Dunbar carried his home county, Floyd, by 433 votes, it was revealed at Montgomery Thursday.

Congressman Dunbar refused Thursday morning to concede the election of his opponent, saying he had not received official figures from some of the counties in the district. Harry T. Ferguson, district Democratic chairman, claimed the election of Crowe by 202 majority.

The official tabulation of votes cast in Tuesday's election which was completed Wednesday afternoon by the board of election commissioners, shows that all of the county and township officers, excepting three, were won by the Democrats.

In some instances the majorities were small, while in others they reached the normal Democratic figures of the past.

Robert A. Lotz, Democratic candidate for treasurer, defeated Capt. Otis Pyle, Republican, by only eighteen

(Page 9, Column 3, Section A.)

By CALVIN COOLIDGE

(Copyright, 1930.)

ELECTION DEMONSTRATES UNREST.

NORTHAMPTON, Mass., November 6

THE [illegible] of a free people are not the only methods by which expression is given to a sound and constructive public opinion but also the means of revealing and thereby healing internal disorders and discontent. They act as a tonic for the body politic. Under this most wholesome process people can register their approval and disapproval of the acts of [illegible] in a peaceful and legal way. The political [illegible] is avoided.

It is evident that the same unrest that has been revealed in Europe, Asia and South America has had its [illegible] in the United States. Expression has been given to it in the constitutional way, without any violence, without any [illegible] and another demonstration of the [illegible] and the attachment of the people [illegible] to

[illegible] future action of the national government. We shall have to increase our faith [illegible]. We can be sure of that. What [illegible] will remain unchanged until [illegible] events in December, 1931. But [illegible] incoming office there can be no sudden

FATHER, DIE AS B[illegible] RAZES

State Parent Life in Vain Effort.

[illegible] Spring, Ky., Nov. [illegible] their combined life [illegible] efforts to rescue the [illegible] from a burning [illegible] of farmer and W[illegible] Another son, Ed[illegible] raging [illegible] from [illegible] the [illegible] to [illegible] the [illegible]

Water Lack

[illegible] caused [illegible] water due to the [illegible] While [illegible] [illegible] [illegible]

LUCAS DECLARES HOOVER UPHELD

Says Democrats Regained Districts Normally Theirs.

"Chief" Is Satisfied United States Isn't Going to the Dogs

THREE ON HORIZON FOR WHITE HOUSE

Roosevelt, Bulkley, Pinchot Potential Candidates.

By LORENZO WARTS

ADS TOTAL

BROWN

DUNBAR SAYS FOE HAS 100-200 LEAD

Indiana Congressional Race Vote Is Close.

GRIGSBY TRAILS IN APPELLATE RACE

Judge Richardson Has Early Lead of 7,853.

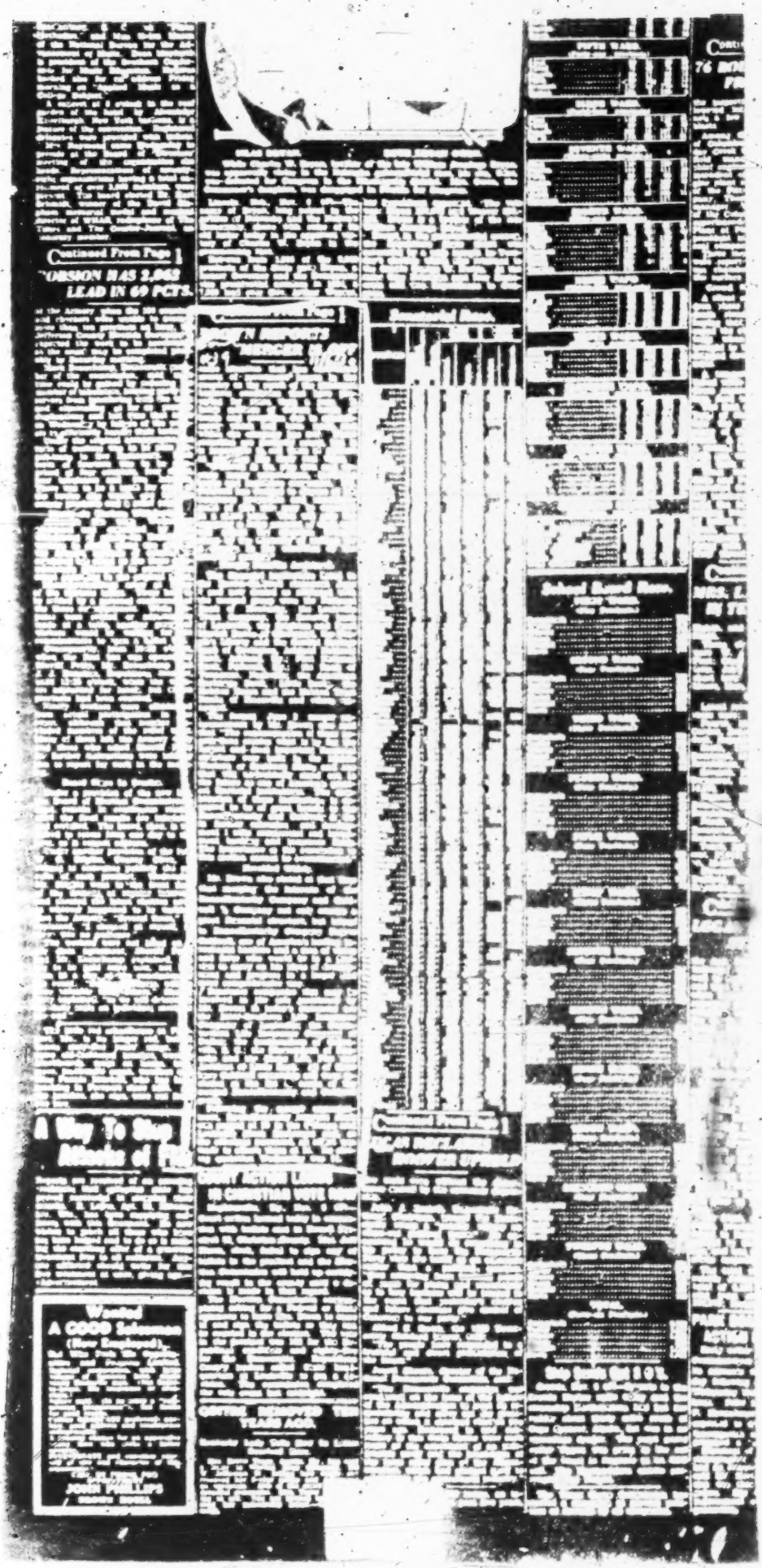
ARMY QUARTERMASTER GENERAL VISITS CITY

In Politics, He Who Laughs Last Irritates!

FIFTY DISTRESS

LAY $200,000 THEFT TO L. C. SMITH OFFICIAL

Cooler Night Predicted.



e Courier-Journal

LOUISVILLE, FRIDAY MORNING, NOVEMBER 7, 1930.

THREE CE

TS SENATE, LOSES HO

EE WOMEN APE FROM VE PRISO

Lock On Door of H At Frankfort Reformatory.

NDER LONG TERM

Browder, Convicted ess Bank Robbery, One of Trio.

Merger Off, Brown Says In Statement

Denies Banco-Caldwell Deal Was Consummated As He Announced June 2.

In a new statement to the affiliated newspapers in which he reported the assertion that the Banco-Kentucky Company has no interest with Caskie & Company, James H. Brown, president of the Banco-Kentucky Company, Tuesday said his announcement of June 2 that the two companies had merged with the Nashville company

His statement Wednesday forecast an early announcement of the sale of a number of insurance companies [illegible] Caskie & Company, which has been [illegible] hands of a committee of Nashville bankers.

[illegible] statement on June 2 [illegible] of the Banco-Kentucky Company and Caldwell & Company was announced by Mr. [illegible] in his Louisville newspapers and Rogers Caldwell, president of Caldwell & Company, at his Tennessee [illegible]

The formal merger announcement Mr. Brown [illegible] said that the plan involves an association of the Banco-Kentucky and Caldwell Company whereby the Banco-Kentucky has acquired a half interest in Caldwell & Company. Rogers Caldwell acquires a substantial interest in the Banco-Kentucky Company."

The Caldwell company's financial

(Continued on Page 2, Column 4.)

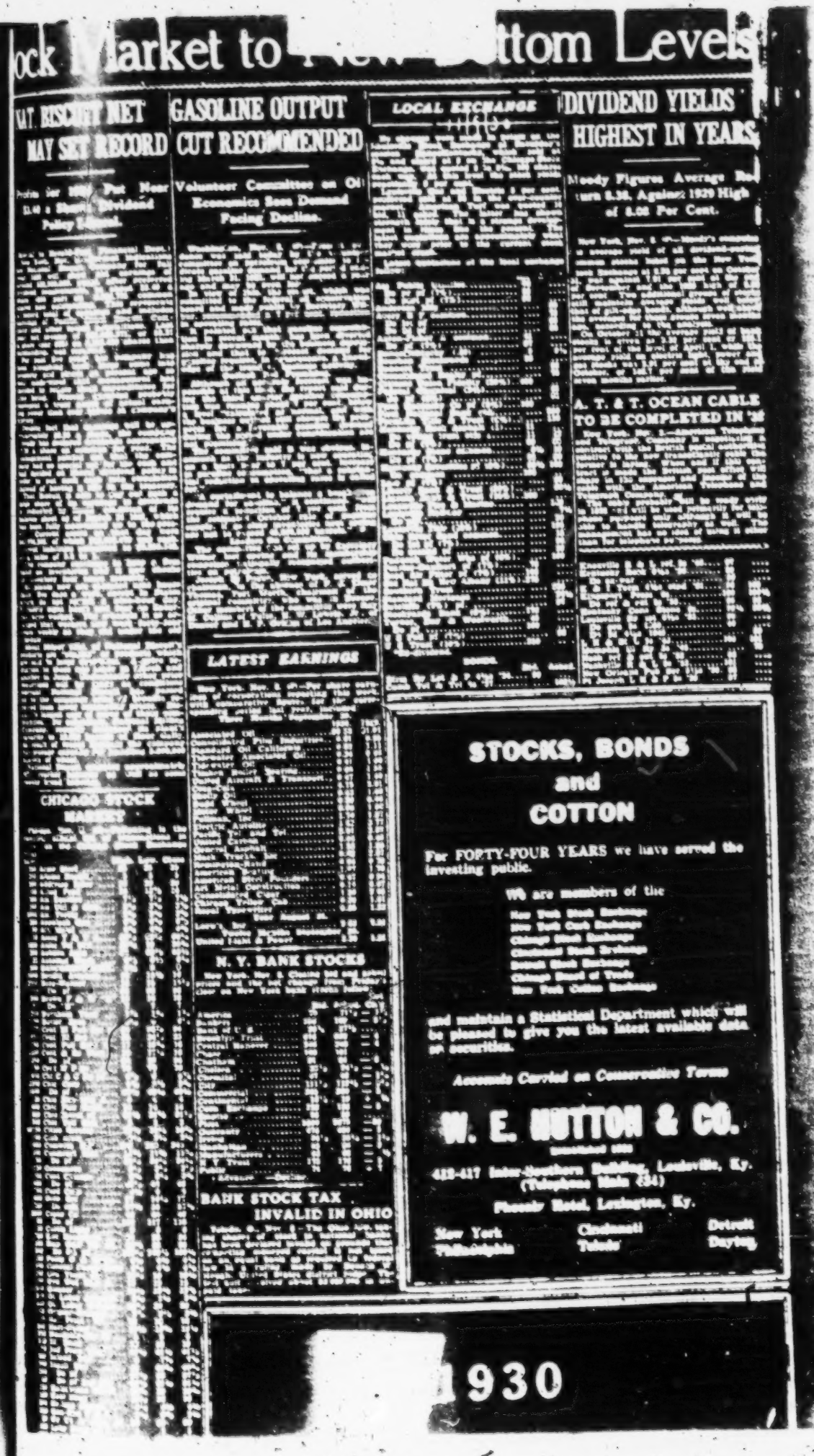
COUNCIL AIDS RELIEF WORK

Appropriates $27,000 for Chest; to Pass Unemployment Measure.

[illegible] to be passed [illegible] with total [illegible] Thursday night by the Board of Aldermen.

The Board also raised $2,000 to the Community Chest for relief work done by its subsidiary the Family Service Organization in October, and [illegible] the Family Service Organization to October work as well as [illegible] the city's mutual aid [illegible]

The bill appropriating $26,000 [illegible] relief will be passed [illegible] week. This fund will be administered by a committee to be [illegible] of the Mayor, the Director [illegible] Walker and Frank H. Johnson, chief of the Board of Aldermen. [illegible] previously announced plan to provide jobs for the unemployed. The relief bill will [illegible] as soon as [illegible] Aldermen [illegible] Mayor [illegible] Aldermen [illegible] Special meeting [illegible] Aldermen [illegible] Mayor [illegible] Aldermen [illegible] Mayor [illegible] Aldermen [illegible] Mayor



ock Market to New Bottom Levels

AT BISCUIT NET MAY SET RECORD

GASOLINE OUTPUT CUT RECOMMENDED

Volunteer Committee on Oil Economics Sees Demand Facing Decline.

LOCAL EXCHANGE

DIVIDEND YIELDS HIGHEST IN YEARS

Moody Figures Average Return 6.34, Against 1929 High of 6.06 Per Cent.

A. T. & T. OCEAN CABLE TO BE COMPLETED IN '30

LATEST EARNINGS

CHICAGO STOCK MARKET

N. Y. BANK STOCKS

BANK STOCK TAX INVALID IN OHIO

STOCKS, BONDS and COTTON

For FORTY-FOUR YEARS we have served the investing public.

We are members of the

New York Stock Exchange
New York Curb Exchange
Chicago Stock Exchange
Cincinnati Stock Exchange
Detroit Stock Exchange
Chicago Board of Trade
New York Cotton Exchange

and maintain a Statistical Department which will be pleased to give you the latest available data on securities.

Accounts Carried on Conservative Terms

W. E. HUTTON & CO.

Established 1885

413-417 Inter-Southern Building, Louisville, Ky.
(Telephone Main 234)

Phoenix Hotel, Lexington, Ky.

New York Philadelphia Cincinnati Toledo Detroit Dayton

1930

THE COURIER-JOURNAL, LOUISVILLE, FRIDAY MORNING, NOVEMBER 7, 1930.

Police Dog ... Solved Her.

MERGER IS OFF, BROWN STATES

Dewes Bunco-Caldwell Deal Was Consummated As He Announced June 2.

CALLED FINAL AT TIME

...AW BODY TOLD SWEDISH PLAN

U. S. Minister Explains Air Ham System to Wickersham Group.

Tonight!

... users of powder (maybe you) will have ACUTE INDIGESTION. Be safe with Bell-ans on hand.

BELL-ANS

DR. RODDE ... JOHN C. LEWIS ...

To Lewis' for Friday and Saturday Shopping

It's Dressy And Yet So Practical

Every day brings a new creation in Lewis' new store salon like this double-strap walking shoe in brown or black suede effect with tonal lizard in cuff—one of the very smart, perfect-fitting and thriftily priced ensembles.

$7

"Quand?"

("When")

A New Perfume By (Name) As Provocative As Its Name

$1.50 Up

Our $1.65 Hose Are Far Better Than Their Price

...Semi-service weights full fashion in plain Silk Picot Top Pure Silk Double Soles, Full Fashioned, French Heels, Reinforced Feet in every new color to design here

No wonder these hose at $1.65 are our "best seller"—so closely do they rival a regular $1.95 hose in every particular that every customer who buys them finds she has secured real value and almost invariably buys them thereafter.

97c

Announcement

Handmade, Hand-Embroidered

Oriental Silk Gowns, Just

$5.98

$7.50 Quantities

$4.98

New! Stitched Cape Cloth

$3.95

Doll Hose for Dress

...ntucky's Greate... Price THREE CENTS—(In T...
LOU...LLE, KY., TUESDAY EVENING, NOVEMBER 11, 1930

...GED TO JOIN COU...

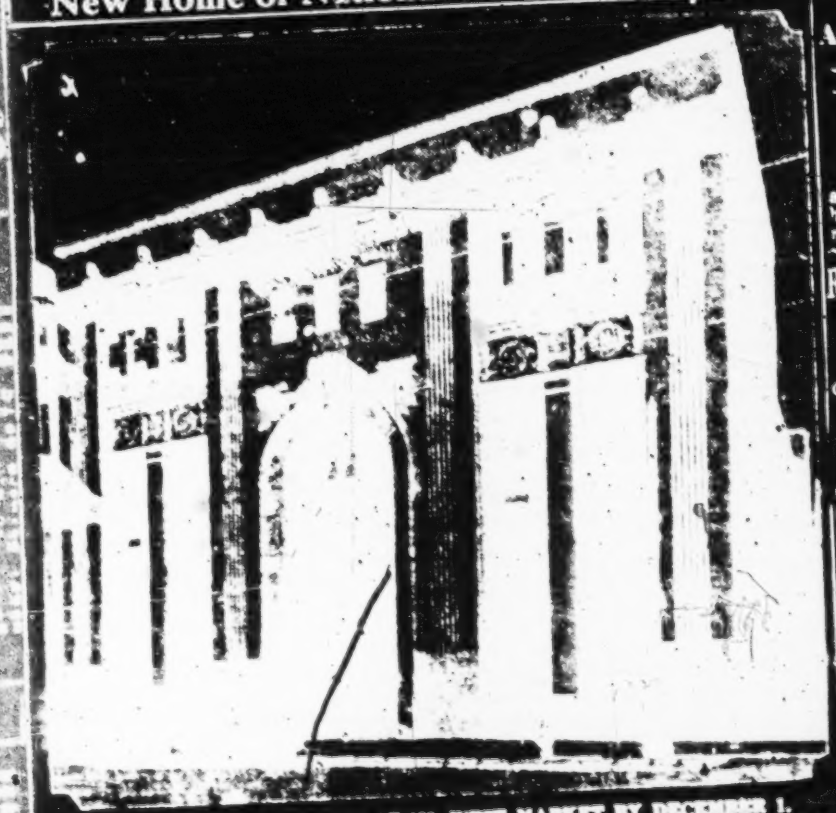
...st Soviet Charged

President ... For Ame... Aid Pea...

Adherence to World T... ...vancing Scope of I... Settlement of Differ... tions; Navy Pact, Ke...

Washington, Nov. 11. (AP.)— ...adherence of the United State... ...road participation of this c... ...maintain the peace of the wo...

New Home of National Bank of Kentucky



BANK TO OCCUPY BUILDING AT 421 WEST MARKET BY DECEMBER 1.

THE NATIONAL BANK OF KENTUCKY will move into its new home at 421 West Market street, formerly occupied by the Louisville Trust Company, by December 1.

Announcement was made today by Joseph H. Brown, president of the National Bank of Kentucky, that the bank will occupy its new quarters on that date. Preparations for the move have been under way since the Louisville Trust Company returned to its building at Fifth and Market.

The new home of the National Bank of Kentucky is one of the finest and most up-to-date banking buildings in this section, it is declared, every modern banking facility and a number of unusual ones having been installed and serviced.

The new building gives the National Bank of Kentucky the space and convenience for its customers for which the present building at Fifth and Market has proven inadequate. The bank has been at Fifth and Main since 1913.

The new home at 421 West Market makes only three locations for the bank in its existence of almost one hundred years. The first home was the building on the south side of Main street, just east of Third, where the bank began in 1834, ninety-six years ago.

RELIEF BUREAU READY TO OPEN

City Employment Agency to Launch Drive Wednesday at 423 West Liberty.

Hundreds of men and women in Louisville out of work will be given employment when the Municipal Relief Committee opens its central employment bureau at 9 o'clock Wednesday morning.

The bureau will be located at 423 West Liberty street, on the north side of the street between Fourth and Fifth streets. The hours will be from 9 o'clock in the morning until 5 o'clock in the afternoon. It was announced by Henry W. Schuster, chairman of the committee on publicity.

Payment of the $25,000 appropriation authorized by the Board of Aldermen Monday will be made available funds or giving all heads three days' work. ...e will be persons with dependents. ...e will be paid at the rate of 30 ...nts per hour.

The central bureau will be in charge ...f the director of welfare, and he will ...e assisted by Miss Viola Emerson, ...ho has been associated with the Children's Protective Association ...f this city for some time and has been active in social work here for more than six years.

(Page 2, Column 4, Please.)

LOGAN INDICATES HE WILL RESIGN

Vacancy Expected Prior to August to Be Filled by Governor.

(Herald-Post Bureau.)

Frankfort, Ky., Nov. 11.—Judge M... Logan, United States district ...dge, said that it would be ...ssible to the people of the district ...ntucky in the Court of Appeals when ...s next August, meeting out the ...ty resignation by that time would ...ve an election to be conducted ...ior to the time he ultimately ...ould resign, he said.

Gov. Flem D. Sampson, a Republican, will appoint an interim ...dge, whereby Judge Logan resigns, ...o serve until the place can be filled ...y election.

(Page Seven-Start Logan's home ...)

Medical Meet Opens With Clinics, Talks

SHAFT UNVEILED BY LORD DERBY

Cenotaph in Memory of War Dead of Liverpool Dedicated.

Liverpool, Nov. 11. (AP.)—In the presence of 50,000 persons, Lord Derby today unveiled a cenotaph in memory of the city's war dead.

Speaking on electric button, he unveiled a large Union Jack covering 12,000 Flanders poppies which fell directly from the cenotaph over 11 ...ounded throng.

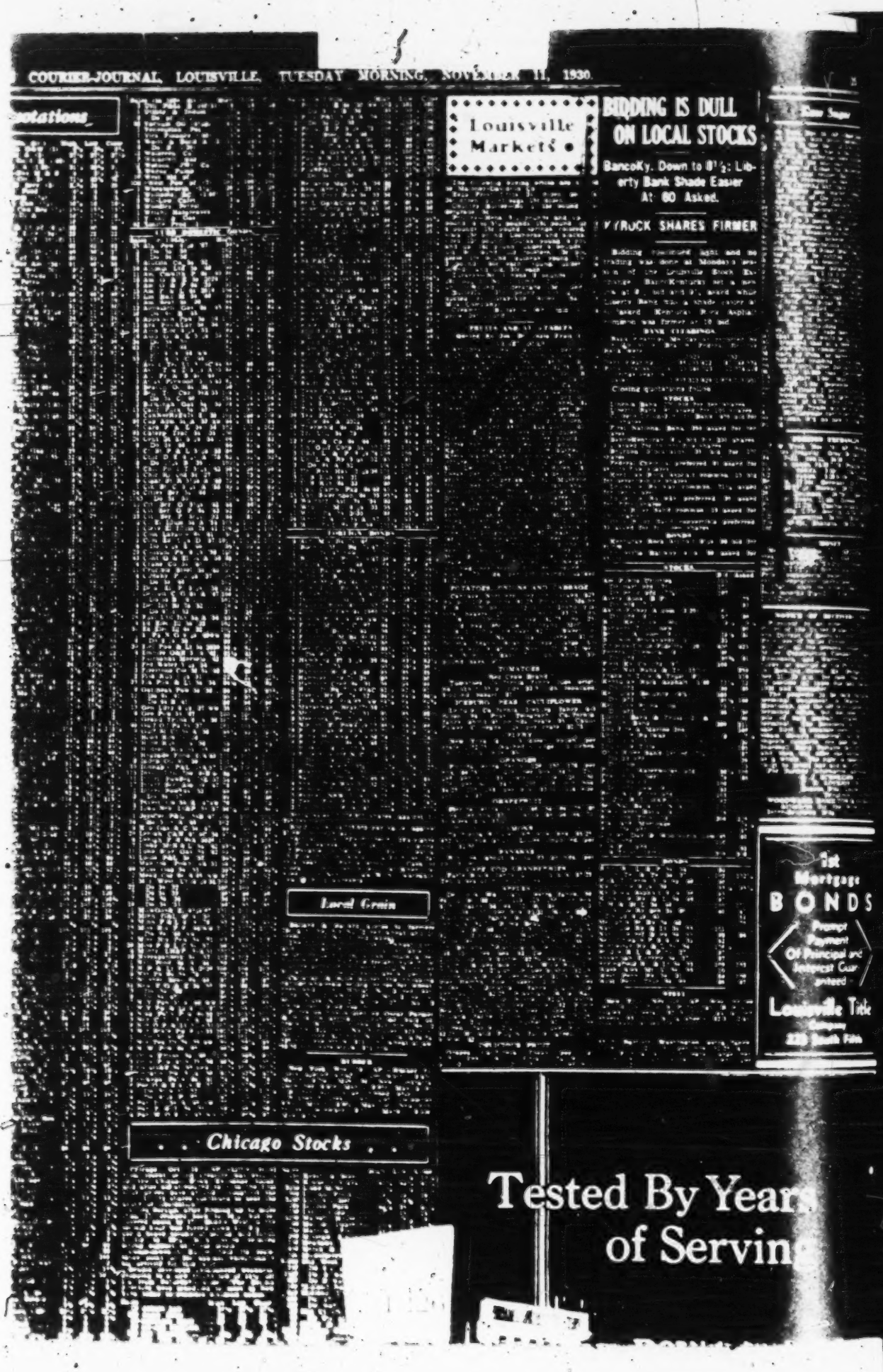
Well known in America for his interests in horse racing, Lord Derby was ...ntrusted with many of his interests ...hile he served in this section of England. He was a guest of America's ...ng racing leaders last spring at the running of the Kentucky Derby and other meets here in the United States.

The cenotaph is a lamb rightly ...ean height, forty feet long and seven ...ide, with side bearing a panel ...f bas relief sculpturing and the

ENGLAND HONORS WAR DEAD OF AIR IN UNIQUE RITES

LONDON, Nov. 11. (AP)—Two thousand feet above the ...ille of Kent a British ...ayenger plane burst into ...ames and went to its doom ...is morning as the ...ground before an assem... ...ibute to the ...ir men ...achieved.

But the ... ...ers stood ... ...dense and ... ...to tell ...


COURIER-JOURNAL, LOUISVILLE, TUESDAY MORNING, NOVEMBER 11, 1930.
Louisville Markets
BIDDING IS DULL ON LOCAL STOCKS
BancoKy. Down to 81½; Liberty Bank Shade Easier At 80 Asked.
Local Grain
Chicago Stocks
1st Mortgage BONDS
Louisville Title
Tested By Years of Servin

RALD-POST
Kentucky's Greatest Newspaper
Home E
LE, KY., WEDNESDAY EVENING, NOVEMBER 12, 1930
Price THREE CENTS—On Trai

LOUISVILLE
NOV 1 19
PUBLIC LIBRARY

RTS PROFESS

MERGER WILL BE COMPLETE DECEMBER 1

National Bank of Kentucky, Louisville Trust Co. Become One Institution.

HUNDREDS LOOK TO CITY FOR WORK

CROWD AWAITS AS EMERGENCY [illegible]

MAN GETS 21-YEAR TERM FOR KILLING

Bell County Jury Takes 40 Minutes to Convict; Verdict Appeal Planned.

Scores of Idle In Line As Job Office Opens

First Assignments Handed Out as City Bureau Starts Operating.

SPEAKERS HONOR ALLIED NATIONS

Tributes Paid to War Dead of All Countries in Memorial Observance.

PUR IN A

Deto. Mot M

DOCTOR
HEALTH
CONVENTION
25 Balls
in this
Issue
Sale
863 Pairs Newest
SMART
SHOES
$7.85
Have you seen the new
store of
Son

DEMOCRATIC AID IS ASKED BY HOOVER

Writes Robinson On Legislative Programme: Sees G. O. P. Chiefs.

GLASS ATTACKS MOVE

JOBLESS START ON CITY TASKS

First Group Gets Municipal Aid: More Register.

'Chic' Argues Wars And Mashed Fingers Due to Same Cause

JOB RELIEF SEEN IN YULE CARNIVAL

Extra Workers Needed to Prepare for Gala Fete

BANKER KILLS 3, SELF, WOUNDS 1

Wife, 3 Children Shot As They Slept.

COLD WAVE REPORTED ON WAY FOR MIDWEST

COUNTIES AWAIT CALDWELL SIFT

Protection On Deposits Investigated With State Aid.

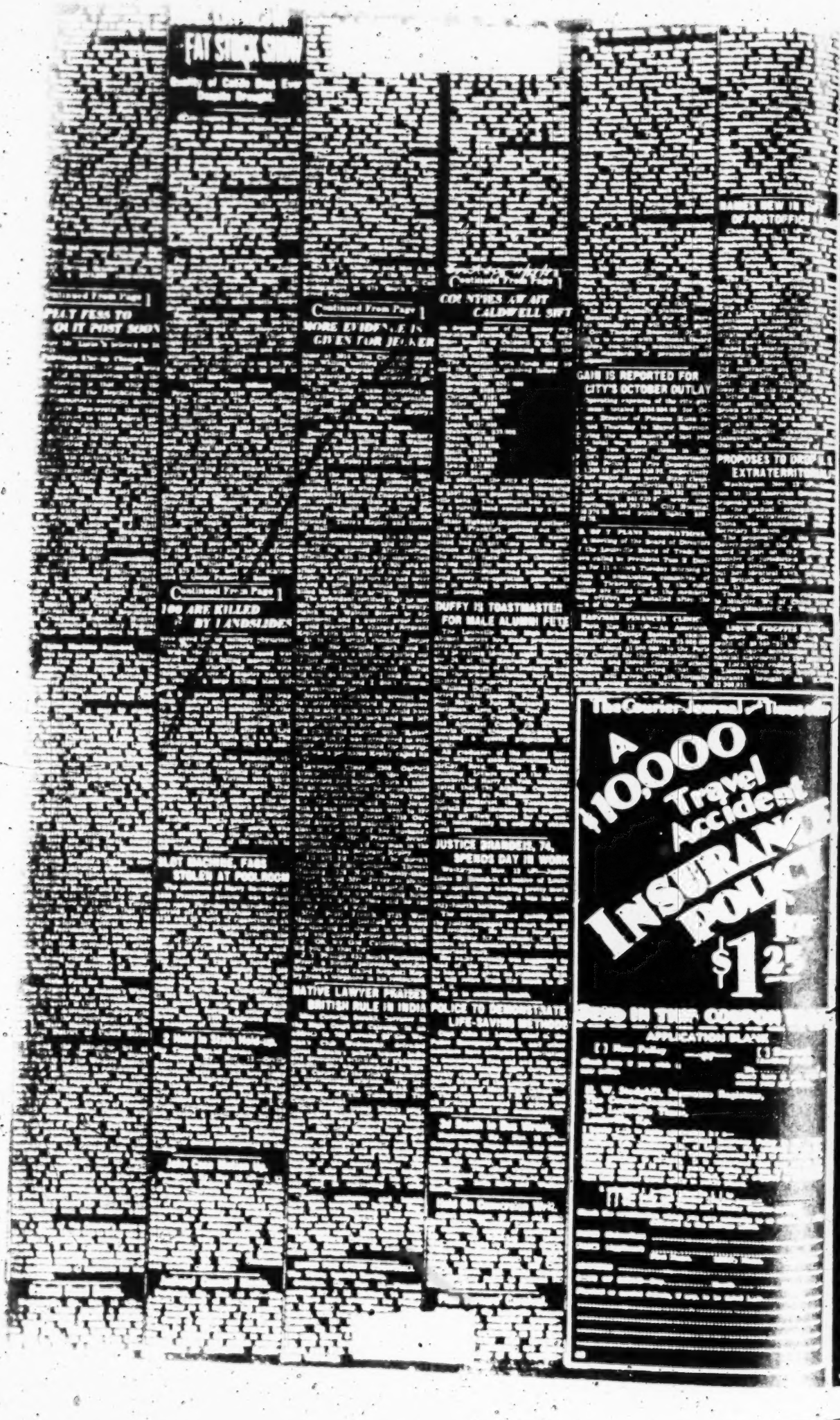
ANOTHER GROUP OF JOBS E

Wide Range In Pl... Places Advertised

MITCHELL, WOOD... DISCUSS GRA...

WOMAN THIRD VICTIM OF SILENT-GUN USER

MAN'S STATE SERIO... AFTER POIS...



FAT STOCK SHOW

Continued From Page 1

MAT FESS TO QUIT POST SOON

Continued From Page 1

WORK EVIDENCE IS GIVEN FOR JEWKER

Continued From Page 1

COUNTIES AW APT CALDWELL SIFT

GAIN IS REPORTED FOR CITY'S OCTOBER OUTLAY

Continued From Page 1

100 ARE KILLED BY LANDSLIDES

DUFFY IS TOASTMASTER FOR MALE ALUMNI FETE

SLOT MACHINE, FAIR STOLEN AT POOLROOM

JUSTICE BRANDEIS, 74, SPENDS DAY IN WORK

NATIVE LAWYER PRAISES BRITISH RULE IN INDIA

POLICE TO DEMONSTRATE LIFE-SAVING METHODS

The Courier-Journal Louisville Times

A $10,000 Travel Accident INSURANCE POLICY $1.25

APPLICATION BLANK

...ING NEWSPAPER

...LES HIGHLAND DITCH CAVE-IN HURTS

Workers Caught By Cave-In Wreckage Are...

CALDWELL & CO. RECEIVER NAMED

Believed Able to Meet Obligations In Full.

DEMOCRAT MAY BE NAMED TO SENATE

...Vacancy Probably Would Shift Control.

LAMBERT SAYS FORCES OF PROGRESS PRESENT

FAT SHOW

THE NATION'S WEATHER TODAY AT 7 A.M.

Nov. 14, 1930

Weather Over U. S.

LOUISVILLE, FRIDAY MORNING, NOVEMBER 14,

IS GIVEN 15-YEAR

Floats
...ts' Parade

HAVANA RULED SHIFTED ROLE BY SOLDIERS IS URGED FOR AFTER RIOTS BRITISH INDIA

Police Kill Six In Battles With Mobs Led By Students.

Viceroy Recommends Strong Central Authority Looking Toward Federation.

U. S. CITIZEN WOUNDED WOULD CONTROL ARMY

President Proclaims Martial Law, Suspends Constitutional Rights.

Suggestions Placed Before Princes At London Round Table.

Dr. Underwood Heads Medical Association

3 PLEAD GUILTY IN LIQUOR CASE

Four Cleared On Peremptory Instructions; Charges Against One Dropped.

CALDWELL & CO. RECEIVER NAMED

CALDWELL & CO. RECEIVER NAMED

U. S. ... Acts On Crockett's Petition With Assent of Banking House.

WOULD PROTECT ASSETS

(Continued From Page)

Knoxville Trust, Nov. 13 (Special)—Judge E. T. Sanford, in the United States District Court here today appointed Fletcher Bowers, president of the Bowers Banking Company, receiver for the brokerage firm of Caldwell & Co., which has been in the hands of receivers since Monday, when Judge Sanford issued a temporary restraining order at the request of Attorney General Thomas C. Ivey. Judge D. D. Nelson appointed Bowers as receiver of the Knox County branch of the firm.

An Editorial

By the Founder, Louis Isaac's

DIAMONDS

Their Most High Quality Standards Values Made Possible By Limited Loans

Isaac's

The Return of the Fireplace

The fireplace now as never before is a necessity in the American Home. A real live, crackling wood fire is the one thing that will return the family to the hearthstone.

At Brecher's you will find a large selection of fireplace furnishings, such as

Andirons — Hearth Brooms
Screens — Fire Lighters
Fireside Rockers — Log Rollers
Fire Sets — Wood Holders

Prices to Meet Your Expectations

The BRECHER CO.

433 W. Jefferson

Bilhartz

... FOURTH ST.
... DEPARTMENT STORE
... HOSIERY & READY-TO-WEAR

...DAY and SATURDAY

...iffon Silk

HOSIERY

New Dull Finish
Picot Tops

All $1.25 Values

Man Held In Probe Of Gotham Vice Ring

Dragoo Named Leonard Shoongloff, to Arrest, Both Wife, "Flora," Is Charge

New York, Nov. 13 (U.P.)—The first arrest in a sensation opened a new drive against the vice ring which has been operating in the Times Square district for years was announced tonight by District Attorney Thomas C. T. Dewey.

The prisoner was arrested on a charge of Chief Magistrate Joseph E. Corrigan, who, with Assistant District Attorney James J. Bruce, opened the investigation into the Appellate Court's appointments a few days ago.

The prisoner was arrested on a charge of conspiracy with Chief Magistrate Corrigan, who, with Assistant District Attorney James J. Bruce, opened the investigation into the Appellate Court's appointments a few days ago.

The prisoner was arrested on a charge of conspiracy with Chief Magistrate Corrigan, who, with Assistant District Attorney James J. Bruce, opened the investigation into the Appellate Court's appointments a few days ago.

CASE OF PRIEST IS CONTINUED

Charges of drunkenness in a public place and disorderly conduct against Father John J. Pyne, 38 Park ... assistant pastor of St. Augustine's Catholic Church, Jeffersonville, and charges of disorderly conduct and ... were continued ... in the Police Court Thursday ... Father Pyne was fined $5 and ... by Police Judge Paul Hoffman, Jr., ... Pyne appealed both fines to the ... Court. The appeal bond was ... The other charges were ... Father Pyne's attorney, ... Lynch, said he would ... and they would be ...

No Longer Skinny Nerves. I Gained 4 Lbs. in 2 Weeks

CHINESE BANDITS MASSACRE 2,000

London, Nov. 14 (Friday) (U.P.)—Sir Eric Teichman, ... Chinese Consul General at Kashgar, ... Chinese Turkestan, ... Chinese Turkestan, ... Chinese Turkestan

FED. CHEM. SHARES OFFERED LOWER

Preferred Stock 80 Asked On Local Exchange; Sanoky. Down to 7½ and 8.

BIDDING IS QUIET HERE

Federal Chemical preferred was off 8 points to 80 asked today. Kentucky Utilities, a new issue of 6 per cent preferred, was traded in at 100 and 100½ on Thursday. Only 5 shares changed hands. Trading was dull and prices were nominal.

New York Stock Exchange Bonds

Chicago Stocks

...ed A Burden For You—Show Y... Gratit...

...RALD-POST

Kentucky's Greatest Newspaper

...SVILLE, KY., SATURDAY EVENING, NOVEMBER 18, 192... ...THREE...

...REPEAL S...

By CALVIN COOLIDGE

...CRUSHING CO-OPERATION PLANNED...

...

CALVIN COOLIDGE.

Statue of McDowell Unveiled In Capitol

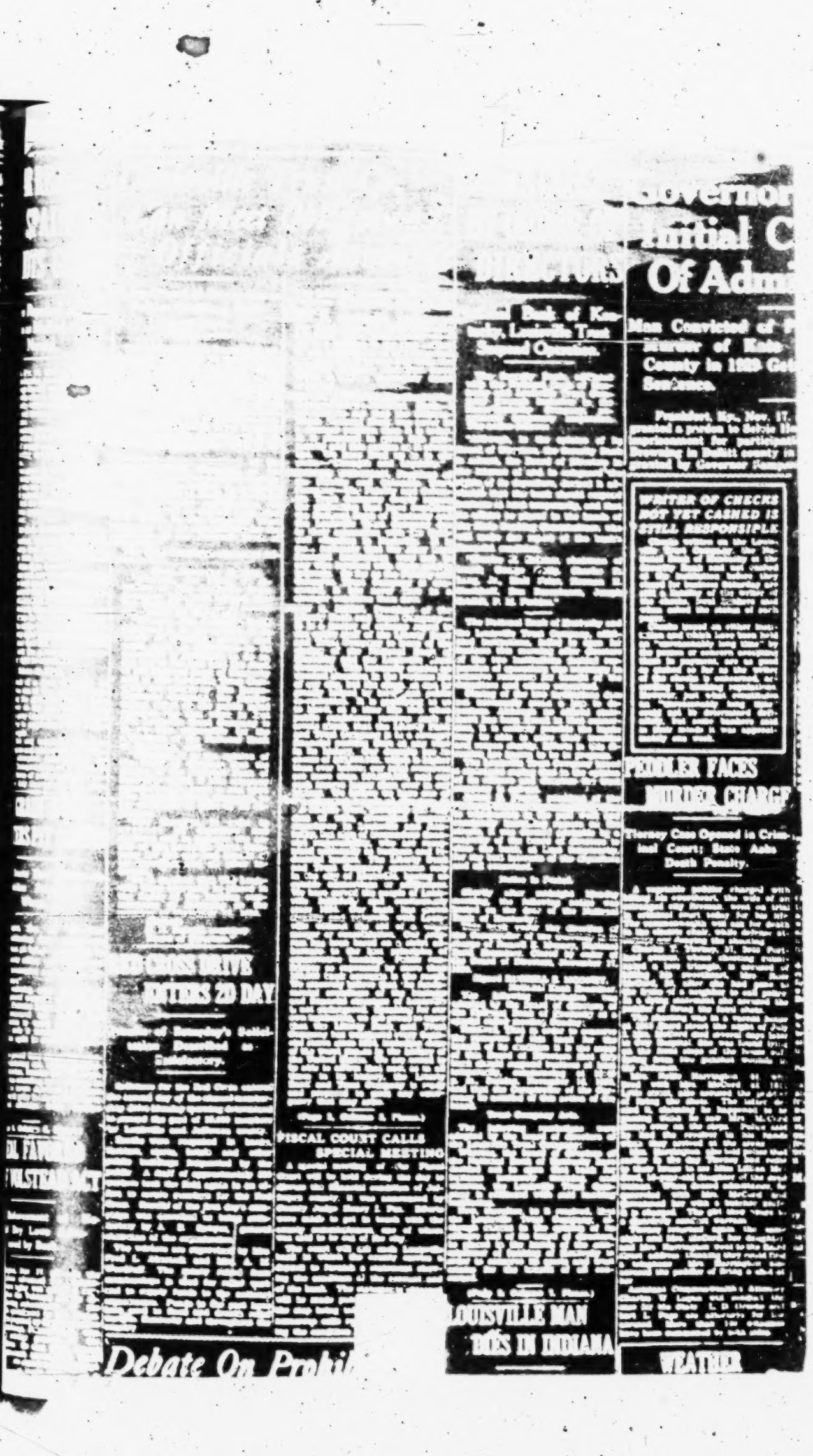
THEFT CHARGED TO CLARA'S AIDE

"Confession" to Go Before Grand Jury in $34,000 Embezzlement.

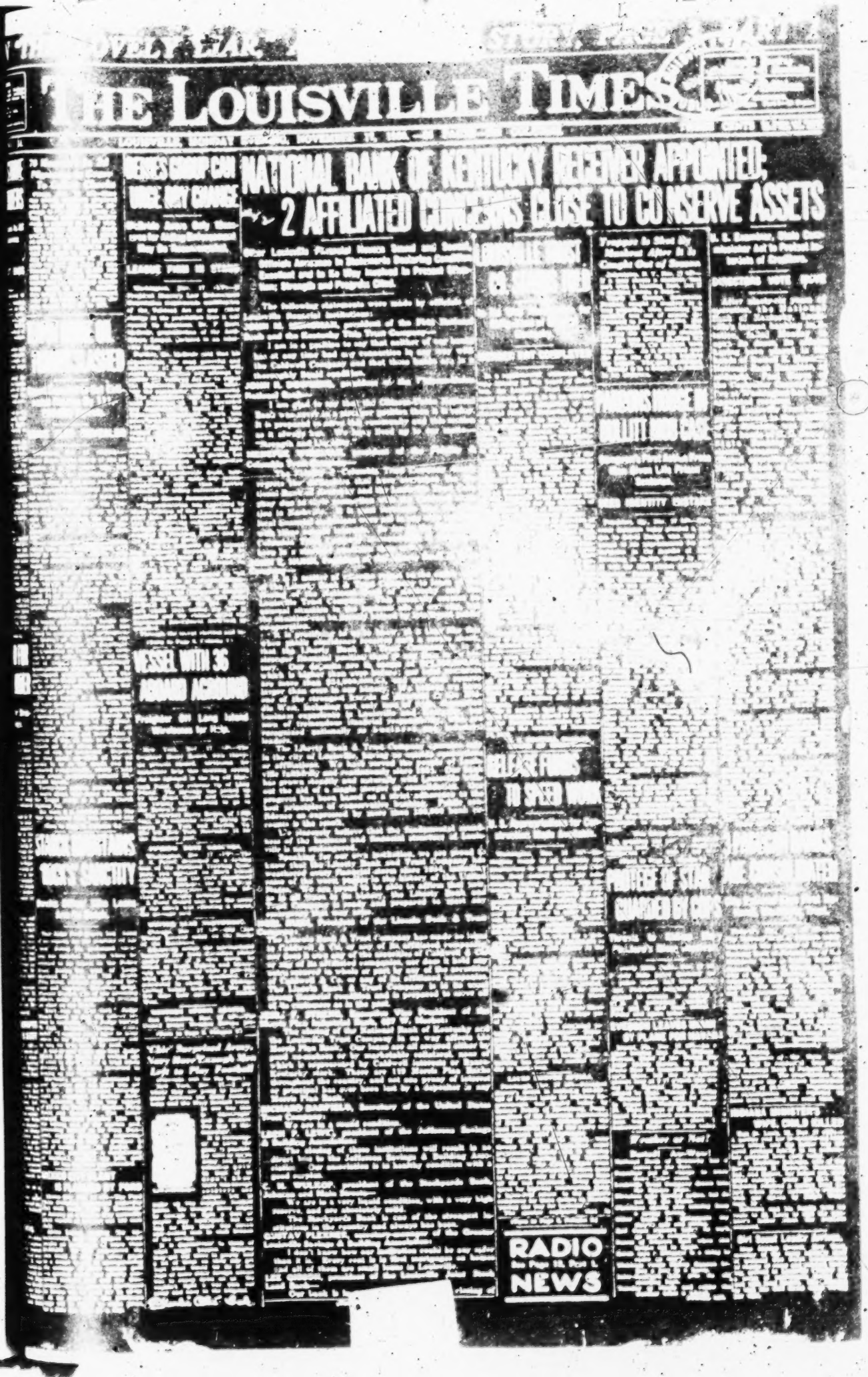
...

...PASTO... ...RE...

ding Light
1ST NATL. BANK
5 POINTS EASIER
New York



Governor
Martial C
Of Adm
Man Convicted of
Murder of Kno
County in 1925 Ge
Sentence.
Frankfort, Ky., Nov. 17.
WRITER OF CHECKS
NOT YET CASHED IS
STILL RESPONSIBLE
PEDDLER FACES
MURDER CHARGE
Plea Case Opened in Crim
inal Court; State Asks
Death Penalty.
Bank of Ken
tucky, Louisville Trust
Suspend Operation.
DRIVE
BOTTLES 20 DAY
FISCAL COURT CALLS
SPECIAL MEETING
LOUISVILLE MAN
DIES IN INDIANA
WEATHER
Debate On Prohi


THE LOUISVILLE TIMES
NATIONAL BANK OF KENTUCKY BREEDER APPOINTED;
2 AFFILIATED CONCERNS CLOSE TO CONSERVE ASSETS
RADIO
NEWS

SEEK EXPLOSION FOR OIL ATTACK

Continued From Page 1

BANK OF KENTUCKY BECOMES IS NAMED

Continued From Page 1

Other Banking Houses In Excellent Condition

GEORGE B. EWALD, president of the Union Central Bank, Starks Building:

CHARLES A. HARRIDGE, President of Louisville Title Company and the Title Guarantee Trust Company:

L. A. MALLAM, President of the Southern Trust Company:

A. C. RITNAU, President of the Avery Building and Loan Association:

A. W. SOFFMAN, President of the Mason Plan Industrial Bank:

J. P. HARTWELL, President of the Lincoln Building and Loan Association:

J. C. FEHLER, JR., President of the Southern Savings and Loan Association:

S. H. FAIRSLEY, President of the Ohio Valley Building and Loan Association:

LEO P. KAUFMAN, Secretary of the Louisville Home Building Association:

LEON P. LEWIS, President of the Premium Bank:

C. T. SICK, President of the St. Matthews Bank & Trust Company:

ARTHUR A. WILL, president of the Portland Building & Loan Association:

E. W. BUSATH, President of the St. Matthews Building Association:

LEONARD E. CLORE, Vice President of the Federal Reserve Credit Bank:

CHARLES OCHSNER, President of the Farmers Bank & Trust Company:

JOSEPH H. DURHAM, President of the Franklin Title Trust Co., and the Franklin Bank & Savings Co.:

W. T. HAKES, President of the Southern Trust Company:

Continued From Page 1

TEAPOT DOME OIL FIGURES NAMED

The Courier-Journal.

LOUISVILLE, SUNDAY MORNING, NOVEMBER 12, 1933. THREE CENTS. [illegible]

BANK OF KENTUCKY IS CLOSED BY RESOLUTION OF DIRECTORS

Other Louisville Financial Institutions Are Solvent and Sound, Their Officials Assert.

STATEMENTS ARE ISSUED

First National, Citizens-Union, Liberty Bank and Trust Company, Lincoln and Others In Splendid Condition.

The following statements were made by officers of Louisville financial institutions:

ATTILIO H. BENEDRAN, president of the First National Bank and the Kentucky Title Trust Company:

I am in a position to say that neither of our banks have at any time had any connection in any way with the Caldwell Company and that these banks are in a thoroughly liquid condition.

JOHN H. BOWDEN, president of the Citizens-Union National Bank:

I am glad to say that the Citizens-Union National Bank was never in a stronger position than it is today. It is prepared to serve the community and the service at all times has. We have lived up to our motto—"Strength and Liquidity."

BENEFEE WRIGHT, president of the Fidelity & Columbia Trust Company:

The Fidelity & Columbia Trust Company deeply regrets that the affairs of their long-established associate, the National Bank of Kentucky and the Louisville Trust Company due to their connection with the Caldwell situation in Nashville. It is most fortunate that the other local financial institutions were not in any way involved with these unfortunate interests. So far as the Fidelity & Columbia Trust Company is concerned, it has never been in a stronger condition than now.

JOHN E. HUNER, President of the Liberty Bank & Trust Company:

It is a matter of extreme regret to the entire staff of the Liberty Bank & Trust Company in view of the closing of the National Bank of Kentucky and the Louisville Trust Company. This naturally creates an unusual situation in the business life of our city, but the [illegible] can be greatly helped by intelligent public cooperation.

It is gratifying to us to know at a time like this that we can confidently say that such a severe shock to the Liberty Bank & Trust Company is in no way its financial position than at any time in its history. Our deposits are in excess of $22,500,000.00 which is higher than ever before; our total resources are more than $31,000,000.00, and our cash reserve larger than ever in our history. We believe we have one of the strongest boards of directors of any bank in the city, including personalities of wide experience who have been successful in Louisville and Kentucky. We have men of tremendous financial responsibility, who are recognized nationally as businessmen and industrial leaders.

The Liberty Bank & Trust Company operates only in the city of Louisville, having no outside connections or affiliations. We have served the people of Louisville faithfully and continuously since 1904. Our bank has grown steadily and naturally with Louisville without the aid of a merger or consolidation. Its policy has always been based on a strict adherence to the sound principles of conservative banking. Public confidence is expressed by more than 100,000 bank accounts or the result.

We sincerely believe that the fundamental soundness of the business and financial structure of Louisville is not endangered.

Speaking for our own institution we are proud to know that the Liberty Bank and Trust Company, established upon financial strength in 1871, successfully weathered every financial storm of the history of the United States. We are grateful to be able to affirm that our assets are sufficient to insure that the Liberty Bank and Trust Company will continue to meet all of its obligations promptly and fully to depositors.

NOEL BUSH, President of the Lincoln Bank & Trust Company:

The Lincoln Bank & Trust Company has made no loans to [illegible] and has no interest of any kind with any of the officers of [illegible] Company. Our deposits are down only a little more than the average of banks in the city and our cash reserves are in excess of the requirements of the law. The Lincoln Bank & Trust Company is in no way connected with the [illegible] and is prepared to serve all of its customers as in the past.

JESSE F. STERLING, Executive Vice President of the Morris Plan Industrial Bank, 427 W. Market:

The closing of the National Bank of Kentucky and the Louisville Trust Company in no way affects the Morris Plan Bank. Our loans are all secured either by [illegible] or [illegible] and our deposits are represented by Calder, Stevens or Bayless [illegible]. There are 113 Morris Plan Banks throughout the country and not one penny of insured or personal has ever been lost by a depositor in any Morris Plan Bank.

RICHARD BARFIELD, Secretary of the United States Trust Company:

We are in a sound condition.

LEON F. LEWIS, president of the Jefferson Savings & Building Association:

The closing of these institutions will result in no disturbance to the Jefferson Savings & Building Association. Our association is a healthy condition with a [illegible] investment.

C. H. WILDER, president of the South Park Bank, Johnson and Main Streets:

We are in a very sound condition with a very high reserve, and are absolutely solid.

The Shelbyville Bank is one of the strongest institutions in the country and always has been.

GUSTAV FLEXNER, [illegible] of the Security Trust Company & Building Association:

I don't know how this institution could be any safer. This is a time every bank in Kentucky should be [illegible] all of them are sound banks in [illegible] condition.

LEE CRUSER, president of the Louisville Home Federal Savings & Loan Association:

Our bank is in no way affected by the closing of [illegible]

PROSECUTION OF CANNON URGED

Petitions Demanding Charges Against Governor Be Given Jury.

North Side Banks In Good Condition

Statements Are Issued By Four Officials.

KENTUCKY PANELS WINS POINT FOR CONTROL

KELLOGG AT PRESS MEETING AT BAGUIO

NOTICE IS POSTED ON DOOR

Louisville Trust Company, Although Solvent, to Be Placed In Hands of Commissioner of Banking, Resolution Says.

Bank's Board Acts "In Order to Conserve Resources" of Institution "for the Benefit of Its Creditors."

The National Bank of Kentucky has been placed in the hands of a National Bank Examiner, it was learned early Monday morning.

The Louisville Trust Company, an affiliated institution, also has been ordered closed by resolution of its board of directors. The trust company directors' resolution said that in the opinion of its officers and directors the trust company is solvent.

Action taken by the directors of the Bank of Kentucky was "to conserve the resources of this bank for the benefit of its creditors," according to the resolutions. Examiner In Charge.

On the door of the National Bank of Kentucky, Fifth and Main Streets, the notice was posted shortly after midnight Sunday:

This bank under the direction of the Comptroller of the Currency is in charge of Russell E. Mooney, National Bank Examiner. Closed by order of the Board of Directors, November 12, 1933.

Signed R. [illegible] MOONEY,
National Bank Examiner.

The following resolution was adopted by the Board of Directors of the National Bank of Kentucky at a special called meeting Sunday:

Resolved, That in order to conserve the resources of this bank for the benefit of its creditors it is the sense of this Board of Directors that this bank should suspend business at least temporarily, commencing at 10:45 p.m., Sunday, November 12, 1933, and that the Comptroller of the Currency be notified of this action of the board.

The following resolutions were adopted by the Board of Directors of the Louisville Trust Company:

Whereas, the Board of Directors of the National Bank of Kentucky have decided not to open that bank for business tomorrow morning, and whereas the Louisville Trust Company is affiliated with said banking institution.

Now, therefore, be it resolved, that the Louisville Trust Company, although solvent in the opinion of the officers and of its Board of Directors, be placed in the hands of the Commissioner of Banking of Kentucky in order to conserve its assets and trust assets for the benefit of all concerned.

Long Conference Held.

At 4 o'clock Saturday afternoon the presidents of the First National Bank and Kentucky Title Trust Company, the Liberty Bank & Trust Company, the Citizens National Bank, the Fidelity & Columbia Trust Company, the Lincoln Bank & Trust Company and the United States Trust Company were called into conference by the Chief National Bank Examiner of the Eighth Federal Reserve District. The presidents of these banks, supported by other officials and several directors of the various institutions remained in practically continuous session from 4 o'clock Saturday afternoon until 10 o'clock Sunday night, with only short periods in which the National Bank of Kentucky and the Louisville Trust Company officials were in conference behind closed doors pending the decision of those two institutions.

James E. Brown, president of the National Bank of Kentucky and Richard Bean, president of the Louisville Trust Company, were asked Sunday night if they had any statement to make and they both replied they had nothing to say at that time.

Several hours later Mr. Brown issued a statement in which he said:

"Due to withdrawals in the past week and consequently increasing runs on our banks, it was deemed advisable by a majority of the board of directors to close the bank, by a majority of the board of directors to close the bank, by a majority vote, for the best interests of the depositors and all concerned.

Charles H. Bohmer, chairman of the board of the Security Bank said: "Our bank is in good condition. We are not expecting any trouble."

The National Bank of Kentucky, in its advertised statement as of last December 31 listed loans of $17,646,-[illegible], investments $6,870,411.34, real estate, $[illegible], and cash, $10,150,196.45, making total resources of $[illegible]. Liabilities listed were: $4,000,000 capital, $1,[illegible] surplus, $[illegible] undivided profits, $[illegible] and deposits, $41,[illegible].

The National Bank of Kentucky originally known as the Bank of Kentucky, was incorporated February [illegible], 1834, with chartered privileges for thirty years and a capital stock of $[illegible].

The institution, after an examination, bought from the Branch Bank of the United States the building on the west side of Main Street immediately adjoining Third Street, and moved in there in [illegible], 1859.

The bank was closed by the City of Louisville, on the 26th of August 21, 1863, agreed to [illegible] the city of Louisville, subject to [illegible] of the bank of the Louisville & Ohio Railroad. [illegible] to the city was provided for in two years.

Charter In 1834.

The General Assembly during the period succeeding the War between the States, [illegible] the temporary suspension of specie payments of banks and the [illegible] of banks, [illegible] of directors of the Bank of Kentucky [illegible] the Bank of Kentucky [illegible] the Bank of Kentucky [illegible]

PLAN

CATAMARAN

Lewis'

Exhibit 26-1

ESTABLISHED 1836
American Banker
THE ONLY DAILY BANKING NEWSPAPER
32 STONE STREET, NEW YORK

PLAINTIFF'S EXHIBIT 26
OCT 18 1938
OFFICIAL REPORTER

July
24th
1929

Advertising Manager,
National Bank of Kentucky,
Louisville, Ky.

Dear Sir:

The enclosed news item clipped from this morning's AMERICAN BANKER, we believe you will be personally interested in.

Cordially yours,

AMERICAN BANKER,

Frederick O. Price,
Treasurer.

FOP/GK
Enclosure

26-1

Exhibit 26-1

American Banker
32 Stone St., New York, N. Y.

Clipping from issue of

Organize Financial Affiliate of Joint Banks in Louisville

National Bank of Kentucky and Louisville Trust Co. Affiliated in Financial Unit

LOUISVILLE, KY. A banking reorganization similar to the Transamerica Corporation which gives Louisville a financial institution with assets of $135,000,000, and resources of $170,000,000, including trust estates, is announced in a statement to the stockholders of the National Bank of Kentucky and the Louisville Trust Co.

The plan of reorganization gives Louisville an entirely new financial organization, the BancoKentucky Co., with capital and surplus of $50,000,000.

The directors of the BancoKentucky elected the following officers: James B. Brown, president; Richard M. Bean and John Sites, vice-presidents; W. T. Zaschmiede, secretary and treasurer.

The BancoKentucky Co. is affiliated with the National Bank of Kentucky and the Louisville Trust Co., in a financial combination which makes Louisville its business and its industries independent in any field of operations they choose. It will enable the business men and industrial leaders of Louisville to finance their enterprises without seeking outside help, and without being subjected to the restraints that might be imposed by organizations not entirely devoted to Louisville and this section of the country.

The announcement is the most important of the kind that has ever been made in Louisville. It means not only that a financial organization has been formed with the tremendous strength indicated by the resources, but also that this unit brings to this entire section of the country financial scope and power such as have never been known before.

Assets and Resources

The BancoKentucky Co., has capital and surplus of $50,000,000.

The combined statement of the National Bank of Kentucky and the Louisville Trust Co., as of June 29, 1929, showed assets in excess of $85,000,000.

This gives Louisville's new financial organization assets of $135,000,000.

In addition, the Louisville Trust Co. has trust estates of $35,000,000 which bring the total resources of this organization to the splendid total of $170,000,000.

The board of directors of the BancoKentucky Co. is composed of the directors of the National Bank of Kentucky and the Louisville Trust Co. They are:

John Sites, chairman; John S. Akers, Henry J. Angermeier, Richard Bean, William Black, Dr. Oscar E. Bosh, Charles H. Bohmer, George O. Bonner, R. B. Boswell, James B. Brown, E. Leo Callahan, Anthony J. Carroll, George M. Clark, Samuel W. Cross, Allen P. Dodd, Nicholas H. Dosser, Stuart E. Duncan, Joseph H. Durham, C. Oscar Ewing, James Garnett, Walter H. Girdler, Angerrau Gray, James J. Hayes, T. Kennedy Helm, Baylor O. Hickman, C. C. Hiratt, Saunders P. Jones, Milburn P. Kelley, Walter I. Kohn, Brainard Lamon, S. Clay Lyons, Charles C. Mengel, Ben J. Metcalfe, J. William Miller, Thomas J. Minary, David C. Morton, Edward J. O'Brien, Jr., Henry D. Ormsby, John B. Pirtle, Ben Robertson, Arthur M. Rutledge, William Short, William S. Speed, Sam H. Stone, E. Leland Taylor, Horace A. Taylor, Robert F. Vaughan, Henry Vogt, and E. Weinstock.

Organized to Meet Changing Conditions

The statement sets forth that the officers and directors of the two institutions have studied the rapidly changing conditions in the banking business in America, with a view to preparing the two banking institutions under their management to meet these changed conditions and to take early advantage of new opportunities. The conclusion unanimously reached by the officers and directors is that the two banks and the business conducted by them should be reorganized by adding to this group a third corporation "which will make the operation of these banking institutions more profitable, expand their facilities and thus develop for the entire group new and profitable financial opportunities and connections."

Carrying out this decision, the statement sets forth, there has been organized under the laws of Delaware, the corporation known as the BancoKentucky Co. It has authorized capital of two million shares, having par value of $10 each. This stock will be exchanged or sold on the basis of $25 per share, which will give the company a capital of $20,000,000, and a surplus of $30,000,000, or a total capital and surplus of $50,000,000. No stock will be sold by the company at less than $25 per share. This entire capital stock is offered to the Trustees' Participation Shareholders of the National Bank of Kentucky and the Louisville Trust Co., through the trustees. The holders of these Trustees' Participation shares may exchange them into the BancoKentucky Co. shares on the basis of two shares of the BancoKentucky stock for each Participation share. In addition the depositing stockholders may subscribe for as many additional shares as they desire on the basis of $25 a share, subject to allotment if the stock is oversubscribed. This exchange must be made on or before September 19, 1929.

1214 25 —6-1

Exhibit 26-2

JULIAN S. STEIN
C. PREVOST BOYCE
HENRY C. EVANS
WILLIAM T. CHILDS
C. NEWTON KIDD
W. KEYSER MANLY
LORING A. COVER, JR.
FITZHUGH J. DODSON
WILLIAM W. MACKALL, JR.
RESIDENT PARTNER, WASHINGTON
WILTON S. TROST
RESIDENT PARTNER, LOUISVILLE
J. EDWARD JOHNSTON, LIMITED

STEIN BROS. & BOYCE

ESTABLISHED 1853
427 W. JEFFERSON STREET
LOUISVILLE

MEMBERS
NEW YORK STOCK EXCHANGE
BALTIMORE STOCK EXCHANGE
WASHINGTON STOCK EXCHANGE
ASSOCIATE MEMBERS
NEW YORK CURB MARKET
BALTIMORE WASHINGTON
WINSTON-SALEM
ASHEVILLE CLARKSBURG
CHARLESTON

Sept. 11, 1929.

PLAINTIFF'S EXHIBIT 26
OCT 18 1929
OFFICIAL REPORTER

Mr. James B. Brown,
c/o National Bank of Kentucky,
Fifth and Main Sts.,
Louisville, Ky.

Dear Mr. Brown:-

The writer, together with Mr. Cole and Mr. Smith, cannot tell you how much we thoroughly enjoyed the evening spent with you and Mr. Jones.

We wish to state that we are 100% sold on the future of the Banco Corporation, and we want to be truthful in stating that we are very anxious to work with you in the underwriting of the remainder of the stock which is not taken by stockholders.

The writer talked to Mr. Boyce today and he expects to be in Louisville on Thursday, September 19th. If Thursday night will be convenient for you, I feel sure we can sit down and work this out to your satisfaction.

Thanking you, we remain,

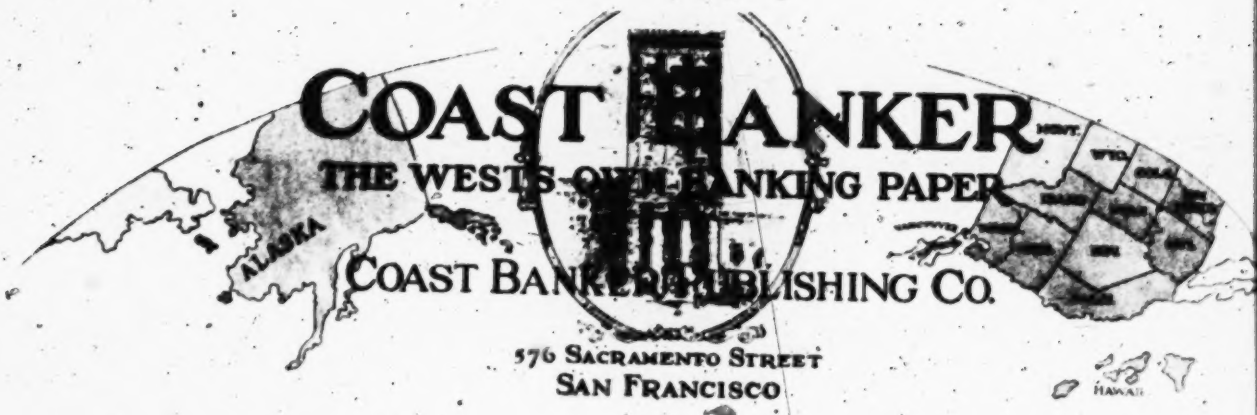
Very truly yours,

Wilton S. Trost

WE RECOMMEND that present holders of National Bank of Kentucky Unified Stock exchange their stock for BancoKentucky Company. This exchange should be made on or before September 19th, as the privilege to make this exchange expires on that date.

Stein Bros. & Boyce
Established 1853
427 West Jefferson St.
LOUISVILLE, KY.
City 660
Members NEW YORK STOCK EXCHANGE
Associate Members NEW YORK CURB EXCHANGE

Exhibit 26-3



COAST BANKER PUBLISHING CO.
576 SACRAMENTO STREET
SAN FRANCISCO

October 15, 1929

PLAINTIFF'S EXHIBIT NO. 26-3
OCT 19 1939

National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

During June we received from you a cut of the announcement of your consolidated with the Louisville Trust Company. This we published in our June 1929 issue and tear sheet showing insertion is enclosed.

Although a number of bills covering this insertion have been sent to you we have not yet been favored with your check to cover. Will you please give this your attention and let us have check by return mail?

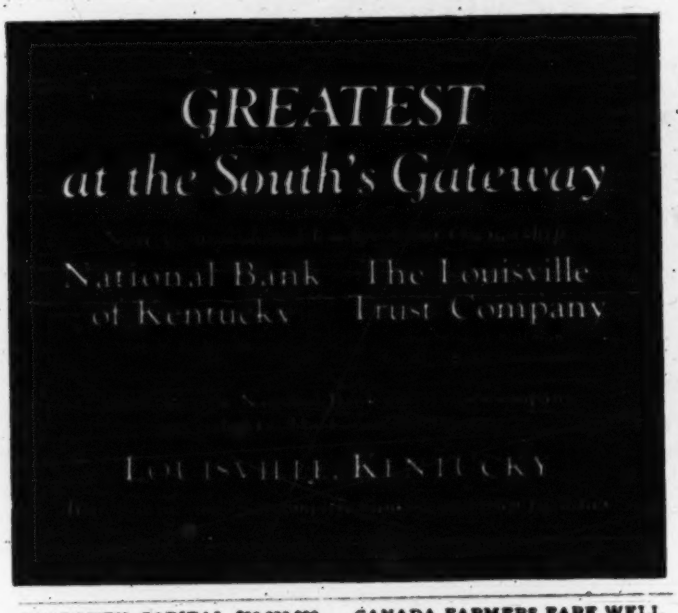
Very truly yours,

REG. P. AND ARLS
Editor

RPE:AC

26-3

Exhibit 26-3



GUARANTY CAPITAL $90,000,000

The Guaranty Trust Co. of New York will increase its capital stock to $90,000,000, according to an announcement by William C. Potter, president. The increase of capital stock is $20,000,000 and will be offered to stockholders of record at the close of business on June 24, at $500 a share for 200,000 shares, for subscription and payment ratably in the proportion of their respective holdings. The date of the issue of the $20,000,000 increase will be July 22, payment to be made on or before that date.

Thus, if the plan is approved, each stockholder of record at the close of business on June 24 will be entitled to subscribe for one new share of stock at the price of $500 a share for each three and one half shares of stock held by him. The proposed increase will add $20,000,000 to the capital and $80,000,000 to the surplus of the company. Accordingly, upon the increase of the amount of capital stock as planned, the company will have a capital of $90,000,000 and a surplus fund of $170,000,000. Directors consider that this additional capital and surplus can be used to advantage in the business of the company.

The above increase will be considered and acted upon at a special meeting of stockholders of the Guaranty Trust Co. to be held June 24. If such increase shall be authorized, an assignable subscription warrant or warrants for a ratable proportion of such increase will be mailed to stockholders shortly after June 24.

The Guaranty Trust Co. also has declared a dividend of 5 per cent for the quarter ending June 30, 1929, payable June 29, to stockholders of record on June 14. The new shares which are to be issued as of July 22 will be entitled to participate in dividends declared subsequent to that date.

Vacation Tour Booklet Issued.—A beautiful "Vacation Tour" booklet has been prepared by and is ready for distribution at the travel bureau of San Diego Trust & Savings Bank, San Diego. The tours planned are of particular interest to those who are considering trips to foreign countries this summer.

CANADA FARMERS FARE WELL

It was the speculators and traders who were the principal victims of the recent slump in the price of wheat, the Canadian Bank of Commerce points out. The Canadian farmers, on the whole, have fared well. In its monthly letter, the bank says:

"The heaviest loss from the drop in the price of wheat was felt by speculators and traders, for the farmers had but small stocks on hand, although, of course, that part held by the wheat pool was in reality the property of farmer members. The latter, however, seem to have been protected as far as possible. Furthermore, Canadian farmers shared to a greater extent than any others in the higher prices which prevailed earlier in the season. This does not mean that comparatively favorable market conditions prior to the recent price decline placed the Canadian growers in a position where they need feel unconcerned regarding the present situation, but probably it has been made clear that they have fared better than their competitors in a year of a large world surplus of this commodity.

"The new American tariff bill, if passed in the form now proposed, will affect a list of Canadian products sold to the United States in the year ending March 31 at a value of about $90,000,000, and it would, therefore, constitute an unfavorable development for Canada, although its effect should not be as serious as when the preceding revision of duties took place, for the world market for all commodities is now much stronger. Moreover, it seems that the United States must continue for at least a year to augment its domestic supply of meats by importations, and that certain sections of that country must continue to rely on Canada for a part of their supplies of milk and cream until their own dairy herds are greatly increased, or arrangements can be made for shipments from states more distantly situated than the present Canadian sources. Time, therefore, may be a factor in Canada's favor, and this can be devoted to the establishment of new and more stable markets."

BARNUM TO PILOT BANKERS

L. Barnum, vice president, First National Bank of The Dalles, was elected president of the Oregon Bankers Association at the twenty-fourth annual convention in LaGrande June 17 and 18. Mr. Barnum succeeds John F. Daly, president of the Hibernia Commercial & Savings Bank of Portland.

Will T. Wright, president, Bank of Oregon City, was elected vice president, and Ira C. Powell, president of the First National Bank of Monmouth, was named treasurer. J. P. Cramer, Jr., of Portland, was retained as executive secretary of the association.

Members appointed on the executive committee were Sam Baker, Grants Pass; John F. Daly, Portland; Walter Hol., Portland; H. E. Coolidge, LaGrande, and Fred Callister, Albany.

Attendance at the convention was the largest in the history of the association, more than 300 bankers and their wives visiting the eastern Oregon city during the two-day conclave. An invitation was received from Medford to hold the 1930 convention in the metropolis of the Rogue River Valley, but no action will be taken on the matter until next January.

John H. Carkin, member of the state tax commission, who was one of the principal speakers this year, declared that taxation can be successfully administered only after careful study and investigation, by practical application and by education of the public. Among the major problems now before the state commission, he said, are the recently enacted excise, intangibles and income tax measures, proposals for a full-time tax commission, and centralized control of assessments.

George H. Greenwood, of Seattle, in a paper entitled "Investment of Secondary Reserves," suggested the following as a standard for operation of a $2,000,000 bank: Twenty per cent in cash, 20 per cent in quickly convertible paper, 15 per cent in bonds, of which 40 per cent should be due in less than five years, and 45 per cent in local loans.

Mr. Daly, in his annual report, urged bankers to supply the constructive leadership needed for Oregon's development.

Other speakers included Ward M. Buckles, manager of the Federal Intermediate Credit Bank at Spokane, and Frank W. Simmons of New York, manager of the Clearing House Section of the American Bankers Association.

HEAD OFFICE 61 BROADWAY, NEW YORK
LOGAN & BRYAN
Brokers
Members
New York Stock Exchange
San Francisco Stock Exchange
and other important exchanges
SAN FRANCISCO OFFICES
FINANCIAL CENTER BLDG.
CROCKER BLDG.
Davenport 8800
Branch Offices in Other Important Cities
COTTON STOCKS SUGAR
GRAIN COFFEE

Exhibit 26-3

Oct 10-1929

COAST BANKER

576 SACRAMENTO STREET

SAN FRANCISCO

National Bank of Kentucky
Louisville
Kentucky

Advertising June issue 70.00

duplicate bill

1248

Exhibit 26 4

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TERMS: Payable in advance
$40—for 1000 clippings $12—for 250 clippings
$22—for 500 clippings $6—for 100 clippings
No time limit

Cincinnati Banks Added To Banco Kentucky Chain

New Purchases Increase Resources to $215,000,000

Special to the Herald Tribune

CINCINNATI, Sept. 26 – The Brighton Bank and Trust Company and the Pearl Market Bank and Trust Company here have been acquired by the Banco Kentucky, in which James B. Brown, Louisville, Ky., publisher, has a controlling interest, it was learned here today.

The two banks will become a part of a Middle West chain of banks which Brown is forming, after the model of great Canadian banks which have many branches.

The two local banks will merge into what is probably to be known as the Brighton-Pearl Market Bank and Trust Company. Another Cincinnati bank is said to be under consideration in the development of the Middle West chain. Present plans call for the extension of the system in Chicago and Indianapolis. Eventually other cities in Ohio, Indiana, Kentucky and Illinois will be included in the chain.

The Banco, Kentucky Company will have resources in excess of $215,000,000, the largest in the Ohio Valley, with the acquisition of the institutions here. A downtown office will be opened here with ratification of the merger by the stockholders sometime next month. Stockholders of the Brighton Bank and Trust Company and the Pearl Market Bank have until October 10 to send in their stock to their institutions for purchase by the Banco Kentucky Company. Brighton stockholders will receive $900 a share and Pearl Market stockholders $750 a share.

Gustave L. Mosler, president of the Brighton Bank and Trust Company, will become president of the merged institutions. Joseph Heimers, executive vice-president of the Pearl Market Bank and Trust Company will become a vice-president. Brown and Galvin will become directors of the new bank.

The Brighton Bank and Trust Company paid 22 per cent dividends in 1928 on $500,000 capital. Its surplus and undivided profits last year amounted to $425,951.

The Pearl Market Bank recently split its shares ten for one. It had $500,000 capital, on which it paid 20 per cent dividends. Its surplus and undivided profits were $809,957.

91 - 26-4

The Commercial and Financial Chronicle

WILLIAM B. DANA COMPANY, PUBLISHERS

WILLIAM ST., CORNER OF SPRUCE ST. (BOX NO. 958 CITY HALL STATION) NEW YORK

May 19, 1930.

Davis

Mr. J. B. Brown, President,
Bancokentucky Co.,
Louisville, Ky.

Dear Sir:--

In order to keep our readers fully informed regarding the acquisition from time to time of banks and trust companies by your company, will you not kindly place our name permanently on your mailing list of those to whom such data are regularly furnished. As it is at present we are obliged to depend on the daily newspapers for such information, which in numerous instances is inaccurate or incomplete. We are favored with data of this nature for publication in the columns of the "Chronicle" devoted to items concerning banks, trust companies, etc., by the Northwest Bancorporation, Minneapolis, First Bank Stock Corporation, St. Paul, Transamerica Corporation, San Francisco, and other large holding companies throughout the country, and trust you can likewise favor us.

The "Chronicle" is published weekly on Saturday.

Thanking you in advance for your kind co-operation, which we assure you will be greatly appreciated, we are

Very truly yours,

WILLIAM B. DANA COMPANY.

By K.K.B.

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27A

The Commercial and Financial Chronicle

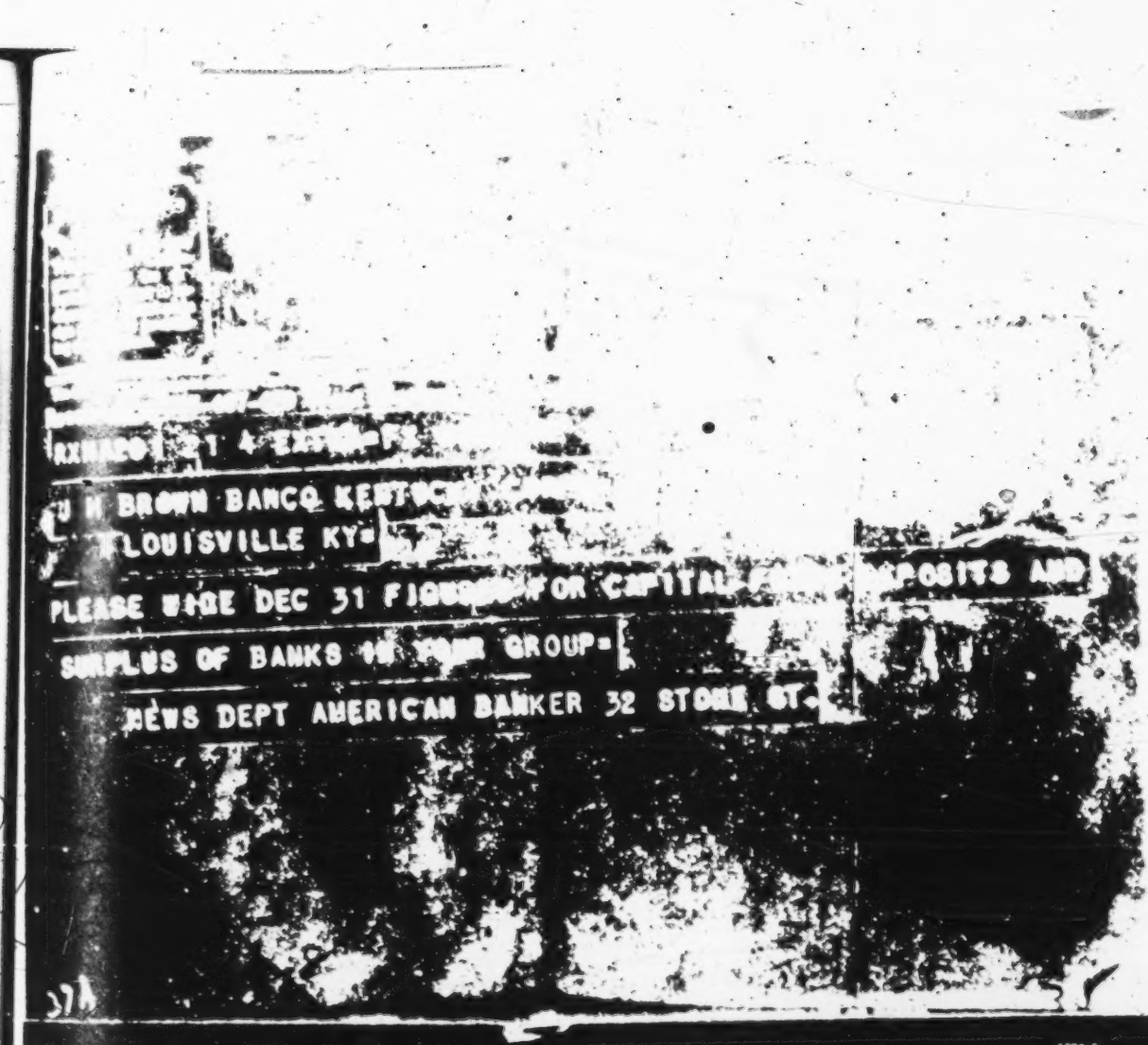
NEW YORK

This news-item appeared in the Chronicle

NOV 23 1929 issue

That controlling interest in the Central Savings Bank & Trust Co. of Covington, Ky., is being acquired by the Banco Kentucky Co. of Louisville, Ky., is reported in the following dispatch from Cincinnati, Ohio, on Wednesday, Nov. 20, to the New York "Times":

Controlling interest in the Central Savings Bank and Trust Company of Covington, Ky., is being taken over by the Banco Kentucky on a basis of $600 for each $100 share of stock, it was revealed in letters received by stockholders to-day. The Covington bank's statement for June 29 shows a capital of $60,000, surplus of $100,000, undivided profits of $40,188 and deposits of $1,987,194.



WESTERN UNION

NEWCOMB CARLTON, PRESIDENT — J. C. WILLEVER, FIRST VICE-PRESIDENT

NO. | CASH OR CHG.

CHECK

TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

CORRECT

News Department
American Banker
32 Stone St. New York. N. Y.

Bancokentucky Company comprised of six banks as follows National Bank of Kentucky and The Louisville Trust Company of Louisville, Kentucky Pearl [illegible] Bank & Trust Company and the Brighton Bank and Trust Company Cincinnati, Ohio and Central Saving Bank & Trust Company and Peoples Liberty Bank and Trust Company of Covington, Kentucky.
Combined banks seven million five hundred sixty thousand dollars Surplus and profits seven million one hundred thirty six thousand six hundred twenty four dollars and three cents Deposits ninety four million six hundred six thousand seven hundred twenty five dollars seventy two cents Total resources one hundred twenty million seven hundred ten thousand six hundred fifteen dollars forty four cents.

The BancoKentucky Company

THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE

26

American Banker

ESTABLISHED 1836

THE ONLY DAILY BANKING NEWSPAPER

32 STONE STREET NEW YORK

January 31, 1930.

BancoKentucky Corporation
J.B.Brown, president
Bank of Kentucky
Louisville, Ky.

Dear Sir:

In order to supply statistics of group and chain banks for which there is an insistent demand, the AMERICAN BANKER requests your co-operation in the compilation of the essential data.

Please send us the following facts at your first convenience:

Name of parent bank. Home Office.
Name of holding company, if any. Home office.
Number of unit banks. Or Number of Branches.

Total Capital, Surplus and Undivided Profits, Deposits, and Resources:

1. Of all banks in group or system, as of Dec. 31, 1929.
2. Of each bank in group as of Dec. 31, 1929.

Name of officers of parent bank or system.

The deadline for this compilation was tentatively set for Jan. 15, in order that copy may be ready for the "100 Largest Banks in the United States" edition of the AMERICAN BANKER, which is the most widely quoted and distributed compilation of its kind. Deadline is now Feb. 15.

We shall appreciate the favor of your immediate attention in putting the above data in our hands, and will be glad to send you your copy of the tabulation as soon as it is in print.

With the season's best wishes for a Happy New Year, we are

Yours truly yours,
AMERICAN BANKER

American Banker
ESTABLISHED 1836
THE ONLY DAILY BANKING NEWSPAPER
52 STONE STREET NEW YORK

April 9, 1930.

BancoKentucky Corporation,
Louisville,
Kentucky.

Gentlemen:

The enclosed news item clipped from this morning's AMERICAN BANKER we believe will be of personal interest to you.

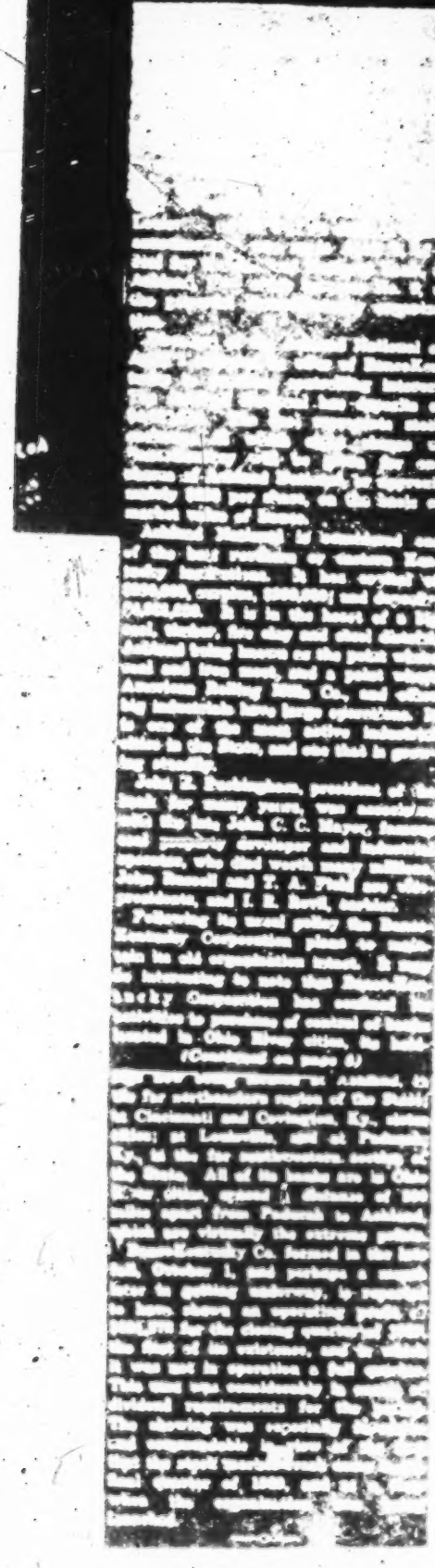
Cordially yours,

AMERICAN BANKER,

Frederick C. Price,
Treasurer.

FCP:MG
Enclosure

American Banker
[redacted]
Clipping from issue of APR - 3 1930



BABE WEEPS AT WIFE'S FUNERAL

N-I-G-H-T EDITION

HERALD-POST

Kentucky's Greatest Newspaper

C-L-O-S-E On Markets

VOL. CII.—NO. 78 • • • LOUISVILLE, KY., THURSDAY EVENING, JANUARY 17, 1929 Price THREE CENTS—On Trains FIVE CENTS

EXHIBIT No. 2 OCT 18 1938 Commonwealth vs. Louisville Trust Co. et al OFFICIAL REPORTER

MERGER GIVES CITY $85,000,000 BANK

NORMAN TAKES TWO YEARS FOR THREAT

Confessed Blackmailer of Mrs. Moon Enters Plea of Guilty.

[illegible] Norman pleaded guilty [illegible] at Mrs. Matilda Moon, [illegible] and was sentenced to two years [illegible]

After [illegible] the court [illegible] the Presidents-elect [illegible] Hoover [illegible] the people [illegible] the medium of [illegible]

Information at Hoover headquarters [illegible] the enthusiastic [illegible] when he heard [illegible] the crowd [illegible] the medium of [illegible]

HOOVER TO ADDRESS BELGIUM AUDIENCE OVER RADIO SATURDAY

WASHINGTON, Jan. 17.—His voice traveling thousands of miles over a telephone wire, President-elect Hoover Saturday will address a reception at Brussels to be attended by the king and queen of Belgium.

Mr. Hoover will speak into a telephone at his desk either at his Mayflower Hotel headquarters or his S street home and as the Belgian capital has voice [illegible] will be heard by the crowd through the medium of amplifiers.

Information at Hoover headquarters [illegible] that the enthusiastic [illegible] the President-elect when he heard [illegible] the crowd through the medium of amplifiers.

FALLS REPORT STIRS PROTEST

[illegible] of State Park Pro[illegible]

[illegible] motors Attacks Mem[illegible]

Recommendation on

[illegible]

Page 2, Column 1 Please

HAYNES ELECTED HEAD OF DURANT

Former Dodge President Becomes Chief of Motors Company.

[illegible]

Page 7, Column 3 Please

WIFE FOLLOWS MATE IN DEATH

Mrs. Dora Spies Succumbs of Heart Attack; Double Funeral Planned

Thirty-six hours after her husband, Albert Spies, an insurance agent, died in the Deaconess Hospital, Mrs. Dora

HAVANA

BABE RUTH SOBS AT WIFE'S RITES

Tears Stream Down Star's Face at Brief Funeral Services.

Boston, Jan. 17.—A simple funeral service was held today for Mrs. Helen Woodford Ruth, wife of Babe Ruth, who died in a fire in Watertown last Friday.

Ruth sat through the brief service in silence except when he burst into sobs. Tears streamed down his face when he entered the small parlor in the Woodford home and knelt beside the coffin in which the body of his wife lay.

There were scores of floral tributes many from friends and associates of the famous baseball player.

The service was read by the Rev. Richard A. Burns, curate of St. Augustines church. It lasted only ten minutes, after which the funeral portage to the old Calvary cemetery of Forest Hills started. A brief service was held at the grave.

Police Hold Crowds

In the procession Ruth occupied an automobile with John F. Fennell, his counsel, and two friends. Forty police officers were needed to keep back the crowd which had gathered about the house.

Nine-year-old Dorothy Ruth was not present at the services nor was Dr. Edward H. Kinder, dentist, in whose home Mrs. Ruth met her life.

Miss Dianna Woodford, sister of Mrs. Ruth, whipped as the casket was brought into the living room of the [illegible] South Boston [illegible] Jacob Ruppert, owner of the New York Yankees, [illegible] Huggins, manager of the [illegible] baseball [illegible] were represented by

[illegible]

JURY POSTPONES NISBET HEARING

Illness of Richardson Holds Up Chieftain's

[illegible] of the failure of his attorney, Jack L. Richardson, Albert R. Nisbet, bond treasurer of the Baptist Tabernacle did not appear Thursday before the grand jury which is investigating his defalcation of $189,000 it was announced.

Mr. Richardson notified George Mayer, assistant Commonwealth's attorney that he is confined to his bed and could not appear with his client, requesting that the interview be postponed. He said however that if he is still ill Friday he will permit Nisbet to go before the jury without him.

Several days ago Mr. Mayer set Thursday as the date for Nisbet's interview after he was informed that the blind treasurer had sufficiently recovered from a nervous collapse which he suffered soon after his financial difficulties became known.

The jury began its official probe of the Nisbet case Wednesday when it began hearing testimony of the investigating committee appointed by the church. The first witness to be heard was the Rev. A. K. Knight, pastor, who is chairman of the committee. Ten members of the jury also were heard.

Officials and members of the church also will be interviewed by the grand jury when Emily Hall, stenographer for Nisbet, was among those who appeared Thursday. She testified before the jury from 10 to 1, 30 o'clock.

The grand jury is making its investigation to determine whether to return indictments in the case. It was indicated Wednesday that no indictment will be sought for an accomplice of Nisbet, because sufficient evidence toward that end has not been received. In considering the case the grand jury will view records of the church investigating committee.

The jury adjourned at 1:30 o'clock

WEATHER

RAIN, COLDER FRIDAY

Dashes of rain and a slight drop in temperature is Prof. J. L. Kendall's idea of weather for Friday. He said things will warm up some today [illegible] degrees yesterday.

[illegible] degrees yesterday.

[illegible] this morning was the same. A year ago the maximum and minimum readings were 64 and 43 degrees. Extreme marks for the date in weather history were 69, degrees in 1896 and 2 degrees above zero in 1893.

The sun was up at 7:44 o'clock this morning and is due to set at 4:49 o'clock this afternoon. The moon will come on duty at 7:40 o'clock tonight and will toil until 10:50 o'clock tomorrow morning.

United States Weather Bureau Forecasts for the twenty-four hours ending at 7 p. m. Friday:

For Louisville and Vicinity—Continued cold tonight, rain tonight and Friday, warmer tonight somewhat colder Friday, minimum tonight above freezing.

For Kentucky—Cloudy with occasional rain tonight and Friday, warmer tonight, colder in west portion, Friday afternoon, colder Friday night.

For Indiana—Rain probable tonight and Friday, turning to snow in northwest portion, Friday, slowly rising temperature, somewhat colder in north portion Friday.

BAROMETER

Last night 7 o'clock [illegible]
This morning 7 o'clock [illegible]

HUMIDITY

Last night 7 o'clock [illegible]
This morning 7 o'clock [illegible]
Hours recorded [illegible]

HOURLY READINGS

[illegible]

AX MURDERESS PLEADS INSANITY

Blackmailer Takes Two Years

W. P. NORMAN

Norman confessed blackmailer of Mrs. Matilda H. Moon, wealthy Louisville widow, entered a plea of guilty in criminal court Thursday and was sentenced to two years in prison.

DRY LAW BILL CAUSES WRANGLE

Senators at Odds Over Proposed Appropriation for Department.

Washington, Jan. 17.—Heated Senate debate on a proposal to make an additional $23,500,000 immediately available for prohibition enforcement drew a counter suggestion today from Senator Jones of Washington that $250,000 be provided instead for a country-wide appeal for law observance.

Washington, Jan. 17.—Senator Harris Democrat, of Georgia, asked the Senate today to provide an additional $23,500,000 for prohibition enforcement, notwithstanding Secretary Mellon's suggestion that an investigation should first be made to determine how the money should be spent.

The senator said Mr. Mellon had admitted that money could be used to advantage for border patrol educational work and coast guard activities and, asked:

Why is he against this increase when he admits the money can be used? Why has he waited eight years to make recommendation as to how more money could be used?

Senator Bayley, Democrat, Kentucky contended that if it was shown to be true that Mr. Mellon had appointed the wrong sort of men to enforce the law and had refused to cooperate with the States, such facts ought to influence the Senate in determining how much weight was to be placed upon his letter refusing the additional appropriations.

You added Senator Norris, Republican, Nebraska, "and it will argue against giving him any money."

Senator Glass, Democrat, Virginia, said such facts would demonstrate the futility of giving Mr. Mellon the additional funds. "Unless he can show that he will use his money better than he has, and the Volstead [illegible] Senator Bruce, Democrat, Maryland, [illegible] commented that bootleggers are prospering throughout the country. He was asked by Senator Harris if there was enforcement in Maryland and replied:

Oh yes we have our raids in Baltimore and two upright judges who are seeking to enforce the law without fear or favor."

Was my impression, Harris said, "that when liquor could not be obtained in the District of Columbia the person wanting it found no difficulty in obtaining it over the line in Maryland."

Well there are bootleggers in Maryland, Bruce blamed back, but nevertheless I know they are prospering all over the country.

Senator Reed, Democrat, Missouri, said the debate had developed that enormous quantities of liquor have been vended in Pennsylvania and that law enforcement up to this date has been a farce.

In that farce he said "we have spent $200,000,000 and we are spending $30,000,000 directly and indirectly yearly. That which Pennsylvania cannot do the United States likely cannot do."

AFGHANS CROWN THIRD MONARCH

Inayatullah Surrenders Citadel

Greatest Financial Combine In City's History Is Formed

Louisville National Bank and Trust Company Joins Louisville Trust Company Under Joint Ownership of National Bank of Kentucky; James B. Brown, John Stites and Richard Bean Announce Plan Following Meeting; Assures City Abundant Financial Resources for Business and Industrial Development.

A financial institution that will meet every requirement of Louisville industry and business, both as to present demands and future development, is assured the city by the plan for the merger of the Louisville National Bank and Trust Company with the Louisville Trust Company. The new company will be under joint ownership with the National Bank of Kentucky and the result is an institution with resources of more than $85,000,000.

The union of the merged institutions with the National Bank of Kentucky will be of inestimable benefit to Louisville. The industrial expansion which the city is enjoying has made necessary banking facilities that will enable Louisville to compete on equal terms with any other city in the industrial area. The financial strength that is given Louisville by this new banking organization makes the city second to none [illegible]

The [illegible] position of Louisville, at the strategic point on the trade route between North and South, the abundant natural resources of Kentucky and the remarkable industrial activity that has developed in recent years makes Louisville the capital of an industrial empire that is not surpassed by any other section of the United States. The assurance of abundant financial facilities that is afforded by the National Bank of Kentucky with its $85,000,000 resources gives Louisville everything that is necessary for continued industrial and business expansion.

Statement of Merger

The statement setting forth the merger plan issued after meetings Wednesday is as follows:

Mr. John Stites, president of the Louisville Trust Company; Mr. Richard Bean, president of the Louisville National Bank and Trust Company, and James B. Breen, president of the National Bank of Kentucky, announce the proposed merger of the Louisville National Bank and Trust Company with the Louisville Trust Company. Details are now being worked out by the directors and officers of the two institutions, and the plan will be submitted to the stockholders for their approval.

The name of the Louisville Trust Company will be retained for the new institution. This is in line with the trend all over the country, which shows the large commercial banks are taking on names of trust companies because under that style they can group not only the trust business, but commercial and [illegible] patrons of all three institutions the increased convenience of modern facilities and the use of the seven branch banks throughout the city. Furthermore it offers to all three groups of depositors the varied kinds of service—trust banking, investment, insurance, real estate, safety vaults etc.

The executive personnel for the Louisville Trust Company will consist of John Joh. Stites as chairman of the board, Mr. Richard Bean, president; Mr. Nicholas [illegible] executive vice president, Ben J. Mayfield, vice president, and the titles of the officials of both institutions will remain as they are at present.

The new company will have an investment in capital and surplus of about $3,500,000 and deposits of about $10,000,000.

The new trust company and the National Bank of Kentucky will be under separate management but their stocks will be trusteed thus putting under joint ownership the National Bank of Kentucky and the newly merged institution. The consolidated statement of these two institutions will show capital and surplus of approximately $10,500,000 deposits of more than $70,000,000 and total resources $85,000,000. In addition to these figures estates amounting to more than $35,000,000 are held in trust.

The directorate of the new company is composed of outstanding business and professional men whose counsel and cooperation will always be available to the institution and its patrons.

This association of three strong financial institutions is the answer made by Louisville to the challenge of the times. For as industry has continued to assume [illegible] proportions [illegible] has been necessary to [illegible] capital in order to serve better those industries. Having these institutions Louisville is in a position to compete financially with any Southern city.

"Our civic campaign, 'Advertising Louisville,' is carrying our city message all over the country and the eyes of manufacturers seeking better facilities are turned this way. Our Industrial Foundation—ever on the alert for opportunities—is fostering these new enterprises in a splendid manner.

STIRS PROTEST

Official of State Park Promoters Attacks Merrick's Recommendation

JURY POSTPONES NISBET HEARING

Illness of Richardson Holds Up Chairman's

HAYNES ELECTED HEAD OF DURANT

Former Dodge President Becomes Chief of Motors Company

WIFE FOLLOWS MATE IN DEATH

Mrs Dora Spies Succumbs of Heart Attack; Double Funeral Planned

VIMONT EMERGES FROM "MAIDENS"

Defeats Black Thunder and Outpacing Dawson Race for Two-Year-Old N. O.

FAIR GROUNDS FORM CHARTS

WEATHER

RAIN, COLDER FRIDAY.

AX MURDERESS PLEADS INSANITY

Paducah Woman Says She Killed Hostess After Insinuating Remarks.

AFGHANS CROWN THIRD MONARCH

Inayatullah Surrenders Citadel to Rebel, Now Habibullah Khan.

LATE RACE RESULTS

Fair Grounds 1—Bosporus, Marta Nash, Miss Paradise

Fair Grounds 3d—Athy, $13.96, $3.36, $2.54. Blue Meteor, $7.36, $4.71. Caterpillar, $3.80.

Fair Grounds 2d—Laffar, $3.78, $2.61, $2.28. Bounding Deep, $5.54, $4.04. Rogue's Gold, $3.90.

Havana 3d—Jack Berry, 2-1, 8-5, 1-4. Boris, even, 1-3, 1-6. Toki, 2-1, 8-5, 1-3.

Havana 4th—Imperator, 8-1, even, 1-2. Yachtsman, 6-5, 2-5, 1-5. St. Helena, 8-1, 3-1, 7-5.

Miami 4th—Common Sense, 11-20, 1-5, out. Charming Lady, 8-1, 3-1, 1-5. Glacial, 6-5, 1-3, out.

Miami 5th—Clean Play, 6-5, 2-5, out. Sir Leonard, 8-1, 4-5, 1-3. Leonard B., 3-1, out.

Mrs. Teddy Williams, 24, committed suicide Thursday [illegible] 813 East Broadway several hours after [illegible]

Hospital.

NEGRO ARRESTED IN FUR ROBBERY

$3,000 Theft Laid to "Dollar Bill" Williams; Loot Recovered.

The $3,000 robbery of the fur store of S Goodman & Sons, 227 East Market street, Tuesday night was completely solved Thursday, the robber in jail and the furs returned, according to police.

Robert Williams, alias "Dollar Bill," 30 Negro, 339 Pearl street, has confessed the robbery police said. Williams was arrested Wednesday night at Preston and Liberty streets by Capt. George Ratcliffe, Lieut. Oscar Doerting and Patrolman Estill Hack.

Immediately afterward the furs were recovered in a vacant house at the rear of 249 East Market street. The loot included 580 weasel pelts, 80 red fox and 100 raccon pelts.

The robber had broken through three doors to enter the fur store. It was discovered Wednesday morning. He had selected the best furs.

Leonard Goodman, president of the company, announced that a $300 reward will be divided between the investing officers.

Captain Ratcliffe said the arrest of Williams and the subsequent recovery of the furs was due primarily to the keen eyes of one of his men. The officer passed the Negro on the street and noticed there was some fur on his coat. The Negro was stopped and the fur carefully pulled from his coat and compared with some fur similar to that which was stolen at the store. Police found that the fur matched the stolen articles and Williams was arrested.

Police also charged Williams with violation of Kentucky Statute 1130, which concerns habitual criminals. If convicted on the charge the Negro will be given a life term in the penitentiary.

Williams, according to police records, has served two terms in prison. He was sent up on July 8, 1915, and again on August 12, 1921.

BABE RUTH SOBS AT WIFE'S RITES

Continued from First Page.

District Attorney Robert T. Buttorff and State Fire Marshal George C. Neal in statements set at rest any suspicion that Mrs. Ruth's death last Friday night in a fire at the home in Watertown, Dr. Edward M. Kinder, Sharon, dentist, was not accidental.

Mrs. Ruth had been known to neighbors as Mrs. Helen Kinder for more than a year.

District Attorney Buttorff said a second autopsy conducted by Medical Examiner George B. Magrath of Middlesex county had confirmed the verdict of a first that Mrs. Ruth's death was caused by fire.

Fire Held Accident

The fire is said to have been established as accidental by the state fire marshal's office. There was no evidence of arson, the case is closed so far as this office is concerned, said I hope for the sake of the unfortunate woman, who cannot speak for herself that it is closed as far as anyone else is concerned.

Mrs. Ruth's family, the Wadfords, immediately responded to Buttorff's request that the case be allowed to rest. They said their counsel, Judge Cunningham, that the inquest will be resumed so far as the family of Mr. Ruth is concerned.

State Fire Marshal Neal declared that experts investigating the origin of the fire had reported to him that it probably had been caused by overheating of a receptacle in the partition of the first floor.

Legal Action Scouted

Rumors that the Wadfords would use legal action against Ruth for Mrs. Ruth's estate and for the custody of Dorothy were set at rest by Municipal Judge Cunningham who declared there is no breach between the Wadfords and the Ruths and none is expected.

Cunningham said however there appeared to be sound reason to believe that Dorothy was not the child of the Ruths and was neither the child of the Wadfords. He said that was what the sound feature was but declared the Wadfords would take no part in it as it was proved that she was not the Ruth child. He added this did not mean any attempt would be made to adopt the child.

Dorothy's existence first became known to friends of both couples after Mr. and Mrs. Ruth said she was born. It was later reported the couple had taken her from an orphanage in Brooklyn, N. Y.

DEATH SUMMONS DR. H. K. FENNER

Continued from First Page.

In 1880 Doctor Fenner was given the honorary degree of doctor of divinity of his alma mater. During his years as president of the General Synod Doctor Fenner organized the Lutheran Brotherhood, of which the Rev. Dr. B. S. Watts who was pastor of the First English Lutheran church for thirty-five years, served as its secretary until the time of his death in 1920.

Doctor Fenner was married to Miss Frances C. Bradford of Springfield O., who survives him, and who at present is slowly improving from an attack of pneumonia. Besides Mrs. Fenner he also leaves a sister Miss Lettie L. Fenner, a son, Dudley C. Fenner, a daughter Mrs. James B. Ferguson, and four grandchildren, Mrs. Homer A. Waldridge, Miss Mary Henry Ferguson, Harlan B. Ferguson, all of this city, and Mrs. John Oakes Fleming, Evansville, Ind.

The body will lie in state at the

SALVATION ARMY DEPOSES GENERAL

JOHN BRAMWELL BOOTH

HOOVER SETS MONDAY FOR FLORIDA TRIP

Continued from First Page.

Speech to Be Drafted

After that Mr. Hoover will get to work on the inaugural address which he expects to have in final form before he sets out on the return trip to the national capital. This would make it possible for copies of the speech to be mailed to all newspapers in ample time for delivery before March 4.

After nine days of continuous rounds of conferences with Republican party leaders Mr. Hoover decided today to take a day off to devote to cleaning up his personal correspondence which has accumulated since his return from Central and South America.

While his office force has taken care of a great volume of the general mail, the President-elect likes to give his personal attention to a great deal of the correspondence that comes to his office and he will spend the greater part of the day on this.

The conferences with leaders will be resumed tomorrow and carried on through Saturday by which time Mr. Hoover hopes to complete the task of developing views on Cabinet appointments and a variety of other subjects so that he will be left free to devote the time in Florida almost entirely to the preparation of the inaugural address.

Extra Session Limited

Yesterday was perhaps the most strenuous day the next President had had since his return to the national capital. He talked with nearly a score of members of the House and Senate as well as with a number of others, and left late in the afternoon for Hialeah.

Out of the conferences came the definite word that proposals for veterans developments will await the regular session of the Seventy-first Congress late in the year with the extra session limited to farm relief and tariff revision and such urgent matters as appropriations to defray the expenses of the special commission Mr. Hoover intends to appoint to study the whole subject of prohibition enforcement.

Among other legislative matters to which Mr. Hoover is giving preliminary study are veterans relief, the army and navy employment stabilization, Indians reclamation, water power developments such as the Great Lakes to the Gulf and the Atlantic projects, and many others. He probably will submit most of these in his first annual message to Congress next December.

Jardine Calls

While Mr. Hoover had made no engagements for today he had a breakfast conference with Secretary Jardine and received a few callers at his headquarters. Among them were Senator Shortridge of California who said he had urged that the special session of Congress be called for April 1 if the House ways and means committee, behind new tariff revision measure ready by that time.

While no statement was forthcoming it was assumed that the President-elect and the secretary of agriculture talked about farm relief among other subjects. Mr. Hoover now has his own ideas for elimination of the "dumping" evil, and Postmaster General Work with whom he hopes to have a conference before he leaves for Florida.

Since the return of the next President to Washington there have been suggestions in some circles that Secretary might be reappointed to his present post. A number of others also

BOOTH OUSTED; FIGHT PRESAGED

Continued from First Page.

Commissioner Hay as president of the council this morning moved a formal notice of the council's decision by a vote of 56 to 8 to relieve the general of his command but he gave no intimation of what further steps would be taken.

Legal Action Planned.

One of the army officials at the hotel where Evangeline Booth, American commander and leader of the "reform" movement is making her headquarters said the council will meet tomorrow to elect a new commander and to take legal steps, if necessary, to obtain possession of the army's huge property now vested personally in Bramwell Booth.

During the morning a notice signed by the Salvation Army solicitors was displayed outside international headquarters. It touched on the question of authority in the army during the period between the deposition of General Booth and the selection of his successor. The notice read:

"During the interval between the vacation of office by any general of the Salvation Army and the appointment of his successor, the chief-of-staff is authorized and empowered under the constitutional deeds of the Salvation army to exercise with certain specific limitations all powers and discretions pertaining to the generalship."

The statement was signed by Ranger Burton and Frost, the army's solicitors.

General Frankun Fight

Now that the high council has come to its decision regarding General Booth, interest is centering on what the general's next move will be. As quoted today by the Daily Mail, the general apparently will carry the fight for command to the courts, the newspaper quoting him as saying:

"I haven't much money but I will spend what I have in defending my position.

Peace in the prolonged struggle however must be in sight to the view of well informed circles within the army.

While nothing authoritative has come from the deposed general, feeling was gaining ground today that he and his family eventually would acquiesce to the council's desire that he retire, expressed by such a large majority last night.

Discussing the question of possession of the army's huge properties an official at the American headquarters said:

The position is that General Booth as one trustee for the Army has vested in him properties in England, France and Australia amounting to £2,000,000 and it is necessary that he should execute a deed to divest himself of that trust. If unfortunately the general should refuse to do this it will place upon the council the onus of initiating proceedings in the high court to settle the matter. This is bound to create a very painful position.

FALLS REPORT STIRS PROTEST

Continued from First Page.

Senate Enters Fight

The case involving the application of the Cumberland Electric Power Company for permission to develop the project has been reflected in the Senate which yesterday adopted a resolution by Senator Nye of North Dakota directing the power commission to give the Senate all protests received by it against the application.

The resolution also called on commission to submit protests against Secretary Wait sitting as a member of the commission in considering the Kentucky case because of his former stockholdings in the Samuel Insull utility enterprises. The secretaries of war interior and agriculture make up the power commission.

The letter from Mrs. Nelson quoted from the Merrill report statements such as "Upon the Falls of the Cumberland which are alleged to have great scenic value and it is a reasonable demand since industrial development is their only hope," and that "Tourists in search of scenic beauty would have scenes of other equally attractive places to visit as the Cumberland Falls were to be seriously injured." The letter asserted in protest that "the reaching of opinions and conclusions are matters only for the commission itself."

Scenic Value Championed

Concerning the scenic value of the falls the letter added among statements of opposition to the project had come from David Starr Jordan, president emeritus of Stanford University, Irving Cobb, the writer and Stephen T. Mather former director of the National Park Service.

The Merrill report was described as giving the impression that circulars sent out in opposition to the project contained information which was not correct.

The national conference on State parks wishes to call to the attention of the federal power commission the fact that its circulars were submitted to the executive secretary of the commission for criticism before publication, and that whenever any statement in these circulars was considered by him not to be entirely correct, it was modified," the letter said.

The Cumberland Falls project, the letter declares, will not assist in flood control and says the Merrill report does not state how many acre feet of water will be stored beyond the proposed dam.

Tourist Traffic Cited.

Offering to submit further statements to prove that tourists would not have other equally attractive places to visit, the Nelson letter insists that artificial regulation of the

Legion Auxiliary Heads Coming

MRS. BOYCE PICKLEN, JR. National President Legion Auxiliary

MRS. LOUIS N. JULIENNE National Vice President Southern Division Legion Auxiliary

MERGER GIVES CITY $85,000,000 BANK

Continued from First Page.

Stock Advances.

The merger was reflected in the action of the stocks of the National Bank of Kentucky and the Louisville National Bank and Trust Company on the Louisville Stock Exchange this morning.

Stock of the National Bank of Kentucky showed an overnight advance of 940 a share. Ten shares sold for 600 a share and 600 was bid for ten more with 625 asked.

Louisville National Bank and Trust Company advanced from 306 bid, the quotation yesterday, to 600 bid for ten shares with none offered.

The fact that both stocks were at the same price was taken to indicate that the exchange in the merger will be share for share.

Occupy Separate Quarters.

Although the National Bank of Kentucky and the Louisville Trust Company merged two years ago the institutions have continued to occupy separate quarters and to operate as individual institutions. Both have been managed by the same board of directors since the merger however.

National Bank of Kentucky stock was reported to have sold at 580 late Wednesday afternoon. It was bid at 575 on the Louisville Stock Exchange Wednesday with a bid of 590 offered, which was five points higher than was offered Tuesday on the exchange.

The total resources of the institutions are: National Bank of Kentucky $41,684,003.79; Louisville National Bank and Trust Company, $16,358,806.84, and the Louisville Trust Company, $10,407,591.76, according to statements issued by the banks as of December 31.

The National Bank of Kentucky is capitalized at $4,000,000. Louisville National Bank $750,000 and the Louisville Trust Company, $1,000,000.

The last annual statement of the Louisville National Bank showed increase in deposits since 1918 when the total was $12,000,000 to 1929 when the deposits reached $16,961,000. The figures for each year were shown in the statement.

This bank is now constructing a new $1,000,000 bank building between Fourth and Fifth streets on Market street, just east of its present location at the northeast corner of Fifth and Market streets. The structure is expected to be ready for occupancy about April 1, it was said.

Officers of Banks.

Besides Mr. Brown officers of the National Bank of Kentucky are Vice presidents John B. Akers, Henry J. Augenstein, Frank I. Dugan, Logan L. Fontaine, James J. Hayes, Henry D. Ormsby, E. B. Robertson and Henry Thieman; cashier, Charles J. Jones; assistant cashiers, Oscar A. Block, Henry R. Grant, David Gray, Thomas Green, Edward E. Lee, P. L. Moseley and A. P. Ramser, and auditor W. T. Zurschmiede.

The officers of the Louisville National Bank besides Mr. Brandeis are vice presidents, Ben J. Metcalfe, Emanuel Weintraub and J. V. Cella; cashier, J. William Watkins; assistant cashiers, C. P. Leathers, H. H. Trosler and K. F. Wirth.

The Louisville Trust Company officers in addition to Mr. Stites are Vice presidents, John B. Pirtle, Augustus Gray, R. H. Burrell and Hunton Quin; secretary, Edgar B. Hayes; treasurer, Fred W. Estes; assistant secretaries, William J. Otto, John J. Wickstead and Edward W. Hinkle; auditor, Artie Chastain.

Assistant auditors, Jarrett Estes and William Timmelthun; superintendent of the real estate department, John J. Kraushing; assistant superintendent, William J. Netherton; superintendent of vaults, Charles Speed; assistant superintendent, James B. Riley; manager of advertising and new business department, Arthur R. Fitzpatrick; manager of women's department, Miss Nora Kirch, and manager of the insurance department, Ed Boeing.

INDIANA BANKERS WITS COAL COMMISSION BILL

Washington, Jan. 17 (AP)—A special committee of the Chamber of Commerce of the United States appeared today before the Senate interstate commerce committee in opposition to the bill to stabilize the bituminous coal industry.

The delegation included Fulton M. McWhirter president of the Peoples State Bank of Indianapolis, and Charles F. Conn, president of the Aluminum Fertilizer Works, Chicago.

When McWhirter began reading a statement favoring the bill Senator Wheeler, Democrat, Montana, asked him if the Chamber of Commerce had any constructive suggestions to offer to solve the bituminous problem. McWhirter said the chamber had none, that the committee was merely appearing in opposition to the bill.

Guy W. Dyer, professor of economics of Vanderbilt University, also opposed the bill. In answer to Senator Wheeler he said he "was asked to come by the National Coal Association."

"Were you paid to do so?" Wheeler asked.

"I am being paid my expenses and a moderate amount for my time," the professor replied.

DRY AGENTS CONDUCT SCHOOL IN NEW ORLEANS

New Orleans, Jan. 17. (AP)—After listening to lectures for several days on how prohibition agents function, fifty students at the local prohibition school today were given some laboratory work.

"We will now show you how we conduct raids," the teacher said.

Eagerly the students with notebooks and pencils in hand followed after the supervisory agents who led them to five alleged liquor establishments which were raided. Five arrests were made.

While the raids were being conducted the students made copious notes for future reference when they begin enforcing the prohibition law.

HAYNES ELECTED HEAD OF DURANT

Continued from First Page.

The revised board of directors includes W. C. Durant, F. J. Haynes, Roy D. Kerby, A. M. Brennigar, Ralph A. Vell, John A. Nichols, Jr., R. T. Higgins and George Harrison Phelps. Durant had previously announced the appointment of Higgins as general sales manager.

A statement announcing the new officers also confirmed previous reports that the general offices and chief manufacturing activities of the Durant company would be transferred from New York and Elizabeth, N. J., to Lansing, Mich.

First With Franklin

The new president of the corporation is a prominent figure in the automobile industry. He entered the business under H. H. Franklin and as a young man rose to superintendency of the Franklin factory. The Dodge brothers made him factory manager when they opened their plant in Detroit, and with the death of the second of the brothers he became president of the concern and continued in that capacity until the sale of Dodge Brothers to Dillon, Read & Co., when he was made chairman of the board. During his term as president of Dodge Brothers that company attained its peak in production and earnings.

For years Haynes served on the board of directors of the National Automobile Chamber of Commerce and as the head of many of its most important committees.

AFGHANS CROWN THIRD MONARCH

Continued from First Page.

He hails from the North of Kabul and is a member of the Pejaik tribe which speaks Persian. A few years ago he was in the Afghan army. Whether he was discharged or de-

LEGIONWOMEN TO MEET HERE

National President, Southern Vice President of Auxiliary Plan Visit.

Mrs. Boyce Pickle, Jr., national president of the American Legion Auxiliary, and Mrs. Louis Julienne, national vice president, Southern division, will attend a meeting of the auxiliary's State executive board here January 24, at the Pendennis Club. Mrs. Laura B. Blackburn, of Versailles, Ky., State president, will preside.

Mrs. Pickle and Mrs. Julienne will attend auxiliary meetings at Lexington and Frankfort with Mrs. B. A. Blackburn, State president, January 24.

The national president is a typical woman of the modern South. Her family has been prominent in the South since Colonial days. Mrs. Pickle was born in Washington, Ga., and educated in private schools and Agnes Scott College. Then she studied in New York and traveled in the United States and Europe.

During the World War she served with the Red Cross and in Liberty Loan campaigns. After the war she became a charter member of the Jessie A. Wooten unit of the American Legion Auxiliary and in 1928-29 was president of the unit. Later she was elected president of the Department of Georgia for the Auxiliary. She served four years as national executive committeewoman from Georgia and was chairman of the national finance committee in 1927. This year she has served as chairman of the national legislative committee.

Prominent In South

In addition to her auxiliary affiliation Mrs. Pickle is a member of the Georgia Society of Colonial Dames of America, the French Huguenot Society of Charleston, S. C., Daughters of the American Revolution, United Daughters of the Confederacy, Georgia Federation of Women's Clubs and the Georgia Parent-Teacher Association. Mrs. Julienne has been a leading figure in the auxiliary for a number of years. She served as secretary of the Department of Mississippi for three years, as department president for two years and as Mississippi's representative, on the national executive committee for two years. Last year she served "the organization as national membership chairman and was elected national vice president at the national convention in San Antonio.

Mrs. Julienne has an outstanding record in membership work for the auxiliary. During the two years in which she was president of the Mississippi department, the department had its entire membership-to-enrolled in advance for the coming year, a feat never equaled by any other department of either the American Legion of the auxiliary. Under her leadership Mississippi won four national membership trophies for membership achievements. Last year with Mrs. Julienne as nations membership chairman the national organization made a gain of more than 27,000 members.

While Mrs. Julienne was president of the Mississippi department the work of making memorial poppies by the disabled World War veterans was organized in the government hospitals in the State and Mississippi was made one of the national manufacturing centers for the poppies. She also directed the extensive relief and rehabilitation work which was done by the Legion and auxiliary in behalf of the flooded regions of the State.

Made French Pilgrimage

Mrs. Julienne took a prominent part in the legion and auxiliary's pilgrimage to France in 1927, being chairman of the committee which directed the auxiliary's participation in the legion's famous parade through Paris.

Mrs. Julienne is a native Mississippian, the daughter of Fountain Monk Hutchinson of Crystal Springs. She is the wife of Louis N. Julienne of Jackson, Miss. In addition to her auxiliary activities, she is a member of the Daughters of the American Revolution and the United Daughters of the Confederacy.

The department of Kentucky executive board will meet at 10:30 o'clock in the morning, January 22. Luncheon, with addresses and entertainment, will follow.

Several Louisville women are among the State leaders. Mrs. A. M. Short is State vice president and Mrs. T. W. Moran a member of the executive board. Among chairmen of standing committees are Mrs. R. V. Lovan, Americanism; Mrs. John Marshall, Constitution; Mrs. Frank Nash, finance; Mrs. Scott Duncan, past presidents' parley; and Mrs. Lindsey Hatch, trophies and awards.

OGLETHORPE COLLEGE PRESIDENT DIVORCED

Atlanta, Jan. 17. (AP)—Mrs. Maud K. Jacobs was granted a total divorce in Fulton superior court here today from Dr. Thornwell Jacobs, president of Oglethorpe University, on grounds of desertion. They were married in Boston, Mass., June 30, 1903, her petition said, and Doctor Jacobs separated from her January 5, 1929.

Mrs. Jacobs charged that since her marriage and leading up to the date of separation her husband took charge of her financial affairs "and in doing so displayed a lack of progressive sagacity and personal interest which resulted in financial loss to the plaintiff as well as mental and physical distress."

FULLER DECLINES TO ACCEPT STATE PAY

COUNTY POLICEMAN SUED BY MIDGET WIFE, CHARGES CRUELTY

Chicago, Jan. 17. (AP)—Policeman John Belsky weighs in his stocking feet and without his artillery 265 pounds avoirdupois. Mrs. Belsky's best weight is 95 pounds.

Belsky, suing for divorce, charges cruelty. He says his wife took his revolver away from him, slapped his face, sat on him, punched his jaw and capped the pugnacious climax by throwing him out of the house.

The court will see about it.

LOCAL CHAPTER DINES BANKERS

Delegates to American Institute Meeting Royally Entertained.

A dream of twenty-eight years ago in the interest of more education and development in banking has become a great realization with sixty-five thousand members and with chapters scattered all over this vast country, Frank M. Totten, president of the American Institute of Banking told 500 members of the Louisville chapter at a banquet followed by a dance in the gold room of the Kentucky Hotel, Wednesday night.

President Totten, one of a dozen or more distinguished visitors and officers of the American Institute, is with the Chase National Bank of New York City and he, Dr. Harold Stonier, educational director of New York City and Judge Huston Quin, former mayor of Louisville were chief speakers at the third annual banquet of the local chapter, addressing executives, employes of Louisville banks, members of the institute and out of town delegates and friends. President Totten urged that the big family get better acquainted and carry forward the good work that has been accomplished in elevating the plane and making more scientific year by year the business of banking.

Dr. Stonier explained the functions of the banking institute and stressed the accomplishments of its educational department. He praised the work that has been done by the Louisville chapter within the past three years and declared the local organization a credit not only to Louisville but to a chapter five times as large as the one here.

Col. Richard H. Stout was master of ceremonies and introduced the speakers while Col. William M. Dorr and Reagh Watters, joint chairmen, circulated through the assemblage from time to time and helped make everybody happy.

Whistler's Jug Band paraded among the tables for half an hour rendering song selections accompanied by vaudeville antics in costume and a. Patty Leonard, "The Kentucky Nightingale" and others had been treated with encores. Rockliffe Moore, Herald-Post staff artist, and "successor" to Thurston, entertained at magic with card tricks delusions and illusions until the big ballroom was turned over to the dancers.

A Herald-Post special edition bearing greetings and presenting a front page of pictures of distinguished visiting guests present was circulated as the evening festivities began, and made a big hit. There was animation throughout the entire evening and praise from the out-of-town speakers as the cordial Kentucky reception.

Individual flower trophies were distributed among the ladies, every inch of the gold ballroom was occupied with filled tables, and the menu was elaborate and efficiently served. Name cards were at each plate and pink and red roses were provided with pins for the men.

Judge Quin was in his happiest mood and attended wholehearted welcome to the distinguished guests. The Louisville Chapter continued its banner season Thursday.

NORTHCOTT CONDUCTS OWN MURDER DEFENSE

Riverside, Cal., Jan. 17. (AP)—Gordon Stewart Northcott, 22, was cast in the double role of defendant and defense attorney today in his trial here on charges of murdering three small boys. He took over the reins of his own defense yesterday after a long argument with his counsel and against the advice of Judge George R. Freeman.

The slender-eyed youth has attorneys argue when Northcott who claims to be a correspondence course student of law insisted on questioning Stanford Clark, 10, his nephew and principal accuser.

At first terrorized by the necessity of submitting to the question of his uncle, Clark gained confidence and went on his story in the cross examination which frequently was rambling. Although Northcott's questions failed to shake his nephew, the defendant expressed himself as well pleased with the day's events.

POSTERS PICKED FOR HOME SHOW

Miss Mary Louise Baringer Is Winner of First Prize.

Miss Mary Louise Baringer, 2313 Meadow road, was elected as the winner of first prize of $50 in the Realtor's Home Show Poster Contest of the Louisville Real Estate Board by judges who met at the board offices Wednesday afternoon.

A poster designed by Robert Wathen, 1023 South Brook street, was awarded second prize of $25, and third award of $10 was made to Clifford Steupe, 2123 Date street. The following entrants were given honorable mentions: Miss Elizabeth Sims, 1413 Hemlock street; Elliott Lee Madison, 1347 South Twenty-eighth street, and Mrs. Gertrude Blackburt, 22 Kenilworth road.

In addition to receiving a cash prize, the winning poster will be reproduced and distributed throughout the Falls Cities, the State of Kentucky and lower Indiana as an advertisement of the Home Show to be held at the Jefferson County Armory February 18 to 23.

Members of the judging committee who selected the winners were Mayor William B. Harrison, Mrs. Pinkney Allen, A. J. Van Lesbout, cartoonist, Louisville Herald-Post; Elmer H. Doss, president of Doe Advertising Agency, and Paul A. Plaschke, cartoonist Louisville Times.

Commenting on the entries and the selection of winners, members of the judging committee issued the following statement: "Selection of the winners of this contest was a most difficult task. The judges were confronted with the largest number of entries ever gathered together in any similar contest held here. It was necessary, because of the excellence of the entire group of entries, to arrive at a selection of the best by a process of careful elimination. The contest was saddled by a sub-committee of the Real Estate Board composed of J. Edward Melbrough, chairman; Mr. J. E. Reising and Mrs. E. E. Brisker.

FIVE MEN STAGE GEM ROBBERY

Jewelry Valued at $200,000 Taken From Brooklyn Store in Daylight.

New York, Jan. 17. (AP)—Five [illegible] working with the [illegible] apparent long experience held up the Park Avenue Jewelry Shop of [illegible] Manhattan shortly before noon today and escaped with gems valued in the aggregate [illegible] at $200,000.

The robbers left bound and gagged behind them in a rear room of the shop the manager, his girl secretary, a client, a special patrolman and a visiting jeweler. The getaway was made in an automobile which was waiting at the curb.

The jewelers were in the [illegible] conference in [illegible] of [illegible] Fifth [illegible] Bander, the manager, was chatting with Mathias Barmack, [illegible] jeweler, when the five [illegible] carrying out the events in the small [illegible]. The number at the street [illegible] sounded.

Jacob Bowlesman, former city [illegible] man, employed two days ago by the firm as special watchman, opened the door and five well dressed young men entered. They closed the door and drew revolvers.

Their leader covered Bowlesman. Three of the others handled the three men and the secretary into a room from where they bound and gagged them, and then tied them all together.

Meanwhile the leader and one other bandit had removed their hats to pose as clerks. They took jewelry from the show cases and one compartment of the safe.

Police said it was the largest New York holdup since Gerald Chapman and Dutch Anderson staged their million dollar mail robbery a number of years ago. The biggest theft credited to the Richard Reese Whittemore gang was the stealing of diamonds valued at $170,000 in Forty-eighth street just off Fifth avenue about three years ago.

REVIVAL MEETING SET FOR PADUCAH

Paducah, Ky., Jan. 17 (Special)—Howard B. Williams, lay evangelist of Hattiesburg, Miss., will hold a city-wide revival meeting in Paducah, beginning Tuesday night, January 28, in a warehouse at Tenth and Kentucky avenue. The building will seat 5,000 people and boosters are being formed. Assisting Mr. Williams in the services will be William J. Ramsey, hymn writer and former song leader with Billy Sunday and Carl Heart, [illegible]

$2.75 Round Trip To
CINCINNATI
SUNDAY, JANUARY 20
[illegible] Seventh and River 9:30 a. m. [illegible]

Exhibit 26-11

if the fire had resulted in him. that it would only have been caused by overheating of a receptacle in the partition of the third floor.

Legal Action Scouted

Rumors that the Woodfords would take legal action against Ruth for Mrs. Ruth's estate and for the adoption of Dorothy were met at first by Hannigan, who declared there is no breach between the Woodfords and the Ruths and none is expected.

Hannigan said however there appeared to be sound reason to believe that Dorothy was not the child of the Babe and his wife either by birth or adoption. He would not say what the sound reason was but declared the Woodfords would like to care for Dorothy if it was proved that she was not the Ruth child. He added they did not regard any attempt would be made to adopt the child.

"Dorothy's existence first became known to friends sixteen months after Mr. and Mrs. Ruth said she was born. It was later reported the couple had taken her from an orphanage in Brooklyn, N. Y.

DEATH SUMMONS DR. H. K. FENNER

Continued from First Page

In 1896 Doctor Fenner was given the honorary degree of doctor of divinity by his alma mater. During his years as president of the General Synod Doctor Fenner organized the Lutheran Brotherhood, of which the Rev. Dr. S. S. Waltz who was pastor of the First English Lutheran church for thirty-five years, served as the secretary until the time of his death in 1926.

Doctor Fenner was married to Miss Frances C. Bradford of Springfield O. who survives him and who at present is slowly improving from an attack of pneumonia. Besides Mrs. Fenner he also leaves a sister Miss Hattie L. Fenner, a son, Dalrge C. Fenner, a daughter Mrs. James B. Ferguson, and four grandchildren Mrs. Homer A. Waldrider, Miss Mary Helen Ferguson, Harlan B. Ferguson all of this city and Mrs. John Chappell of Evansville, Ind.

The body will lie in state at the Second English Lutheran church from 2 o'clock Saturday afternoon until 1:30 o'clock Sunday afternoon after which funeral services will be conducted at 2 o'clock by the Rev. Dr. Traful Burst will be in Cave Hill cemetery.

Members of the church council will act as active pallbearers while honorary pallbearers will be members of the Louisville Lutheran Ministerial Association, and representatives of the Lutheran church, Indiana Synod and Wittenberg College.

NEGRO HELD AS AGED MAN ATTACKED, ROBBED

A Negro named Satterfield 40 is at the City Hospital in a serious condition suffering a fractured skull received when he was attacked and robbed Wednesday night.

Police found Satterfield on the sidewalk in front of 418 South Ninth street. A short time later they arrested Solomon Lewis 35 Negro of the Ninth street address on charges of malicious assault and robbery.

Lewis, according to police, admitted he struck Satterfield with his fist and took $4 from his pockets. Police said he has been employed since the affair. Police are attempting to learn his address. Police Chief Thomas and Policeman George Ellis are under arrest awaiting trial.

CHAMBERLAIN REFORMS

[redacted]

Extra Session Limited

Yesterday was perhaps the most strenuous day the next President had had since his return to the national capital. He talked with nearly a score of members of the House and Senate as well as with them in official and private life.

Out of the conferences came the definite word that proposals for veterans developments will await the regular session of the Seventy first Congress late in the year with the special session limited to farm relief and tariff revision and such urgent matters as appropriations to defray the expenses of the special commission Mr. Hoover intends to appoint to study the whole subject of prohibition enforcement.

Among other legislative matters to which Mr. Hoover is giving preliminary study are veterans relief the army still navy employment stabilization Indian reclamation, water ways development dam at the Great Lakes to the Gulf and the Atlantic projects and many others. He probably will put most of these in his first annual message to Congress next December 4.

Jardine Calls

While Mr. Hoover had made no arrangements for today he had a breakfast conference with Secretary Jardine and received a few callers at his headquarters. Among them were Senator Shortridge of California who said he had urged that the special session of Congress be called for April 1. If the House ways and means committee could have a tariff revision measure ready by that time.

While no statement was forthcoming it was assumed that the President-elect and the secretary of agriculture talked about farm relief among other subjects. Mr. Hoover now has about all the members of the Coolidge cabinet except Postmaster General New with whom he hopes to have a conference before he leaves for Florida.

Since the return of the next President to Washington there have been suggestions in some quarters that Jardine might be reappointed to his present post. A number of others also have been recommended for the cabinet portfolio.

TWELVE HANDS READY

Miami, Fla., Jan. 17 (AP)—The blare of trumpets, the rumble of drums and the roaring of airplane motors will greet President elect Herbert Hoover as he passes through Miami's flag bedecked streets from his special train to his private home, near that of J. C. Penney estate on Belle Isle here.

Bands and drum and bugle corps, twelve in number, and playing a musical welcome to the next President while from the airplanes overhead flowers will be dropped in greeting to Mr. Hoover.

Three marine corps planes will participate in the arrival procession, supplanting the fleet of regular Army airplanes which will fly above Belle Isle as part of the parading.

A parade of yachts and coast guard cutters through the bay also will be part of the schedule.

JUDGESHIP DECLARED VACANT AFTER CONTEST

Philadelphia, Jan. 17 (AP)—The [redacted] Supreme Court today decided that neither Judge Leopold C. Cluss nor Judge Charles L. Brown was legally judge of the disbanded court and ordered that a new election to fill the office of the latter than next Monday.

The case came before the Supreme [redacted]

Resolution Introduced

The resolution introduced this morning by Wilson to submit protests against Secretary West sitting as a member of the commission in considering the Kentucky case because of his former stockholdings in the Samuel Insull utility enterprises. The secretaries of war interior and agriculture make up the power commission.

The letter from Mrs. Nelson quoted from the Merrill report statements such as "Upon the Falls of the Cumberland which are alleged to have great scenic value" and "It is a reasonable demand since industrial development is their only hope," and that "Tourists in search of scenic beauty would have dozens of other equally attractive places to visit, even if the Cumberland Falls were to be seriously injured." The letter asserted in protest that the reaching of opinions and conclusions are matters only for the commission itself.

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Tourist Traffic Cited.

Offering to submit further statements to prove that tourists would not "flock" to the really attractive places to visit, the Nelson letter insists that artificial regulation of the flow over the falls is something which can be seen in many places in the country and that completion of the project would place a ruinous contingency constantly along the banks of water which one week might be a few feet away from the front porches and the next week might be organized from the porches by a expanse of slimy rocks or muddy flats.

In the report much is said about the State of Kentucky wanting to create a park through the aid of the power interests," the letter concludes. "But in order to give the entire pro and con of this matter attention must be called to the fact that nowhere in the report is mention made of the magnificent offer of ex-Senator Coleman du Pont, a former Kentuckian who as your commission knows from the statement made by his representative at the hearing on this matter offered to donate $250,000 or more—who ever is necessary in order to make a real State park of Cumberland Falls and Cumberland Falls not regulated in a way and of a surrounding region not marred by a lake with a fluctuating water level of from twenty-five to fifty feet.

SORORITIES DENOUNCED BY SOCIALIST'S WIFE

Madison, Wis., Jan. 17 (AP)—Branding the University of Wisconsin sororities as a "pernicious influence in student life," Mrs. Meta Berger, [redacted]

INDIANA BANKER HITS COAL COMMISSION BILL

Washington, Jan. 17 (AP)—A special committee of the Chamber of Commerce of the United States appeared today before the Senate interstate commerce committee in opposition to the bill to stabilize the bituminous coal industry.

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While the raids were being conducted the students made copious notes for future references when they begin enforcing the prohibition law.

The school is conducted by local enforcement officers of the customs house.

SECRECY IN NAVAL NEGOTIATIONS DENIED

London, Jan. 17 (AP)—W. C. Bridgeman, first lord of the admiralty, addressing a meeting of Whitechurch, Salop, last night, defended the course pursued by Great Britain in the recent naval armament negotiations with France and denied there was any secret pact behind the scenes.

The first lord said, "there is in America extraordinary suspicion attached to any offer we may make them.

We don't resent any claim they may make for their own defense and there is no reason why they should not have a navy second to none in the world. We say we claim the same privilege for we must protect this island from starvation."

WOMAN GIVES $788,000 IN CHARITY BEQUESTS

New York, Jan. 18 (AP)—Miss Ellen King member of an old New York family who died January 14, left a net estate of $1,364,320 of which $788,773 was bequeathed to charitable and religious organizations, an appraisal filed today disclosed.

MAYFIELD MAN HEAD [redacted]

[redacted]

HAYNES ELECTED HEAD OF DURANT

(Continued from First Page)

The retired board of directors includes W. C. Durant, F. J. Haynes, Roy D. Kerby, A. H. Heninger, Ralph A. Vail, John A. Nichols, Jr., R. T. Higgins and George Harrison Phelps. Durant had previously announced the appointment of Higgins as general sales manager.

A statement announcing the new officers also confirmed previous reports that the general offices and chief manufacturing activities of the Durant company would be transferred from New York and Elizabeth, N. J. to Lansing, Mich.

First With Franklin

The new president of the corporation is a prominent figure in the automobile industry. He entered the business under H. H. Franklin and as a young man rose to superintendency of the Franklin factory. The Dodge brothers made him factory manager when they opened their plant in Detroit, and with the death of the second of the brothers he became president of the concern and continued in that capacity until the sale of Dodge Brothers to Dillon, Read & Co. when he was made chairman of the board. During his term as president of Dodge Brothers that company attained its peak in production and earnings.

For years Haynes served on the board of directors of the National automobile Chamber of Commerce as well as the boards of many of its most important committees.

AFGHANS CROWN THIRD MONARCH

(Continued from First Page)

He hails from the North of Kabul and is a member of the Pejak tribe which speaks Persian. A few years ago he was in the Afghan army. Whether he was discharged or deserted is not known but in some way he became outlawed and since has been ranging the hills with a comparatively few followers.

That Habibullah profited from his military experience was shown by the way he shooed down on Kabul and routed Amanullah's foreign trained troops. It was believed first that Habibullah only wanted to loot the city and return to the hills but later reports indicated he had political ambitions and that the Afghan throne itself was his goal.

Another aspect of the situation is that Habibullah does not appear to have started the recent trouble in the country but to have jumped in after the Shinwari tribes in Southern Afghanistan revolted. Amanullah succeeded in pacifying the Southerners but other malcontents accepting the king's western reforms rallied around Habibullah, known to Bacha Sakao or the "Water Boy."

PROHIBITION WRIT ASKED IN DOG CASE

Lexington, Ky., Jan. 17 (AP)—Fight for the life of a valuable Airedale dog belonging to Mr. and Mrs. George [redacted] was instituted in circuit court today when R. S. Lee McBrayer asked for the issuance of a writ ordering the [redacted] to appear in court [redacted] trial in Judge A. C. Scott's court January 21.

[redacted]

MAURETANIA BREAKS [redacted] OWN SPEED RECORD

New York, Jan. 17, (AP)—[redacted]

[redacted]

the auxiliary for the achievements of the flooded regions of the State.

Made French Pilgrimage

Mrs. Julienne took a prominent part in the legion and auxiliary's pilgrimage to France in 1927, being chairman of the committee which directed the auxiliary's participation in the legion's famous parade through Paris.

Mrs. Julienne is a native Mississippian, the daughter of Fountain Mosby Hughinton of Crystal Springs. She is the wife of Louis N. Julienne of Jackson, Miss. In addition to her auxiliary activities, she is a member of the Daughters of the American Revolution and the United Daughters of the Confederacy.

The department of Kentucky executive board will meet at 10:30 o'clock in the morning, January 23. Luncheon, with addresses and entertainment, will follow.

Several Louisville women are among the State leaders. Mrs. A. M. Stark is State vice president and Mrs. T. W. Moran a member of the executive board. Among chairmen of standing committees are Mrs. R. V. Lowe, Americanism; Mrs. John Marshall, Constitution; Mrs. Frank Nash, fidelity; Mrs. Scott Duncan, past president's parley; and Mrs. Lindsey Hafle, trophies and awards.

OGLETHORPE COLLEGE PRESIDENT DIVORCED

Atlanta, Jan. 17 (AP)—Mrs. Maud K. Jacobs was granted a total divorce in Fulton superior court here today from Dr. Thornwell Jacobs, president of Oglethorpe University, on grounds of desertion. They were married in Boston, Mass., June 26, 1903, her petition said, and Doctor Jacobs separated from her January 5, 1928.

Mrs. Jacobs charged that since her marriage and leading up to the date of separation her husband took charge of her financial affairs "and in doing so displayed a lack of progressive sagacity and personal interest which resulted in financial loss to the plaintiff as well as mental and physical distress."

FULLER DECLINES TO ACCEPT STATE PAY

Boston, Jan. 17 (AP)—The Boston Herald in a copyrighted story say that during his eight years of service to the commonwealth, four years as lieutenant-governor and four years as governor Alvan T. Fuller declined to accept salary totalling $96,000.

Checks issued by the State to Fuller have been retained by him as souvenirs of his service to the State the Herald will say. Fuller gained international prominence by his refusal to stay the death sentences of the radicals, Sacco and Vanzetti, in 1927.

END OF DICTATORSHIP SEEN IN KING'S MOVE

Belgrade, Jugoslavia, Jan. 17 (AP)—Indications that King Alexander already is planning an end to the dictatorship became apparent today.

The monarch arranged to have Vojislav Marinkovitch, foreign minister, draw up a new constitution to replace the present military decrees on the minister returns from his ambassador in Switzerland.

The directorate today issued orders forbidding boys and girls in the secondary schools from shaving in public.

NORTHCOTT CONDUCTS OWN MURDER DEFENSE

Riverside, Cal., Jan. 17 (AP)—Gordon Stewart Northcott, 22, was cast in the double role of defendant and defense attorney today in his trial here on charges of murdering three small boys. He took over the reins of his own defense yesterday after a long argument with his counsel, and against the advice of Judge George H. Freeman.

The showdown with his attorney came when Northcott, who claims to have a correspondence course knowledge of law, insisted on questioning Sanford Clark, 15, his nephew and principal accuser.

At first terrorized by the necessity of submitting to the question of his uncle, Clark gained confidence and fought back in the cross examination which frequently was rambling. Although Northcott's questions failed to shake his nephew, the defendant expressed himself as well pleased with the day's events.

[redacted] taxi entrance evening [redacted] and praise from the out-of-town [redacted] speakers at the cordial Kentucky reception.

Individual flower trophies were distributed among the ladies, every inch of the gold ballroom was occupied with filled tables and the menu was elaborate and efficiently served. Name cards were at each plate and pink and red roses were provided with pins for the men.

Judge Quin was in his happiest mood and extended wholehearted welcome to the distinguished guests. The Louisville Chapter continued its business sessions Thursday.

[redacted] are laying out the jewelry in the small showcases. The burglar at the street [redacted] disturbed.

Jacob Lowenstein, former city police[redacted] employed two days ago by the firm as special watchman, opened the door and five well-dressed young men entered. They closed the door and drew revolvers.

Their leader covered Lowenstein. Three of the others hustled the librarian and the secretary into a rear room where they bound and gagged them and then tied them all together.

Meanwhile the leader and one other bandit had removed their hats to pose as clerks. They took jewelry from the show cases and one compartment of the safe.

Police said it was the largest New York holdup since Gerald Chapman and Dutch Anderson staged their million dollar mail robbery a number of years ago. The biggest theft credited to the Richard Reese Whittemore gang was the stealing of diamonds valued at $170,000 in Forty-eighth street just off Fifth avenue, about three years ago.

REVIVAL MEETING SET FOR PADUCAH

Paducah, Ky., Jan. 17 (Special.)—Howard S. Williams, lay evangelist, of Hattiesburg, Miss. will hold a city-wide revival meeting in Paducah, beginning Tuesday night, January 29, in a warehouse at Tenth and Kentucky avenue. The building will seat [redacted] people and heaters are being installed. Assisting Mr. Williams in the services will be William J. Ramsay, [redacted] writer and former song leader with Billy Sunday and Carl Hearn, pianist.

$2.75 Round Trip To

CINCINNATI

SUNDAY, JANUARY 20

Good regular train departing Seventh and River 9:10 a. m., returning, departing Cincinnati 7:35 p. m. (E. T.); arriving Louisville 9:50 p. m. Children of 5 and under 12, 97 ½.

BALTIMORE & OHIO

We wish to announce the removal of our offices from 217 South Fifth Street to 312-313-314-315-316-317 Marion E. Taylor Bldg. Fourth and Jefferson Streets

Larger quarters to take care of our growing business

You are cordially invited to visit us

FEDERAL FIDELITY COMPANY

[redacted]

Many Groups Participate In Day's Rise In Stock Prices

GAINS RUN 2 TO 18 POINTS; MONEY EASIER

Chile, St. Joseph Lead U. S. Steel, Auto Life, Others Hit New Peaks.

New York, Jan. 17. (AP)—Speculators for the advance assumed control of the price movement in today's market bringing forward new leaders in the steel, rail, copper and motor groups. Scores of issues were marked up 2 to nearly 18 points with new high records established by such popular shares as United States Steel common, Chile Copper and Electric Auto Lite.

American International Montgomery Ward, Murray Corporation, Liquid Carbonic and Columbia Graphophone were among many stocks that rose vigorously in the final hour, stimulated by a further drop in the call money rate to 6 per cent. Johns-Manville got into the 200 class again and St. Joseph Lead and By Products Coke sold at 90½, and 120¾, respectively. The closing was firm. Sales approximated 4,150,000 shares.

The strong resistance shown by the shrewd leaders around the low prices of December, coupled with easier credit conditions, helped to revive bullish confidence, and led to active short covering. Call money opened at 8 per cent, and dropped to 6 as the mid-month payments flowed back to the banks. The prospect of an increase in Federal Reserve brokers loans tended to restrict the volume of trading.

There was little in the day's business news to influence the price movement. Stockholders of the American International Corporation ratified the 3-for-1 stock split-up proposed by directors, and the Gulf States Steel directors voted to increase the amount of common stock outstanding from 125,000 to 300,000 shares and to issue the new stock at $90 a share to common and preferred stockholders in the ratio of one new share for each two now held.

Non-ferrous metal shares changed hands in large volume at advancing prices. Chile Copper and St. Joseph Lead each ran up more than 7 points to new high levels at 83¾ and 78, respectively. Greene Cananea Copper, Calumet and Arizona, Cerro de Pasco and Howe Sound sold 4 or more points above yesterday's final quotations, and Anaconda, Kennecott and several others advanced 2 to 3 points.

U. S. Steel common ran into some profit-taking after setting a new peak price at 173¾. Radio rose 10 points to 370 and Electric Auto Lite 9 to 192. Chrysler, Reality General Electric, Packard Motors, Commercial Solvents, Johns Manville, Peoples Gas, New York Central and Curtiss sold 5 to 10 points higher.

Wright Aeronautical ran up more than 6 points to 182, and then fell back to 177. Allied Chemical fell back 3 points and Eisenlohr, Westerfield, International Telephone, Otis Elevator and American Sugar Refining sold down 2 points or more.

GULF STATES STEEL TO CHANGE CAPITAL

New York, Jan. 17. (AP)—Directors of the Gulf States Steel Corporation of Birmingham, Ala., today proposed changing the par value of the common stock from $100 to no par and increasing the authorized amount from 125,000 to 300,000 shares, or if allowable, even at a meeting February 25 approving the proposal. One new share will be offered at $90 a share to holders of each new share which they subscribe for, or proposed here.

Net income for the year ended December 31 was $6,000,000, or $48 a share, after $1,200,000 preferred dividends, equal to $7.60 a share on 337,500 shares of common stock.

COTTON

New York, Jan. 17. (AP) The cotton market opened steady at an advance of 10 points on covering by shorts and commission house buying prompted by the absolute lack of selling pressure. The demand was conservative in spots, while there seemed to be a little more cotton for sale around 16.90 for March and May deliveries and prices eased off 6 or 7 points in reaction to liquidation. Reports of steady Southern spot markets also favored the reports from Lancashire centers generally trade seemed to be somewhat burned during the decline however and the market held steady at the end of the half hour at 16.90 to 17.00 prices showing general scattered closing quotations.

Private cables reported continental buying in Liverpool and there was also buying that came with a cable from Bombay and from India and on active demand from China.

NEW YORK COTTON FUTURES

Published by W. L. Lyons & Co.

	Prev. Close	Open	High	Low	Last
Jan.	16.90	16.90	16.91	16.90	16.91
Mar.	16.90	16.90	16.91	16.90	16.91
May	16.90	16.90	16.91	16.90	16.91
July	16.90	16.90	16.91	16.90	16.91
Oct.	16.90	16.90	16.91	16.90	16.91

LIVERPOOL COTTON

Liverpool, Jan. 17. (AP) Cotton spot is decidedly firmer. Higher. American prices good middling 10.01d; good middling 10.01d; strict middling 10.01d; middling 10.01d; strict low middling 9.46d; low middling 9.31d. Sales 8,000 bales, including 5,000 American, receipts 10,000, American 8,000. Future opened very steady. January 10.01d. March 10.08d. May 10.08d. July 10.08d. October 10.15d. December 10.19d.

SPLIT UP APPROVED

New York, Jan. 17. (AP) Stockholders of the American International Corporation today approved a two-for-one split-up of capital stock and increase of 500,000,000 in the authorized issue.

Last Minute Flashes From Stock Market

By S. W. GRATZER.

Final prices in today's stock market were nearly the best. In many instances up-top quotations of the day prevailed as trading ended. Indications that the money situation was easier was seen in the marking down of call loan rates from the renewal level of 8 per cent, to 7 and finally 6 per cent, despite the usual mid-month strain on credit. Monetary requirements evidently had been taken care of without trouble and the outlook was held to be for easier conditions in credit. Stock trend to a new record high of 173¾ in an outburst of trading this morning, held above 171 in later transactions and wound up strong at 172¾.

A stock dividend is expected at the January 29 meeting. Electric Auto added to general gains with a quick move to 188 in the last few minutes, up 8 points from the opening and a new high. The company will start delivery February 1 of 1,000,000 generators to the Ford Motor Company during 1929. General Motors also rose sharply in the last few minutes, closing at 199. Standard Oil of New York attained top for the day at 44¾ and Johns-Manville at 201, up nearly 10 points for the day. Nickel, U. S. Industrial Alcohol, American Can, Allied Chemical, Packard, Columbia Gas, Sears Roebuck, Chrysler, Studebaker, Murray Body and Hupp were other strong spots at the closing hour. Hupp finished at the top quotation of the day of 80¾, following a 5,000-share lot at 80¾.

Mengel Company sold off gradually after opening at 33 and closed at 31¾. Louisville Gas and Electric of Delaware "A" and Louisville Gas were backward, closing at 37½. Standard Sanitary finished at 95¼ and American Radiator at 206. They are beginning to move in unison, indicating the reported four Sanitary for one Radiator merger terms are about correct.

Curtiss Flying Service closed at 31¼ on the Curb. North American closed at 50¾, finishing at 50¾. Universal closed at 75. Aviation Fisher Tobacco closed at 38½. U. S. Foil 37½ and Vanadium 182¾. Standard Oil of Kentucky new, which has been much stronger lately, closed at 43¾.

The cut in the call money rate, coming on the day the weekly brokers loans figures will be announced after the close, was hailed as a welcome sign of ease in the money market. The loans figures to be announced this afternoon are expected to show a reduction. A slight increase, however, would not be very disturbing to the market.

American Radiator and Standard Sanitary were comparatively quiet. Sanitary was ranging around 90 and Radiator around 205 to 206.

Heavy trading was taking place in Standard Oil of New York which was moving upward. One block of 10,500 shares appeared on the ticker tape at 44 after which the quotation moved above that level, up more than 2 points from the opening.

Penn Ohio Edison common reached a new maximum price of 71¾ on the New York Curb.

BANK KENTUCKY 410

National Bank of Kentucky sold at 410 in the local Stock Exchange at noon today, up ten points from the price at which stock changed hands at the local exchange session an hour earlier.

Trading was on a large scale today in the first half hour the turnover was 888,600 shares against 654,500 shares in that period yesterday. By noon the total reached 1,823,700 shares.

Standard Oil of Indiana opened at 100 on the New York Curb and fell back to 99¾, later on it became more evident that the contest for control between Mr. Rockefeller and Stewart would not be accompanied by a buying campaign in the open market.

Stocks ex-dividend today included Columbian Carbon, $1 and 25 cents extra payable February 1. Gold Dust, 62½ cents, payable February 1. Reading Company, $1, payable February 15. Vick Chemical, $1, payable February 1. Stocks to be on dividend tomorrow and the dates payable include the following. American Machine and Foundry, $1 February 1; Columbia Gas and Electric, $1.25, February 15; Liquid Carbonic, $1, and 50 cents extra, February 1; Liquid Carbonic, $2 per cent stock distribution.

BANK KENTUCKY SOARS 40 POINTS

Sells at 400 on Local Exchange; Louisville National Jumps 95 Points to 400 Bid.

National Bank of Kentucky jumped 40 points to 400 at today's session of the Louisville Stock Exchange and Louisville National Bank and Trust Company into the 400. The rise of the two issues was the result of the merger plans announced last night and which are believed to offer financial circles to provide for a share-for-share exchange in taking the Louisville National Bank and Trust Company to National Bank of Kentucky, Louisville Trust organization.

At the opening of the three sessions of the exchange today, 100 shares of National Bank of Kentucky was offered at 400. A few minutes later it sold and 400 was bid for ten more. None was offered for which bid, before the name of the stock, ten shares came on the market at the asked price of 410. A bid of 400 was made for 50 shares.

Louisville National Bank and Trust, which was opened 395 bid yesterday, opened at 500, rose to 570 and finally to 490 bid for 100 shares. This is an overnight gain of 95 points. None was offered.

Pending merger of the two stocks was announced up earlier this week when the directors heard rumors of the deal, which will bring in Louisville the eighteenth largest banking group south of Chicago.

First National Trustees Certificates bounded upward 30 points to a new high of 300 bid, no more was offered, up 30 points from the previous week's high of 270 bid.

Kentucky Rock Asphalt common sold at 87½, and closed 87½ bid. Its preferred A Avery first preferred was in demand at 101, the price at which it sold yesterday. Kentucky Rock Asphalt preferred was quoted 98 bid 99 asked in the local over-the-counter market.

Quotations at today's session of the Louisville Stock Exchange were as follows:

National Bank of Kentucky 400 bid for ten shares, no asked.

Louisville National Bank and Trust 490 bid for ten shares.

Citizens-Union Fidelity 300 bid for ten shares.

Lincoln Bank and Trust 300 bid for ten shares.

Fourth National Trustees Certificates 300 bid for ten.

United States Trust 245 bid for ten shares.

Kentucky Bank and Trust 320 bid for ten.

Orau Yon Aiken Realty Milk preferred 100 asked for ten shares.

Kentucky Rock Asphalt common 87½ bid for twenty-five shares, 90¼ asked.

Kentucky Rock Asphalt preferred 98 bid for twenty-five shares 99 asked.

Southern Distributors common 50 bid for ten shares.

Avery common 66 bid for fifty shares.

Avery first preferred 101 bid for ten shares.

Kentucky Consolidated Stone common 15 bid for 100 asked.

Kentucky Consolidated Stone preferred 98 bid for twenty-five shares, 100 asked for ten shares.

Louisville Railway preferred 80 bid for fifteen shares.

Bonds

Louisville Railway 5s 93 bid for $3,000, $4 asked for $3,000.

Louisville Railway 6s 96 bid for $2,000 Louisville Railway Income 6s 96 asked for $2,000.

Sales.

10 Kentucky Bank of Kentucky 400
20 Kentucky Rock Asphalt com. 87

U. S. LAND BANK BONDS

Quoted by E. W. Hays & Co.

	Bid	Asked
4½, Mar.	100.10	100.12
4½, May	100.10	100.12
4½, July	100.07	100.09
4½, Sept.	100.07	100.09
4½, Nov.	100.05	100.07
5, Mar.	100.30	100.31
5, May	100.30	100.31
5, July	100.30	100.31
5, Sept.	100.30	100.31
5, Nov.	100.30	100.31
5½, Mar.	101.20	101.21
5½, May	101.20	101.21
5½, July	101.20	101.21
5½, Sept.	101.20	101.21
5½, Nov.	101.20	101.21
6, Mar.	102.10	102.11
6, May	102.10	102.11
6, July	102.10	102.11
6, Sept.	102.10	102.11
6, Nov.	102.10	102.11

FOREIGN EXCHANGE

New York, Jan. 17. (AP)—Foreign exchanges steady quotations in cents: Great Britain demand, 486 9-16; cables 487 1-16. France demand 3.92¾; cables 3.92¾. Belgium demand 13.90¾; cables 13.91¼. Germany demand 23.80; cables 23.80¼. Holland demand 39.72. Denmark 26.66; cables 26.70. Norway 26.70. Sweden 26.80. Switzerland 19.39. Spain 13.30¾. Greece 3.90. Poland 11.19. Czecho-Slovakia 2.96. Italy 5.24¾. Argentine 42.19¾. Brazil 11.50. Montreal 99.78. Bombay 36.30. Montreal 99.78. Bar silver, 56¾. Mexican dollars 48.

METAL MARKET

New York, Jan. 17. (AP) Copper firm; electrolytic spot and future, 18c; export, unchanged. Tin steady; spot and future, 49.00@49.50. Lead firm; spot New York, 5.95@6.00. Spot East St. Louis and future 5.90@5.95. Zinc steady; East St. Louis spot and future 5.70@5.75. Antimony, Hallett's 8.25.

Arthur Lipper's wire to W. L. Lyons & Company, today said: "The market is rallying under the general lead, some of the best and most favored market leader United States Steel. The spectacular advance to start is due to continued general absorption and in the late morning yesterday began to work as a possible leader of the [illegible] story opinion has been predicated on the expectation that this year will prove highly profitable for the entire industry and that Steel's net earnings per share may rise to the highest level since the war. Current optimism over Steel is in anticipation of official disclosures of its earnings at the forthcoming directors' meeting January 29, which also holds possibility of a special distribution to stockholders.

SALES ON THE NEW YORK STOCK EXCHANGE

NOTE—Due to elimination of sales from the tape after the first hour of the market and the printing of prices only, the sales reported on stocks in the following list are incomplete. The price range of each issue, however, is complete and accurate.

New York, Jan. 17. (AP)—Following is the complete closing list of today's transactions on the New York Stock Exchange:

Sales (100s)	Stk & Div	High	Low	Close
	A			
3	Abitibi Pow&P	43¾	43	43
1	Do pf (6)	84½	84	84
2	Abraham & St	144½	144	144½
3	AdamsMills (2)	35¾	34½	35
1	Adams Rx (4)	300	300	300
6	Advance Rumy	51¾	51¾	51¾
1	Do pf	90¾	90¾	90¾
25	Ahumada Lead	1¾	1¾	1¾
34	Air Red pf (8)	108½	108	108½
10	Aax Rubber	19¾	19½	19½
24	Alaska Juneau	8¾	8¾	8¾
3	Albany PWPa 2	30¾	30¼	30¼
14	Al Ch&Dye (6)	279½	278	278½
3	Do pf (7)	122	121	122
3	Allis Chalm (7)	148	148	148
3	Amal Leather	10	10	10
	Do pf	73	73	73
5	Amerada Crp 2	38	37	38
1	Am Agri Chem	22¼	22¼	22¼
4	Do pf	71½	70	70
23	Am Bank Note 3b	128	128	128
3	Am Bevt Sugar	20	18¾	18¾
1	Do pf	56	56	56
220	Am Beech Mag	47¾	44	44½
6	Am Bk Note	45¾	45¾	45¾
6	Am Br Bov El	18½	18½	18½
20	Do pf	55½	55½	55½
100	Am Can (6)	115½	115½	115½
6	Am Car&F (6)	102½	101	102
1	Do pf (7)	118	118	118
1	Am Ch pf (7)	72¾	72¾	72¾
1	Am Chicle (2)	80½	80½	80½
200	Am Cities Pow&L	70	70	70
8	Am D Syn 80b	10¾	10¾	10¾
3	Am Encaus (3)	87	86	87
30	Am & F Power	80¾	78½	78½
2	Am H & Lee pf	35	35	35
2	Am H & Lee pf	76¾	76¾	76¾
1	Am Hide & L	16¾	16¾	16¾
	Do pf (6)	92	92	92
18	Am Internat 3	149½	148½	149
2	AmLaFrFram	9	8¾	8¾
15	Am Loco 8	110½	109½	109½
4	AmMich& Pf (5)	182	180	182
91	Am Metal (3)	70½	69¾	69¾
3	Do 6% pf (6)	121½	121½	121½
40	AmNO pf (7)	91½	91	91½
1	Am Piano	1¾	1¾	1¾
	Do pf	44¾	44¾	44¾
40	Am Pub Ser (6)	84½	84½	84½
40	AmRadia	44¾	44¾	44¾
5	Do pf (6)	100½	99¾	100½
5	Am Rad & St	30¾	30¾	30¾
1	Do pf A (7)	81	81	81
2	Am Re Est (6)	91	91	91
4	AmSmelt&R pf	119½	118½	118½
1	Am Snuff (14a)	208½	208½	208½
27	AmSulPirts (3)	73¾	73¾	73¾
20	Do pf (7)	112	111½	112
42	Am Sugar Ref (8)	99¾	98¾	98¾
	Do pf	106½	106½	106½
22	Am Tob pf	128¾	128¾	128¾
51	Am T&T (9)	200	199	200
10	Am Tob B	178¾	178	178¾
4	Do B	178¾	178¾	178¾
2	AmTypeFd	8	8	8
30	Am Wat Wks	73¾	73¾	74
4	Am WWks 6%	74	74	74
2	Am Woolen	25¾	25¾	25¾
3	Do pf	88	88	88
1	AmWtrWap rts	12½	12½	12½
	AmWPas 6 pf	4¾	4¾	4¾
24	Am Zinc Lead	42¾	40¾	42¾
	Do pf	108¾	104	108¾
1870	Anaconda	123¾	118½	123¾
10	Anchor Cap	84¾	84¾	84¾
	Do pf	118	118	118
248	AndesCM	31¾	30¾	30¾
2	Archer-DM	106½	105	106½
20	Do pf	118	118	118
40	Armofill A	17½	17½	17½
	Do B	8¾	8¾	8¾
	Do pf	94¾	94¾	94¾
	Do pf ctf	78	78	78
	Do pf cvt	78	78	78
17	Associated Oil	44¾	43¾	44¾
40	Atlantic Coast L	45	45	45
12	A T&SF (10)	200¾	200¾	200¾
	Do pf	109½	109	109½
41	At G I & Wi	172	170½	172
	Do pf	93½	93½	93½
280	A Refining (5)	63¾	61¾	63¾
6	Do pf	107½	105¾	107½
30	Atlas Powder	107½	106½	107½
2	Atlas Tack	13¾	13	13
	Austn Nichols	8¾	8¾	8¾
	Austin Nich pf	61¾	61¾	61¾
3	AutoCA (4.40)	65	65	65
3	Autoamer pf	38	38	38
2	AutoStrop A	34½	34½	34½
	B			
2	Baldwin pf	118	118	118
54	BaltAOhio (4)	121¾	120¾	120¾
4	Do pf (4)	79	78¾	78¾
10	Bamb pf (8)	106½	106½	106½
1	BamberCom (6)	900	900	900
1	Barker Bros (8)	80	80	80
17	Barnsdall A (3)	44¾	43¾	44¾
1	Baruk 1 pf (10)	160½	160½	160½
143	Beacon Oil	23¾	23¾	23¾
12	BeechnutPk (3)	98¾	97¾	97¾
3	Belding Hemin	13¾	13	13
3	BelgNyHpfdPn	84½	84½	84½
1	Bem & Co 2	84¾	84¾	84¾
198	Bethlehem Stl	94¾	94¾	94¾
	Do 8% pf (7)	123	122	122
40	Bhumenti pf	106½	106½	106½
3	Bon Ami (4	86	86	86
	Boosh Fisheries	9¾	9¾	9¾
	Do 1st pf	58	58	58
20	Borden Co (6	197½	196¾	196¾
100	Bragg Mfg	51¾	51¾	51¾
1	BrockwyMo (3)	97¾	97¾	97¾
13	BrkMdTy (6)	79¾	79¾	79¾
	Do pf	91	91	91
4	BrnUnCbac (5)	180	180	180
62	BrunsBalke (3)	85¾	85¾	85¾
62	BrunsTaSky	42	40	42
9	Bury-Bris (5)	94¾	94¾	94¾
	C			
4	Chesb Peak (5)	70¾	70¾	70¾
13	Coca Cola (4)	172½	172	172½
23	Collins & Alkm	84¾	83½	84
	Do pf (7)	93	89½	93
5	Colo P & L	72¾	69¾	70
200	Columbia Graph	88¾	81¾	85
85	ColGS&E new wi	60¾	58¾	60¾
1	Colo & Sou (3)	115	115	115
30	Do 1stpf (4)	78½	78½	78½
6	ColumGraph E	148	145¾	148½
2	Do pf A (8)	107½	107½	107½
15	Columb C & S	131	129½	130½
60	ComCredit (1)	57¾	56	56¾
10	Do 6% pf			
	Class A	103¾	103	103¾
70	ConEdNY (2)	83¾	83¼	83½
43	Congo Nauru	39¾	39¾	39¾
9	Cong Cigar (6)	81½	81½	81½
2	Con Cig (7)	95	94¾	94¾
10	Cons F 1 pf (2)	38¾	37¾	38
3	Con Gas (3)	110	107¾	110
	Do $5 pf (5)	99½	99½	99½
1	Con RRCpf (6	66	66	66
3	Consol Textile	6	5¾	5¾
3	Con C A 1 pf	33¾	31¾	33¾
10	Do B	10½	10½	10½
51	Cont Baking A	60½	58	58½
	Do B	13¾	12¾	13
	Do pf (8)	96	94½	96
20	Cont Can (3)	110	107¾	110
88	Cont Ins (3)	94½	93¾	93¾
1	Cont Motor (2)	28	28	28¼
20	Corn Prod (8)	71¾	71¾	71¾
	Do pf (7)	144	143	143
96	Coty (5)	78½	76½	77
	Crex Carpet	29¾	29¾	29¾
8	Cru Steel (5)	90½	90½	90½
1	Cuba Cane B	8	4¾	4¾
	Do pf	17½	17½	17½
2	Cuba Co	22	22	22
1	Cuban A B	17	17	17
	Do pf	94½	94½	94½
40	Cudahy Pkg rts	1¾	1¾	1¾
12	Cudahy Pk (4)	66¾	65	65
120	CurtissAero (1)	164½	161	161
5	CutlerHam (4)	68	68	68
8	Cuyamel Fruit	71	70¼	70¾
	D			
23	Davison Chem	66	63¾	66
2	Deb Bar 2.10	44¾	44¾	44¾
60	$DeereCo pf	124½	125	125
3	Del&Hud (9)	198	196	196
9	D L & W 7b	129	127	127
1	DRG&W pf	57	57	57
2	Det Edison (8)	238	235	238
40	Diam Match	163½	162	163
	Dome Mines	8¾	8¾	8¾
3	Drug Inc (6	123¾	121¾	121¾
1	Dunhillint 4a	78½	78½	78½
1	Dunhill rts	10	10	10
3	DuPdeN 7% b	305¾	300	303
	Do def (6	117	117	117
	E			
3	East Kods 8b	184½	182¾	184¾
30	EatnAsMfg 2	47	46	46
3	Eaonions & Br	109	107	107
3	Ekt-Schud 3½	38	37	38
	Do pf 6%	111½	110½	111
600	E Auto Li 1.40	188¾	180¾	188
1	Elec Boat	48¾	48¾	48¾
99	El Pwr	47¾	47¾	47¾
	Do pf	107	107	107
26	F Sc& Bat 5	86½	85¾	85¾
2	Endi Johns 5	79½	79½	79½
48	Eng Pub Ser	84½	83½	83½
2	Do pf	92	91½	91½
4	EstmKdk 2	31¾	31¾	31¾
65	Erie R R	49¾	47¾	48
	Do 1st pfd	42¾	42¾	41
	EurVCint 4	48¾	48¾	48
1	Exch Buf (1)	22¾	22¾	22
	F			
4	Fair Mot 3	68¾	68	67
30	$Do pf (7)	106	106	106
44	Fed LtaTr	78¾	78	77¾
100	$Do pf (6)	100	99¾	100
1	Fed Min&Sm	248½	248½	248½
1	Fedpr Mot 8a	18	18¾	19
11	FidPhenFin 3	105¾	104	105
	Fisher Body Co	94½	94½	94½
	Do pf	106¾	106¾	106¾
36	Fisk Rubber	18¾	18¾	18¾
37	Fisk Rubber	18¾	18¾	18¾
	Do pf cvt	78	78	78
17	Fleischm 5½ b	80	79½	80
3	Follansbee B	23¾	23¾	23¾
	FlorsheimShoeA	52	52	52
	Foundation	48¾	48¾	48¾
19	Fox Film A	49¾	48¾	48¾
19	FranaSterp	110	110	110
32	PrespTrs	51¾	48¾	50
	G			
13	Gabriel Snub A	36¾	36¾	36¾
8	Gardner Motor	18	18	18
80	GenAmTank (4)	86	84	86¾
38	Gen Asphalt	78¾	77¾	78
	Do pfd (8)	117¾	117¾	117¾
88	Gen Mills (3)	88¾	84¾	87
	Do pfd (8)	98	98	98
19	Gen Cable	43¾	43	43¾
	Do A (6)	93¾	93¾	93¾
	Do pfd (7)	107	107	107
4	Gen Cigar (4)	67¾	66¾	67
	$Do pf (7)	115½	115½	115½
60	Gen Elec (9)	347	337½	339½
	Do spl (6)	111½	111½	111½
30	GenMot pf (5)	100	99¾	99¾
	Dc new	86	78¾	79
	Do 7% pf (7)	125¾	125¾	125¾
1	GenOutdAd (4)	51½	51½	51½
	Do ctf (2)	33	33	33
1	Gen Ry Sig (6)	66¾	66¾	66¾
1	Gen Ref (3)	76¾	75¾	76¾
5	GlidettSR (8)	118	118	118
	Gimble Bros	45¾	45¾	45¾
	Do pf (7)	98¾	98¾	98¾
26	Glidden (1¾b)	44¾	43¾	44
2	Do pf (7)	104	104	104
19	Gobel Adolph	54	52¾	54¾
300	Gold Dust (2¾)	79¾	78¾	78¾
38	Goodrich (6)	101¾	100¾	100¾
	Do pf (7)	116	116	116
33	Goodyear T& R	53¾	51¾	53¾
	Do 1st pf (7)	105	105	105
9	Gotham (3½b)	74	73	73
3	Do new 3½A	88¾	88¾	88¾
46	Graham-P Mot	50¾	48	50
61	GrantNCM (6)	86	84	87¾
	Grand Union	38¾	38¾	38¾
	H			
	Hahn Dept Stor	28¾	28¾	28¾
1	Hall Print (2)	39¾	39¾	39¾
1	Hall Scott (2)	39¾	39¾	39¾
1	Hamilton Watch	70	70	70
1	Hanna (M) A	70	70	70
1	Hanna (M) B	70	70	70
1	Harb-Walk (2)	39¾	39¾	39¾
1	Harbison-W (3)	70	70	70
1	Hart Carter (2)	39¾	39¾	39¾
1	Hart Schaff (3)	70	70	70
1	Hat Corp A pf	39¾	39¾	39¾
1	Hat Corp B pf	39¾	39¾	39¾
1	Hayes Wheel (2)	39¾	39¾	39¾
1	Hein Pack (2)	39¾	39¾	39¾
1	Hein Pack pf (7)	106	106	106
1	Helme (G W)	39¾	39¾	39¾
1	Hercules Mot	39¾	39¾	39¾
1	Hercules Pow A	39¾	39¾	39¾
1	Hercules Pow B	39¾	39¾	39¾
1	Hershey Choc	39¾	39¾	39¾
1	Hershey Choc pf	39¾	39¾	39¾
1	Hewitt Rub (2)	39¾	39¾	39¾
1	Hoe (R) & Co	39¾	39¾	39¾
1	Holland Furn (2)	39¾	39¾	39¾
1	Holly Sugar (2)	39¾	39¾	39¾
1	Holly Sug pf (7)	106	106	106
1	Holt (Hen) (2)	39¾	39¾	39¾
1	Homestake Min	39¾	39¾	39¾
1	Hoover Steel (2)	39¾	39¾	39¾
1	Houdaille (2)	39¾	39¾	39¾
1	Houdaille A (2)	39¾	39¾	39¾
1	Houdaille B (2)	39¾	39¾	39¾
1	Houghton (E F)	39¾	39¾	39¾
1	Houghton pf (7)	106	106	106
1	Household Prod	39¾	39¾	39¾
1	Houston Oil (2)	39¾	39¾	39¾
1	Howe Sound (2)	39¾	39¾	39¾
1	Howe Sound pf	39¾	39¾	39¾
1	Howe Sound rts	39¾	39¾	39¾
1	Howe Sound w

GULF STATES STEEL TO CHANGE CAPITAL

COTTON

LIVERPOOL COTTON

SPLIT UP APPROVED

COFFEE

SUGAR

WALL STREET STOCK MARKET

U. S. LAND BANK BONDS

(Quoted by R. W. Bane & Co.)

	Bid	Asked
4s, May	100.31	99
4½s, May	100.31	99
4½s, July	100.31	99
4½s, May	100.31	99
4½s, May	100.31	99
4½s, May	100.31	99
4½s, Jan	100.31	99
4½s, Jan	100.31	99
4½s, Jan	100.31	99
4½s, Jan	100.31	99
4½s, May	100.31	99

FOREIGN EXCHANGE

MINING MARKET

Standard Oil of Indiana opened at 100 on the New York Curb and fell back to 99¾, later as it became more evident that the contest for control between Mr. Rockefeller and Stewart would not be accompanied by a boxing campaign i. the open market.

Stocks ex dividend today included Columbian Carbon, $1 and $3 extra; paying privilege February 1 (cash, Dept. 62); cents payable February 1. Reading Company $1, payable February 14. Dry Chemical $1 payable February 1. Stocks to be ex dividend tomorrow and the dates payable include the following: American Machine and Foundry $1 February 1. Columbia Gas and Electric, $1.25, February 15. Liquid Carbonic, $1, and $2 cents extra, today; American Ice Co. 50 cents, February 1; Liquid Carbonic 50 per cent stock dividend, February 1. Lucas Wilson Bleach, 40 cents, payable February 1. Otis Elevator 15 per cent in stock, February 15. Union Oil of California, 50 cents, February 10. Willys Overland, $1 per cent in stock, payable February 1.

Allis-Chalmers stockholders of record January 15 may subscribe to additional common stock at $100 a share on the basis of one new to each ten held. Rights expire February 10.

Commercial Credit stockholders of record January 15 may subscribe to additional stock at $40 a share in the ratio of one new to each three held. Rights expire February 14.

Lambert stockholders of record January 31 may subscribe to additional common at $100 a share on the basis of one new to each nine shares held.

Hupp Motors will be ex dividend the regular cash payment of 15 cents a share and 7½ per cent stock declared January 31, payable February 1.

The market position of United States Steel was illustrated on the exchange yesterday when a trading operation doubled a call on "options" on a block of the stock, good for thirty days, after points above the market price of the time. The operator found by would not locate such "options," whereas normally it would have been available almost immediately. Today's high of 179¾, was the highest for all time, exceeding the former top mark of 178¾ established Monday, which in turn broke the November-Monday mark of 177¾ set down to 1917.

Considerable unrequited is heard on Steel. Among other things, it is said the biggest speculative plum of the market has not materialized such as a massive leader of the Iron market. Early opinion has been precipitated on the expectation that this year will prove highly profitable for the entire industry and that Steel's net earnings per share may rise to the highest level since the war. Current optimism over Steel is in anticipation of official disclosures of its earnings at the forthcoming directors' meeting January 19, which also holds possibility of a special distribution to stockholders.

Arthur Lipper's wire to W. L. Lyons & Company today said: "The market, in rallying under the general load-raising of the last and most favored market leader United States Steel. The spectacular advance in steel is due to consolidated general absorption and in the late session yesterday large buying orders with difficulty. It would be very easy for directors of the steel corporation to declare a substantial stock dividend. Among the junior stocks, Republic Iron and Steel, Colorado Fuel and Iron and Otis Steel are favored. The rails are quite well, and I think intensive speculative demand for these securities may follow later."

F. J. Haynes, former president of Dodge Brothers, has been elected president of Hudson Motors.

Gulf States Steel called a special meeting of stockholders for February 26 to vote a change in the par value of the shares from $100 each to no par and increase authorized common to 500,000 shares from 350,000. Net income for 1926 was $954,743 against $784,000 in 1925.

The rise in Chile Copper to a new record mark of 38¾ was accompanied by a report that Anaconda Copper would offer two-thirds of American common for each share of Chile.

Allied Power and Light reached a new high of 58 bid, 59¼ asked, in the over-the-counter market. The recommended distribution of the Cities Utilities Company, which have been advancing rapidly.

Western Steel has bought land near Sioux City, and may build a new plant, subject to bond issue by Board of Supervisors. Principal stockholders are General Bonding and Fisher Body.

Cities Service reports 1926 profit after expenses and preferred dividends of $23,878,736 against $22,-604,000 for 1925.

Republic Corporation has offered stockholders of record January 15 one new share of $10 in the ratio of one to ten held.

Officers of National Bank of Kentucky

JAMES B. BROWN, *President*

Vice Presidents

JOHN S. AKERS — JAMES J. HAYES
HENRY J. ANGERMEIER — HENRY D. ORMSBY
FRANK I. DUGAN — E. B. ROBERTSON
LOGAN L. FONTAINE — HENRY THIEMANN

CHARLES F. JONES, *Cashier*

Assistant Cashiers

OSCAR A. BLOCK — EDWARD E. LEE
HENRY R. GRANT — F. L. MOSELEY
DAVID W. GRAY — A. P. RAMSER

THOMAS GREEN

W. T. ZURSCHMIEDE, *Auditor*

Officers of The Louisville Trust Company

JOHN STITES, *Chairman* — RICHARD BEAN, *President*

Vice Presidents

N. H. DOSKER

BEN J. METCALFE — ANGEREAU GRAY
E. WEINSTOCK — R. R. BOSWELL
JOHN B. PIRTLE — JOHN V. COLLIS

Cashier

J. W. WATKINS — FRED W. GATES, *Treas.*
EDGAR B. HAWES, *Secy.*

Asst. Cashiers — *Asst. Secretaries*

B. A. DUERSON — EDWARD W. HINKLE
C. F. LEATHERS — JOHN J. WICKSTEAD
H. B. TROXLER — J. R. SPANINGER
K. P. WIRTH — WILLIAM OTTO

JOHN KESSELRING, *Superintendent Real Estate Dept.*
A. R. FURNISH, *Manager New Business Department*
NORA KIRCH, *Manager Women's Department*
FRED H. LIEBER, *Manager Insurance Department*
L. M. HUMPHREY, *Real Estate Loan Officer*

1260

A STATEMENT FROM THE PRESIDENTS

FOR almost a century the National Bank of Kentucky has met the changing conditions of business in this community and state, weathering all depressions and constantly forging ahead in a way that has attracted the attention of bankers and business men throughout the country. This oldest and largest bank in Kentucky has moved forward to a place of distinction in the business and financial circles of this section.

The history of The Louisville Trust Company is no less commendable. For 45 years this company has served the public in various fiduciary capacities and today occupies a very enviable reputation for trust service. As the successor of the Louisville National Bank & Trust Company, the (new) Louisville Trust Company acquires a commercial banking business of 62 years standing which gives the Trust Company a complete unit of financial service embracing all phases of banking and all trust company facilities.

By joining our interests in the common ownership of these old institutions, the National Bank of Kentucky and The Louisville Trust Company, we are able to offer an unquestioned stability of service to banks, business firms, and individuals, backed by our bulwark of resources and experience.

It is with the hope of increasing the scope of our usefulness generally and with the realization that present times, to say nothing of the future, require larger and stronger units in the financial world, that we are uniting. Combining our interests in one of the largest financial institutions of this section of the South, we pledge the same careful, courteous service to the public that each of these institutions has for so many years extended to its friends and customers.

Signed

JAMES B. BROWN, *President*
National Bank of Kentucky.

RICHARD BEAN, *President*
The Louisville Trust Co.

STATEMENT

JUNE 29, 1929

NATIONAL BANK OF KENTUCKY

JAMES B. BROWN, *President*

THE LOUISVILLE TRUST COMPANY

JOHN STITES, *Chairman*
RICHARD BEAN, *President*

IN JOINT OWNERSHIP

PLAINTIFF'S EXHIBIT NO. 26-12
OCT 18 1929
CLERK U.S. DISTRICT COURT

LOUISVILLE, KENTUCKY

Exhibit 26-12

NATIONAL BANK OF KENTUCKY

A 24-Hour Transit Service

At the close of business June 29, 1929.

RESOURCES

Loans	$34,665,226.29
U. S. Government Bonds	9,336,200.00
Other Bonds and Stocks	3,932,360.56
Real Estate	35,000.00
Cash	11,119,169.04
TOTAL	59,087,955.89

LIABILITIES

Capital	$ 4,000,000.00
Surplus	3,111,171.73
Circulation	2,500,000.00
Due Banks for money borrowed	12,662,493.41
Deposits	36,814,290.75
TOTAL	59,087,955.89

JAMES B. BROWN, *President*

Louisville National Bank and Trust Co.

CONSOLIDATED WITH

THE LOUISVILLE TRUST COMPANY

At the close of business June 29, 1929.

RESOURCES

Loans	$11,408,908.07
Real Estate Mortgages	5,125,969.46
U. S. Government Bonds	1,606,065.99
Other Bonds and Stocks	4,203,026.51
Bank Buildings, etc.	1,331,189.84
Other Real Estate	66,933.69
Cash	2,253,523.31
TOTAL	25,995,616.87

LIABILITIES

Capital	$ 1,750,000.00
Surplus	1,559,262.85
Real Estate Mortgage Bonds Outstanding	3,344,900.00
Due Banks for money borrowed	2,336,781.70
Deposits	17,004,672.32
TOTAL	25,995,616.37

JOHN STITES, *Chairman* RICHARD BEAN, *President*

CONSOLIDATED STATEMENT

NATIONAL BANK OF KENTUCKY

Organized 1834

THE LOUISVILLE TRUST COMPANY

Organized 1884

At the close of business June 29, 1929.

RESOURCES

Loans	$46,074,134.36
Real Estate Mortgages	5,125,969.46
U. S. Government Bonds	10,942,265.99
Other Bonds and Stocks	8,135,387.07
Bank Buildings, etc.	1,366,189.84
Other Real Estate	66,933.69
Cash	13,372,692.35
TOTAL	85,083,572.76

LIABILITIES

Capital	$ 5,750,000.00
Surplus	4,670,434.58
Circulation	2,500,000.00
Real Estate Mortgage Bonds Outstanding	3,344,900.00
Due Banks for money borrowed	14,999,275.11
Deposits	53,818,963.07
TOTAL	85,083,572.76

Exhibit 26-12

Exhibit 27

ADDRESS ALL COMMUNICATIONS TO THE COMPANY

THE LOUISVILLE TRUST COMPANY
LOUISVILLE, KY.

July 26, 1929

PLAINTIFF'S EXHIBIT No. OCT 18 1938 OFFICIAL REPORTER

Mr. James B. Brown, President
National Bank of Kentucky
Louisville, Ky.

My dear Mr. Brown,

Before beginning our campaign to get everybody in, I think we will want to send out several letters, because it is utterly im possible for us to handle 1500 people personally.

I enclose some suggestions, but I have serious doubts about paragraphs 3 - 6 - 7.

If this general idea appeals to you, please whip it into shape and let me see what it looks like.

Very truly yours,

President

RB:W
enc.

Exhibit 27

ADDRESS ALL COMMUNICATIONS TO THE COMPANY

THE LOUISVILLE TRUST COMPANY
LOUISVILLE, KY.

July 28, 1929.

To our Stockholders:

Quite a number of our friends are asking questions which doubtless have occurred to others, and we are glad to give this information generally.

(1) Will the stock of The BancoKentucky Company be taxable? No. While it is a Delaware corporation, practically all of its assets will be in Kentucky and that exempts it from taxation.

(2) Is there any income tax when we transfer our Trustees Certificates into the stock of the BancoKentucky Company? No. They are allied institutions and you are not "taking" any profits, simply changing the form of your securities.

(3) May we include in our own subscription some of the BancoKentucky stock for our friends? It is our intention to place this with the stockholders of the banks, but if, in your opinion, the person wanting some of the stock would make us a desirable stockholder who can be helpful to the banks in the years to come, then there is no objection to your including a reasonable number of shares for him in the subscription you make.

(4) When will we have to pay for this new stock? On the call of the company - not before September 20.

(5) Will the National Bank of Kentucky and The Louisville Trust Company lend on the stock of the BancoKentucky Company?

Exhibit 27

Yes; just as we lend on any other listed securities.

Q (6) What dividends will be paid by the BancoKentucky Company? Apparently nearly all of our stockholders are going to exchange their bank stock, so the new company will certainly receive the dividends paid by the banks - 16%. On the balance of its capital, the new company is expected to earn even greater profits. We cannot say definitely what dividends will be paid, but we would not have started this company had we not thought it would make excellent profits, so we feel reasonably secure in assuring you that the dividends will not be decreased and they may be increased.

Q (7) Does the "double liability" apply to BancoKentucky stock as it does to stock in the banks? No; one of the advantages of transferring your bank stock for BancoKentucky Company stock is that you are relieved of the double liability clause which applies under the Kentucky law.

If you have not already sent in your stock for transfer, together with your subscription to the new stock, let us urge you to attend to it without delay because, naturally, we are anxious to get the company started at the earliest possible date.

The Officers of both banks will be glad to answer any other questions that occur to our stockholders.

Yours very truly,

THE NATIONAL BANK OF KENTUCKY

By James B. Brown
President.

THE LOUISVILLE TRUST COMPANY

By Richard Bean
President.

Exhibit 28

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

LOUISVILLE, KENTUCKY

June 24, 1929.

Mr. James B. Brown,
National Bank of Kentucky,
Fifth and Main Streets,
Louisville, Kentucky.

EXH. PLAI. No. 28

Dear Mr. Brown:

Will you please check me up on these figures?

1. As I understand it, you have evolved a plan for the Kentucky Company to own all the stock of the two banks, 575,000 shares.

2. The Kentucky Company will be organized with an authorized capital of $20,000,000.00, represented by 2,000,000 shares.

3. You will suggest to the stockholders that they exchange their Trustee Certificates (one for two) for 1,150,000 shares of stock in the Kentucky Company. That will take up $11,500,000.00 capital.

4. You will then offer to sell them (one for one) or 575,000 shares in the Kentucky Company at $25.00. This will take up $5,750,000. in capital, and they will put up for that $14,375,000.00 in cash.

5. That will leave in the treasury of the Kentucky Company 275,000 shares, which ultimately you may sell at, say, $25.00 a share, bringing in $6,875,000.00.

6. In connection with the idea that our present stockholders put up $14,375,000.00 in cash, this occurs to me; while the present market value of our bank stocks at $40.00 is $23,000,000.00, this stock probably cost them $15,000,000.00, so we are asking them to double their investment in the bank.

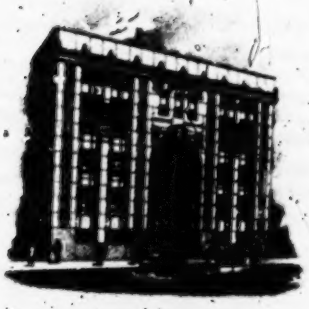
7. The man who today owns five hundred shares of Trustee Certificates with a market value of $20,000.00 will have to raise $12,500.00 in cash to take his new stock.

8. I am just putting on paper the impression I received from last Friday's meeting, and if I am wrong in details, please set me right.

Yours very truly,

President.

Exhibit 29



421 WEST MARKET STREET

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

LOUISVILLE, KENTUCKY

August 21,1929

PLAINTIFF'S EXHIBIT No. 29
OCT 18 1938
OFFICIAL REPORTER

Mr. Charles F.Jones,
National Bank of Kentucky,
Louisville,Kentucky.

My dear Charlie:-

At last Friday's meeting Mr. Chas. Bohmer protested at some of the loans your Bank and ours had made to people on First National Bank stock as collateral. He said

> "They are calling every loan over there based on the stock in our banks and I think we ought to retaliate. They hounded George Clark to death on the subject and he finally had to dump some of his Bank of Kentucky stock so as to pay off that note at the First National."

We have had to call some loans made on their stock but we called them because they were outsiders and not on account of the collateral. I know of several loans they are carrying on our stock.

I am just passing this on as a matter of information, to you.

Very truly yours,

RB-LS

Richard [illegible]

President

Exhibit 30

421 WEST MARKET STREET

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

LOUISVILLE, KENTUCKY

August 8, 1929.

PLAINTIFF'S
EXHIBIT No. 30
OCT 18 1938
OFFICIAL REPORTER

Mr. James B. Brown, President,
National Bank of Kentucky,
Fifth and Main Streets,
Louisville, Kentucky.

My dear Mr. Brown:

Would it not be well on next Saturday for you to issue a letter to our forty-eight Directors telling them what a fine thing it would be if on next Friday, August 16, all the Directors would have turned in their shares for conversion and have also subscribed for stock? I think we have got to begin hammering Directors, employes, and especially stockholders by mail in order to get some action.

Then I think beginning next week we ought to take the two hundred fifty stockholders whose names you listed as owning five hundred shares or more and let some bank officer get in touch with them personally. If we can get some of these big ones in, our picture will look much better.

Yours very truly,

RB:NKF

President.

May 25 E 30

30

Exhibit 30

ADDRESS ALL COMMUNICATIONS TO THE COMPANY

THE LOUISVILLE TRUST COMPANY
LOUISVILLE, KY.

August 15, 1929

TO OUR DIRECTORS (confidential)

HOW GOOD HAS THE INVESTMENT BEEN?

An increase in the value of 176% in 10 years besides earning dividends, which have been paid regularly, without interruption, is the story of owning stock in the National Bank of Kentucky, The Louisville Trust Company and the Louisville National bank.

$1,000.00 invested 10 years ago in the stock of these 3 banks is worth today $2,760.00.

In other words, a share of stock in these institutions today worth $47.00 represents a cost of $17.00, or an increase of $30.00 on the investment of $17.00, which is 176% increase.

Without figuring it out accurately, your yield on the original investment has probably been 7½%, so that your investment made 10 years ago in the stock of these banks has been a 25% investment.

Is there anything to indicate that the next 10 years will be less profitable?n On the contrary, the banks themselves should do equally as well, and with the co-operation of the Banco-Kentucky Company and the assistance this new company can give the two banks, I believe you will grant that the next 10 years will, by far, surpass the 10-year period through which we have just passed.

I know you will keep these facts in mind in making your investment in the stock of the BancoKentucky Co.

Very truly yours,

Richard Bean, President

RB:W

Exhibit 31

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

421 WEST MARKET STREET
LOUISVILLE, KENTUCKY

BRANCHES:
HIGHLAND AND BAXTER
SHELBY AND OAK
18TH AND BROADWAY
FOURTH AND OAK
FRANKFORT AND BAYLY
28TH AND DUMESNIL

August 24,1929

PLAINTIFF'S EXHIBIT 31
OCT 18 19[illegible]
OFFICIAL REPORTER

Mr. Chas. F.Jones,
National Bank of Kentucky,
Louisville,Kentucky.

My dear Charlie:-

Just some gossip-

Arthur Almstedt told Bill Watkins yesterday that he was sorry to report that four people had given them instructions to sell a total of 1700 Trustees' Participation Shares.

Ed. Hilliard told me that he was advising everybody to convert, and, if they were not willing to do that, he was advising them to sell what they own because he believes that after the organization is perfected there will be a $10.00 difference in the value of two shares of BancoKentucky stock and one Trustees' Participation Share.

Ed also remarked that, in his opinion, Trust Companies have no right to transfer stock held by trust estates, under the Kentucky Statute saying that investments must be made in those concerns that have been paying a dividend for ten years.

Judge Stites and Mr. Boswell both say that the BancoKentucky Company is merely a holding company and there is no doubt about the right to convert stock held by trust estates.

I think that the most stimulating thing that can happen will be for the BancoKentucky Company to announce the purchase of three or four banks.

Very truly yours,

RB-LS

President

Item 25 & 31 31

Exhibit 39

BRANCHES:
HIGHLAND AND BAXTER
SHELBY AND OAK
18TH AND BROADWAY
FOURTH AND OAK
FRANKFORT AND BAYLY
28TH AND DUMESNIL

The Louisville National Bank and Trust Company Building

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

421 WEST MARKET STREET
LOUISVILLE, KENTUCKY

September 5, 1929.

FLA... EXH... CURTIS ... REPORTER

Mr. Charles F. Jones, Cashier,
National Bank of Kentucky,
Fifth and Main Streets,
Louisville, Kentucky.

My dear Charlie:

I think we ought to be preparing a letter to go out certainly by September 12 and possibly by September 9, something like the enclosed. I am starting this with you now so that you will have this whippedinto shape by then.

Please let me know whether you think such a letter should be sent.

Yours very truly,

RB:HKF
encl.

President.

Exhibit 32

BRANCHES:
HIGHLAND AND BAXTER
SHELBY AND OAK
18TH AND BROADWAY
FOURTH AND OAK
FRANKFORT AND BAYLY
28TH AND DUMESNIL

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

421 WEST MARKET STREET
LOUISVILLE, KENTUCKY

September 9, 1929.

To our Stockholders:

We feel sure that it is your intention to convert your old bank stock or Trustees' Certificates into the stock of The BancoKentucky Company. As the time for this expires September 19, we are sending this letter as a reminder for we do not want you to miss the opportunity.

If there are any questions in your mind as to the proposed move, we wish very much you would write us or come to see us so that we can give you all the information desired. There has already been pledged enough stock to insure the operation of The BancoKentucky Company, so we do not actually need your stock but we do not like to see any of our old stockholders lose any advantages of their investment.

Remember, that the stock of The BancoKentucky Company will be held by probably twenty-five hundred stockholders, it will be listed on the Louisville Exchange, and, we suspect, traded in rather actively. In other words, it will enjoy a good "market". On the other hand, the Trustees' Participating Shares or the old bank stock will be held by comparatively few people and there will be practically no trading in it, so you will have all the disadvantages of a "narrow" market.

We are reminding you of these facts because we sincerely want you to take that action which will ultimately make you the most money.

Yours very truly,

RICHARD BEAN

President.

RB:NKF

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

431 WEST MARKET STREET
LOUISVILLE, KENTUCKY

BRANCHES:
HIGHLAND AND BARTON
RUBLEY AND OAK
18TH AND BROADWAY
FOURTH AND OAK
FRANKFORT AND RAVLY
26TH AND DUMESNIL

August 24,1929

Mr. Chas. F.Jones,
National Bank of Kentucky,
Louisville,Kentucky.

My dear Charlie:-

Just some gossip-

Arthur Almstedt told Bill Watkins yesterday that he was sorry to report that four people had given them instructions to sell a total of 1700 Trustees' Participation Shares.

Ed. Hilliard told me that he was advising everybody to convert, and, if they were not willing to do that, he was advising them to sell what they own because he believes that after the organization is perfected there will be a $10.00 difference in the value of two shares of BancoKentucky stock and one Trustees' Participation Share.

Ed also remarked that, in his opinion, Trust Companies have no right to transfer stock held by trust estates, under the Kentucky Statute saying that investments must be made in cheap concerns that have been paying a dividend for ten years.

Judge Stites and Mr. Boswell both say that the BancoKentucky Company is merely a holding company and there is no doubt about the right to convert stock held by trust estates.

I think that the most stimulating thing that can happen will be for the BancoKentucky Company to announce the purchase of three or four banks.

Very truly yours,

RB-LS

President

Exhibit 32-2

EDMUND F. TRABUE
JOHN C. DOOLAN
T. S. HELM
JAMES P. HELM, JR.
JOHN BLAKEY HELM
HARRIS W. COLEMAN
JAMES W. STITES
THOMAS J. WOOD
NELSON HELM

LAW OFFICES
TRABUE, DOOLAN, HELM & HELM
1210-1225 INTER SOUTHERN BUILDING
LOUISVILLE, KY.

Mr. James B. Brown
or
Mr. Charles F. Jones,
c/o National Bank of Kentucky,
Louisville, Ky.

Dear Sir:

Exhibit 32-2

So that it would be possible to raise considerable discussion in the Legislature as to whether the provision above quoted should be repealed or strictly enforced or enlarged upon.

I have already gone through the experience of scrapping with the State Banking Commissioner and Attorney General's office because of the ownership by the Louisville Title Company of all of the stock of the Title Guaranty Trust Company except qualifying shares, and rather than have litigation on the matter we put those stocks under trustees similar to our trustees to the satisfaction of the State officials.

The question suggested becomes doubly important when, as and if, the National Bank of Kentucky de-nationalizes into the Bank of Kentucky, a State corporation. For then some competitor or hostilly disposed person might endeavor to enforce a strict compliance with the above quoted statute, which would be, to say the least, embarrassing and might be successfully maintained under the present state of the law. Even our present reliance on the trustees' ownership of the stock and the mere ownership of trustees' certificates would be taken away if there were a merger of the Louisville Trust Company and the Bank of Kentucky, which would dispense with the trustees and permit the holding of the stock directly by The Banco-Kentucky Company instead of its holding trustees' certificates. Hence, really the question is presented whether the mere interbosing of trustees between the stock and the holders does avoid the application of the law.

You understand, of course, there is no limitation on the charter power of The BancoKentucky Company to own the stock, but only the limitation on State financial institutions of permitting more than 50% of their stock to be held by one person and the remedy for so doing is to compel a sale of the excess, which would be a very serious thing in the present instance.

Yours very truly,

TKH-ML.

T. K. Helm

EXHIBIT 33-1

[redacted] Bank of Jeffersontown [redacted] Road 5-6312

June 29, 1937.

Board of Directors,
The National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

The report of an examination of your bank completed on May 18, has been received and your attention is directed to the criticisms of the Examiner on pages 11-1 and 11-2.

In addition to the estimated losses of $187,775, which it is understood will be charged off on June 30, the bank is carrying an excessive amount of slow and doubtful assets amounting to $3,480,277, and $988,488, respectively, which have been steadily increasing. In spite of the fact that a substantial amount of losses has been charged off following each examination in the past three years. Overdue paper is also excessive in amount, the aggregate being $1,487, and includes stockyard bad debts of $988,488. The examiner has commented on the sheets following Page 6, a long list of large items and other assets especially criticised, which in his opinion require collection, security, or supporting credit information. He has also listed several loans in excess of the legal limit, and a number of unsecured overdrafts and cash items.

It is evident that these matters have not been receiving sufficient attention and it is urged that you review the report at your next board meeting, and take the necessary remedial measures.

It is noted that the excessive loans to the Kentucky Jockey Club and the Consolidated Realty Company were to be reduced to the legal limit within a reasonable time; but that exception was taken to the classification of Wakefield & Company's loan as excessive. It is evident from the statement of the examiner on Page 6-1 that the loans of the individuals included in this line other than accommodation of Wakefield & Company, and should, therefore, be dealt with in the direct liability and the line reduced to the 10% limit.

Attention is directed to the examiner's comment in regard to the credit [illegible] and Loan Credit to country banks, which should receive your attention.

It is noted that $200,000 of the Kentucky Engine Company line was included in losses to be charged off, and it is believed that further substantial reserve should be made periodically until the line is reduced to a conservative figure.

[redacted] 8-0312

[redacted] September 7, 1937.

Board of Directors,
The National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

Referring to the report of the last examination of your bank and to previous correspondence in regard thereto, please advise, over the signatures of the available directors, whether the excessive loans have been reduced to the legal limit; the total collections obtained in the overdue and slow paper and the reduction or improvement made in each of the doubtful loans as well as in the large lines and other loans especially mentioned.

Respectfully,

(Signed) [redacted]

Deputy Comptroller.

1257

December 18, 1937.

Board of Directors,
The National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

The report of an examination of your bank completed on October 28 [illegible] been received, and shows a most unsatisfactory condition which seems to [illegible] growing worse, and requires your close attention and more conservative [illegible] policy in making loans and investments, and more vigorous action in [illegible] ing or improving the condition of those which are subject to criticism.

Although losses in substantial amounts have been charged off in [illegible] years, the bank continues to be burdened with a large amount [illegible] of doubtful assets which are largely represented in the loans [illegible] classifications of credit and "Other Loans Especially Mentioned" in pages [illegible] body of the report, and in the Schedule of Bonds, Securities, etc. As a result of the recent affiliation with the Louisville Trust Co., and an increase in the capital stock and dividend requirements, the ability of the bank to absorb its losses out of current earnings has been decreased, and if it is necessary to continue charging off losses in a substantial amount [illegible] seems probable, the condition will be reflected in the bank's published statements. Overdrafts in excessive amounts have been repeatedly criticised in reports of examination and in published reports of conditions and accordingly [illegible] tions of this character should be restricted.

It is understood that an effort is being made to dispose of the [illegible] of the Kentucky Wagon Co., but until this is accomplished it seems reasonable and advisable that $100,000 of its indebtedness be charged off at each examination until the carrying value is reduced to at least $400,000.

The Campbell line is, for the most part, included in the slow and doubtful classifications, and aggregating, as it does, over $2,000,000, is a dangerous and unwarranted concentration of credit, with a probability of substantial loss being sustained in the item in the bonds, securities, etc. schedule representing stocks carried at $178,000, in the Industrial Investment Corporation notes carried in that schedule at $149,550, and in the bonds of the Liberty Rubber Co. It is urged that intensive efforts be made to [illegible] of the most objectionable items composing the Campbell line, which is [illegible]

...detail on Pages 6-1 to 6 of the report.

...noted that the Kentucky Jockey Club loan was reduced to the legal limit, but that the loans to Weinfield & Co., and the 5th successive and not renewed, although you authorize the ...following the previous examination. The bank has been subject to ... criticism for granting excessive loans, and it is suggested that ...Weinfield & Co. loans be reduced to the legal limit without further delay, and that the requirements of the law be strictly observed in future.

...bank is carrying an abnormal number and amount of overdue items, which ...statutory bad debts of $1,206,000, of which $206,184 is paper of the ...Sugar Co., and it is urged that whenever consistent, this paper be vigorously pushed for payment, or that it be placed in current form.

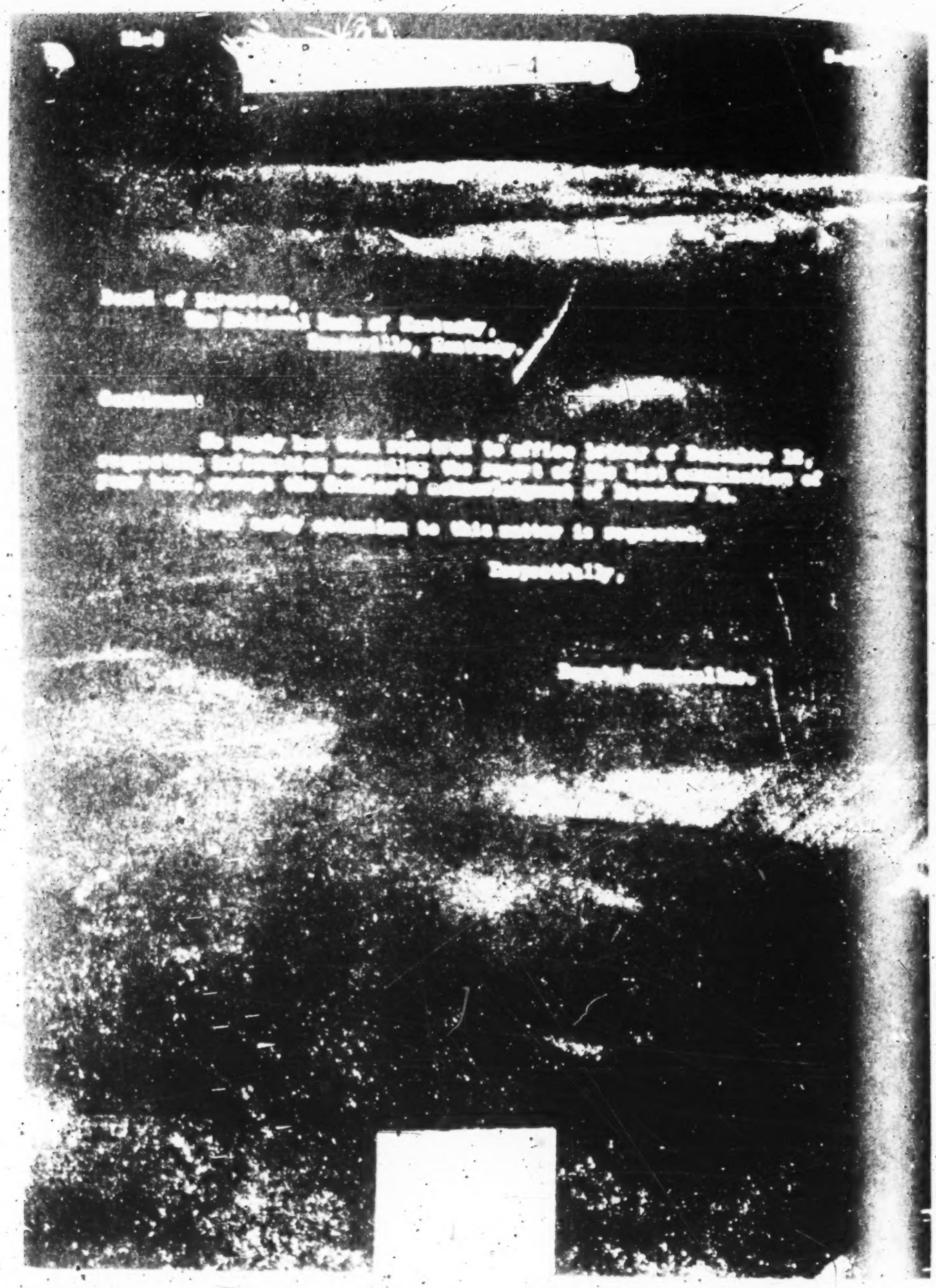
...Examiner Wood has forwarded to this office a letter received by him ...Examiner Jones under date of November 10, relative to the mortgage indebtedness of the bank, which does not conform to the requirements of Section 24 of the Federal Reserve Act. It is understood that Counsel Wade has placed this matter in the hands of a trustee for liquidation, and it is expected that you will make an effort to have this loan eliminated from the assets with the least possible delay. The property purchased for a branch office and not used is ...without warrant of law, and should be disposed of as soon as possible.

...examiner states that marked improvement is noted in the credit department ...has made certain recommendations on Page 13-A of the report for further ..., which it is suggested be followed.

...recommended that the report and this letter be carefully considered ...board meeting, and that you take such steps as are necessary to ... matters criticised, and to place the affairs of the bank in satisfactory ...At that time, a report in detail is requested, stating the ... made in each of the statutory bad debts and doubtful items, and in ...Weinfield & Co. paper and the loans shown listed on Pages 6-A to 6-E, the ...actions made in the other overdue paper and other assets, the ...taken, and that has been or will be done to adjust the other matters of ... Similar reports are desired at subsequent intervals until the time ... examination, and copies of the reports should be sent to Chief ... Examiner John S. Wood, 2020 Federal Commerce Trust Building, St. ..., Missouri.

Respectfully.

Deputy Comptroller.



January 27, 1908.

E. T. Jones, Cashier,
The National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

Receipt is acknowledged of your letter of January 24, enclosing statement showing the reduction in overdue, slow and doubtful paper, estimated losses, other losses especially mentioned and overdue(?) blanket as the last report of examination of your bank and the progress made in collection thereof.

From your letter and an analysis of the statement it appears that all of the estimated loss on loans has been charged off, the $ [illegible] been paid on doubtful loans and a reduction of $[illegible],537.00 has been made in slow loans, assuming that payments on paper classed as part slow and part doubtful were made on the slow portion.

No mention is made in your letter of the Wakefield and Co. excessive loan. This loan was excessive at the previous examination and the reduction to the legal limit without further delay is insisted upon.

Record for a[illegible]ment of $[illegible],000 on the Kinney Rubber Co. indebtedness the Cumberland line shows no reduction. The retirement of this line is considered very important and should be given close attention.

Advice of the further progress made will be expected in sixty days, but twice as to the action taken to reduce the Wakefield & Co. loan to the legal limit if it is desired immediately.

Respectfully,

Bank Comptroller.

[redacted]

a minor matter that this is now brought within the legal limit during the examination and you will be requested to see that it is kept within that limit in future.

Other matters shown by the report requiring your particular attention are the st tutory and double aggregation $1,467,[illegible], also unlawful assets aggregating $3,[illegible] and $486,134 respectively, the other loans especially mentioned at pages 6-8 to 10 inclusive, the [illegible] real estate loan of E. H. Foote which is plainly slow and unlawful and the lease acquired for a branch office and not used which is only an [illegible] of the earliest possible opportunity, deficiency in Reserve, irregular cash items including the source of check of [illegible] cashed since January 4th for Fairfield & Co., and overdrafts. It is understood that President Brown's account was continuously overdrawn from January 8 to the date of the examination when his overdraft of $[illegible] was covered by a deposit consisting of a check of Fairfield & Co. on the Citizens Union National Bank and that to cover this check a [illegible] check of your bank was issued against sundry dividend checks of Mr. [illegible]

The condition of the bank warrants the attention of every member of the board and you are reminded of your oaths of office and your responsibility to the shareholders for the safe management and proper conduct of its affairs. It is your duty to see that the bank is properly and [illegible] fully conducted and no officers should be permitted to dominate the [illegible] to the extent of jeopardizing the best interests of the bank or violating the requirements of the law and good banking.

It is requested that this letter and the report be carefully considered at your next meeting and that you advise over your individual signatures as to the progress made and the further action to be taken toward adjusting these matters, stating in particular the corrections in each of the statutory and doubtful items and the cash of large lines and other loans especially mentioned at pages 6 to 10, and the total reductions made in the slow assets. Similar reports are desired at sixty day intervals and copies should be sent to Chief Nat[illegible] Bank Examiner John D. Wood, 1110 Federal Commerce Trust Bldg., St. Louis, Mo., and National Bank Examiner W. W. Kemp Jr., 307 Federal Bldg., Louisville, Kentucky.

Respectfully,

Deputy Comptroller.

June 8,1928.

Cashier,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

No reply has been received to office letter of April 30, addressed to your Board of Directors, regarding exception noted in report of examination of the Trust Department of your bank made on March 9, 1928.

Please give this matter your immediate attention and send a carbon copy of your reply to National Bank Examiner, W. H. Kane, Jr. 207 Federal Bldg. Louisville, Ky.

Respectfully,

Deputy Comptroller.

JCP Wood

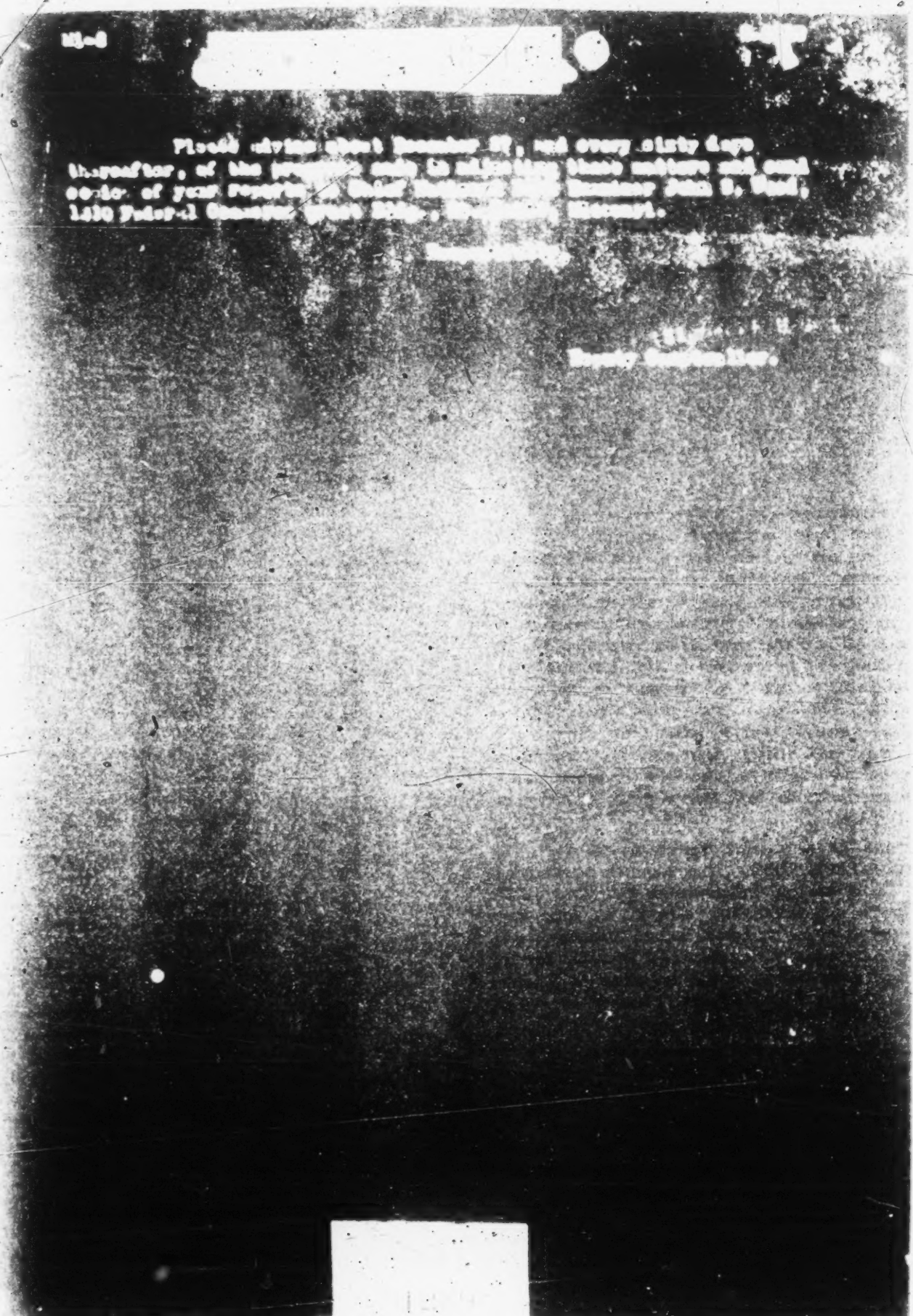
November 27

Board of Directors,
The National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

The report of the examination of your bank completed on October 7, has been prepared and shows its condition to the close of business on that day, while other and historical records and information pertinent to a proper appraisal of the various items, have been carefully considered.

[illegible] from the report that the greater part of the adverse criticism is concentrated in the loans and investments [illegible] Louisville Realty Co., [illegible] Kentucky Home Mortgage Co., [illegible] Kentucky Home Mortgage Co. [illegible] Kentucky Home Mortgage Co. [illegible] Kentucky Home Mortgage Co.



VI 8 33-12 C-8012

January 14, 19[illegible].

Board of Directors,
The National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

No reply has yet been received to our letter of November 27, addressed to you, based on the report of the last examination of your bank.

Your early attention to this matter is requested.

Very truly yours,

[redacted]

[illegible], 1[illegible].

[illegible] Director,
[illegible],
[illegible], [illegible].

[illegible]:

[illegible], in reply to [illegible] letter
of November 7, [illegible] and forwarded in duplication
[illegible] letter of [illegible], [illegible].

[illegible] any attention to this matter is requested.

[illegible],

John W. Pronter
Public Comptroller.

[redacted]

[illegible] Rose, Jr. [illegible] CC

April 30, 1928.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

The report of examination of the trust department of your b[illegible] made on March 30th calls attention to the estate of George C. Potter, [illegible] for which you are acting as administrator and trustee. Among the a[illegible] due a partial account with the firm of George C. Reed & Son. The ex[illegible] states that WC securities in this account were purchased by your bank [illegible] and pledged as a loan for the estate but that they have not been set up [illegible] on the books of the trust department, although the matter was called to [illegible] the attention of your bank at the time of the previous examination, and [illegible] it was agreed that the assets would be correctly shown on the books of [illegible] the trust department.

Your advice when this item has been properly included in the [illegible] trust accounts is requested.

Please send a copy of your reply to National Bank Examiner, [illegible] H. H. Rose, Jr., 307 Federal Building, Louisville, Kentucky.

There is enclosed for your information one sheet of your trust department, a copy of the Regulations of the Federal Reserve Board [illegible] Series of 1927, relating to trust powers of national banks.

Respectfully,

Deputy Comptroller.

Enclosure
Regulations

[redacted]

May 1, 1[redacted]

[redacted] Director,
[redacted] Banking of Kentucky,
Louisville, Kentucky.

Dear [redacted]:

Referring to the report of an examination of your bank [redacted] as of March 31, it is noted that the "Campbell" line shows a [redacted] and still amounted to $1,[redacted]1,[redacted]5, that no [redacted] since the previous examination in the obligations of [redacted] Cabot Coleman Co., Campbell, Heath & Co., Fox P. C[redacted]bell, Albert Cobbs, Wm. L. [redacted], Warner Hoover Co. [redacted], Industrial [redacted] Bank and Trust Co. [redacted], and that during the [redacted] additional advances [redacted] to the Warner Hoover Co. [redacted] The condition is considered to be extremely unsatisfactory. [redacted] part of the line is classed as slow or doubtful and it [redacted] will be [redacted] loss in it. The line is entirely [redacted] in view of [redacted] present standpoint and is considered to [redacted] danger to the Bank. It is insisted that you take every [redacted] to effect substantial reductions in the obligations comprising this line and that it be entirely liquidated with the least possible delay. Advise us to what has been done or may be expected [redacted] liquidating this line is desired.

It is understood that the bank now has full title to the [redacted] Tobacco Co. property and that an effort is being made to [redacted] a better reorganization. It is requested that you advise [redacted] the progress in your negotiations and if they are successful [redacted] effect they will have on the reduction of the company's obligations [redacted] your bank.

The examiner states that the Kentucky Jockey Club line, including obligations of A. T. Hatton and the Lincoln Field Jockey Club, will be paid in full shortly as a result of refinancing. Advise us [redacted] as to what has been accomplished in this connection and whether the excessive loan to the Kentucky Jockey Club has been brought within the legal limits.

In a letter dated February 4 Cashier James stated that the loan to Wakefield & Co. classed in the previous report as excessive [redacted] the sum of $[redacted],000 had been reduced in the amount of $335,000, but the present report shows that they again exceeded the legal limit. The

JEP Kane Wood B-5311

June 16, 1928.

Mr. C. F. James,
Cashier & Secretary, Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

Receipt is acknowledged of your letter of June 8 regarding the status of the matters referred to in office letter of May 17.

An analysis of the letter and enclosed schedule shows reductions as follows during the three months since the examination:

Statutory bad debts carried in 2d ast	$ 31,439.94	reduced	$32,100.48
Slow loans	4,640,.41.28	"	233,359.72
Doubtful loans	703,146.31	"	5,[illegible]4.91
Loans Especially Mentioned	[illegible],44.80	"	[illegible]43,[illegible]65.22
Campbell line	1,[illegible]1,40.20	"	179,000.00
Kentucky Jockey Club line	1,775,201.00	"	1,[illegible]00.00
Irregular Cash Items	53,537.36	"	[illegible]

It is evident that a stronger effort should be made to reduce the criticisms and it is requested that the bank receive the close attention of the directors and officers.

Advice will be expected in sixty days of the further progress made and it is requested that copies of your next letter be sent to Chief National Bank Examiner John S. Wood, 1311 Federal Commerce Trust Bldg., St. Louis, Mo., and National Bank Examiner W. F. Kane, 402 Federal Bldg., Louisville, Kentucky.

Respectfully,

[illegible] B. W[illegible]
Deputy Comptroller.

Mr. O. F. Jones,
Board of Directors,
[illegible]

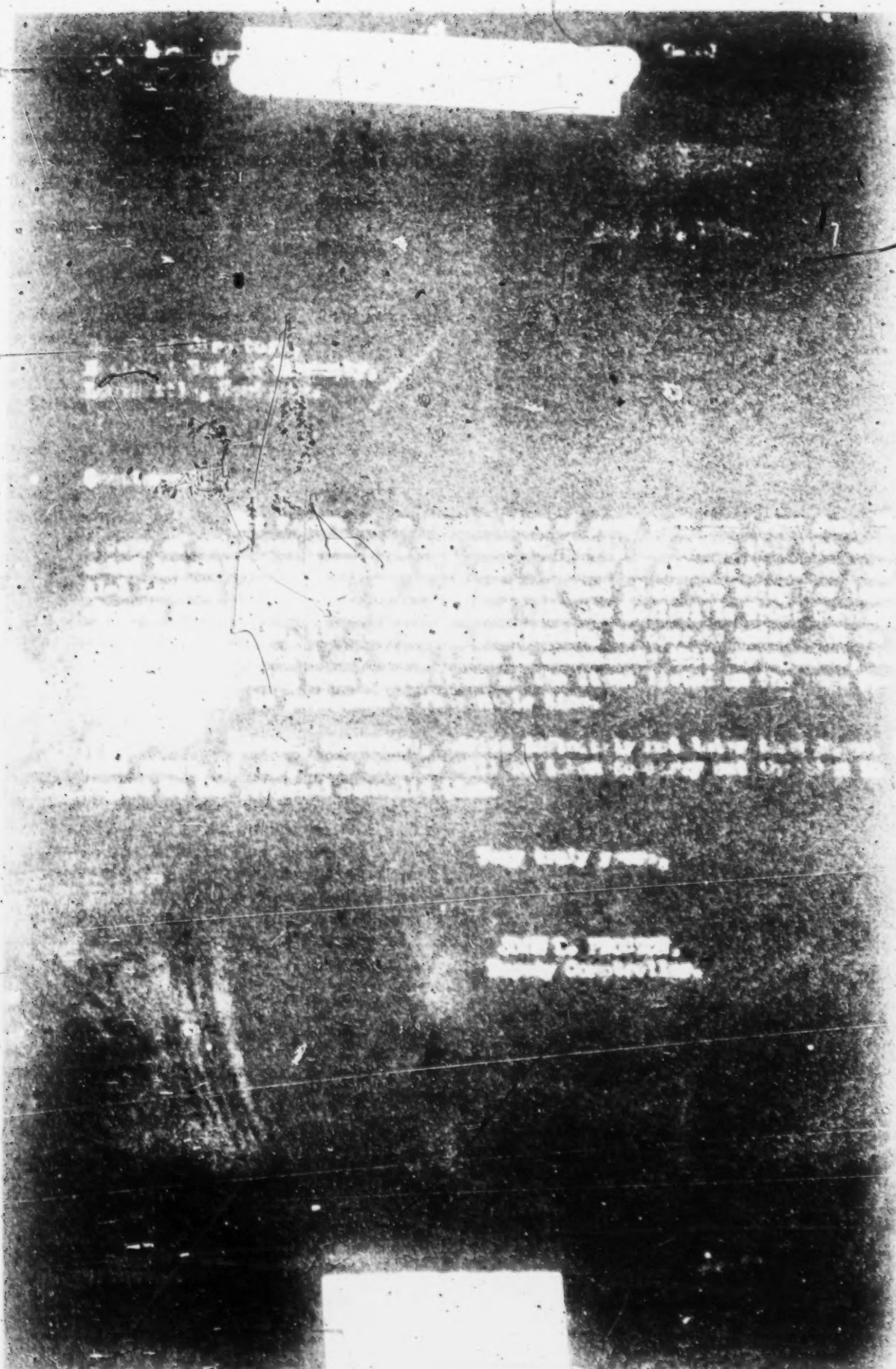
Dear Sir:

[illegible] in office letter of June 16,
[illegible] no [illegible] of your records.

[illegible] in this matter is requested.

Respectfully,

[illegible] Comptroller.



[redacted]

August 6, 1929.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sirs:

No reply has been received to office letter of July 16, based on the report of an examination of your bank completed June 18.

Your early attention to this matter is requested.

Very truly yours,

JOHN L. PROCTOR.
Deputy Comptroller.

2-5312

August 29, 1929.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sirs:

No reply has yet been received to office letter of July 12, requesting information concerning the proposed consolidation of your bank, although you were reminded of this matter in a communication dated August 6.

Please forward the desired information without further delay.

Very truly yours,

JOHN L. PROCTOR,
Deputy Comptroller.

Exhibit 30-17.

September 17, 1932.

Board of Directors,
[illegible] Bank of Kentucky,
[illegible]ville, Kentucky.

Dear Sirs:

In office letter of July 12, you were requested to advise definitely not later than August 1, the action taken to carry out the plan in regard to the proposed consolidation of your institution with the Louisville Trust Company, but to date no reply to that communication has been received, although you were reminded of this matter on August 6 and August 20. This office is at loss to explain your evident disregard for these communications, and you are again requested to forward the desired information without further delay.

If the plans for a consolidation have been abandoned a letter outlining the progress made in correcting and eliminating the matters of criticism summarized on Extra Sheet Page 11-a of the report will be expected.

Very truly yours,

JOHN L. PROCTOR,
Deputy Comptroller.

Digest

3-5312

February 21, 1938.

[redacted]

[redacted]

[redacted]

[redacted] 8-5712

March 10, 1930.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sirs:

No reply has been received to office letter of February 21, based on the report of an examination of your bank completed January 11.

Your early attention to this matter is requested.

Very truly yours,

JOHN L. PROCTOR,
Deputy Comptroller.

[redacted]

[redacted]

April 11, 193[redacted].

Board of Directors,
[redacted] Bank of [redacted]tucky,
[redacted]ington, Kentucky.

Dear Sirs:

[redacted] satisfactory reply has not yet been received to office letter of February 21, with [redacted] of the Cashier at that [redacted] has letter of March 3 to [redacted] the matter would [redacted] within a few days.

[redacted] forward the desired information without further delay.

Very truly yours,

[redacted] L. [redacted]
Deputy Comptroller.

[redacted]

[redacted]

June 28, 1930.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

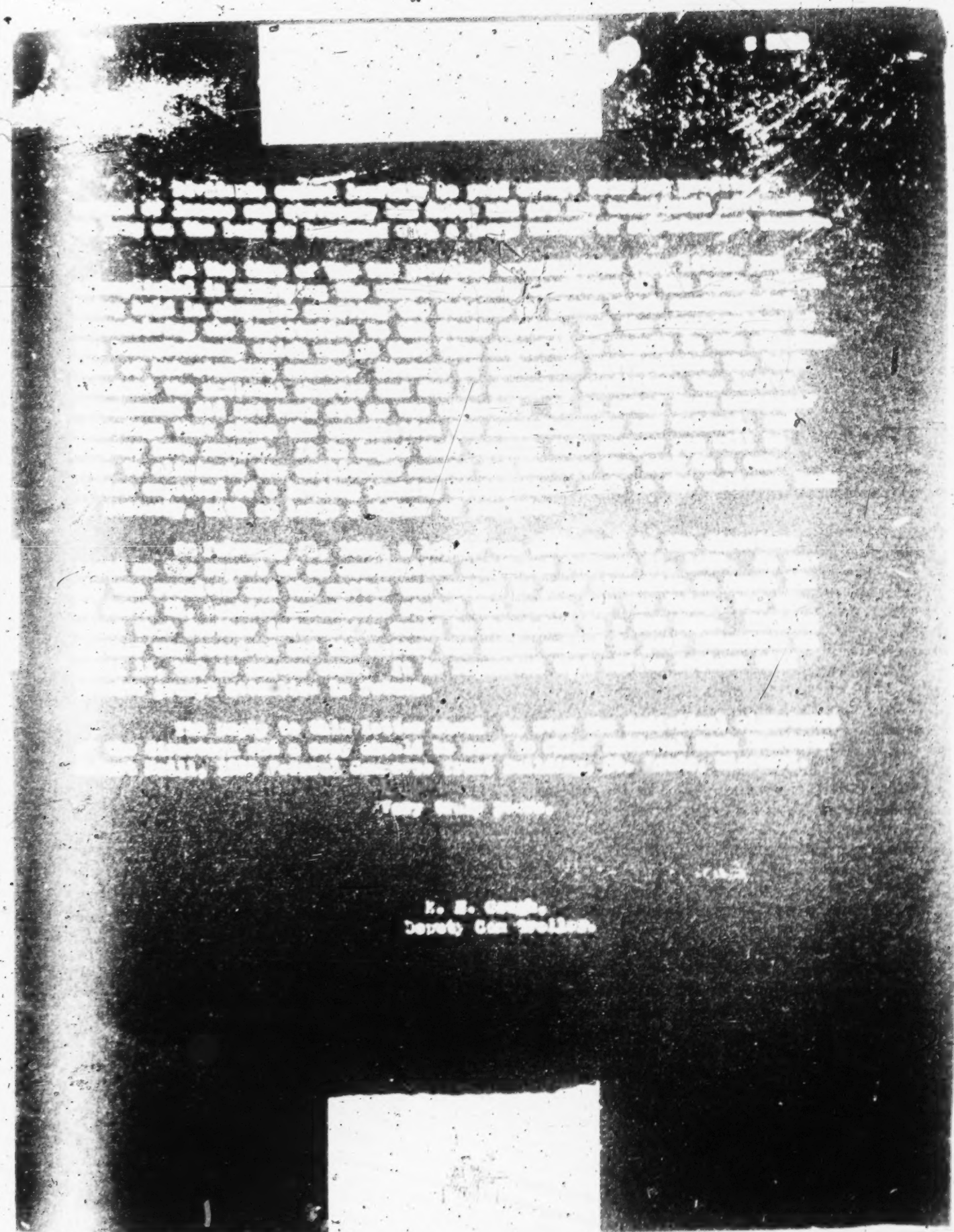
[redacted]

[redacted]

Attention is directed to the comments of the Chief Examiner
page 11-A in regard to the loans of $6,781,700.00 secured in whole or
part by 880,487 shares of stock of the Bank.

The practice of making heavy advances upon collateral consist
ing of stock in a corporation whose notes are secured very largely
stock in the bank needs with the earnest disapproval of this office.
are requested to make the immediate and material reduction in the vol
of such loans and reduce them to a normal amount with a minimum of
loss.

[redacted]



July 28, 1930.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

No reply has been received to office letter of June 25 based on the report of an examination of your bank completed May 9.

Please give this matter your early attention.

Very truly yours,

JOHN L. PROCTOR,
Deputy Comptroller.

Neill Mooney

August 9, 1930.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

Although it was requested on July 17 that a reply to forwarded to office letter of June 25, no such reply has yet been received.

It is understood that the examiner visited your bank on July 18 and found that the agreement to charge off certain of the losses had not been carried out. It is expected that the matters mentioned in letter of June 25 will have attention in accordance with the requests contained therein.

Please forward without delay an answer to office communication of June 25, sending copies of your reply to Chief National Bank Examiner Robert Neill, 1810 Federal Reserve Trust Building, St. Louis, Missouri, and National Bank Examiner R. E. Mooney, P. O. Box 1082, Louisville, Kentucky.

Very truly yours,

JOHN L. PROCTOR,
Deputy Comptroller.

La-18

[redacted]

September 9, 1930.

Board of Directors,
National Bank of Kentucky,
Louisville, Kentucky.

Gentlemen:

A satisfactory reply has not yet been received to office le[tter] of June 28, based on the report of an examination of your bank comple[ted] May 9, although the Cashier stated in his letter of August 28 that a r[e]ply was being prepared and would be approved by the directors and forw[arded] on or before September 1.

Immediate attention to this matter is requested.

Very truly yours,

JOHN L. PROCTOR,
Deputy Comptroller.

[redacted] Mail [redacted] 3-8813

November 6, 1939.

[redacted] of Directors,
[redacted]mont Bank of Kentucky,
[redacted]sville, Kentucky.

[redacted]lemen:

The report of an examination of your [redacted] October 30, a copy of which was sent you, has been received, [redacted] your letter of even date relative to the elimination of part [redacted] criticised losses aggregated $1,868,172.36, stating that efforts [redacted] made to realize [redacted] $600,000 were through the [redacted]ntucky [redacted] Please advise whether this has been done and all of the remaining [redacted] have been eliminated.

It is noted that two meetings were held [redacted] board and one by the executive committee at which the matters criticised as listed and commented upon on pages 11-d to 11-f were fully discussed. It is also noted that the directors have read the full report and that they should be familiar with this information before you [redacted] apparent that the situation is serious and one which requires and should have your constant and [redacted] attention.

No attempt will be made to go into detail [redacted] to the [redacted] of slow and doubtful assets; the unwarranted extensions of credit and concentration of the bank's funds in loans secured principally by stock [redacted] Kentucky, American Turf, and [redacted] Life Insurance Company; the excessive losses; the possibility of further material losses; the current cash position; the question of the responsibility of the management for conditions disclosed, etc., as the board is already in possession of the facts as disclosed by [redacted] at the meetings held and in the report.

Please forward a report from time to time, showing the progress [redacted] in correcting the matters referred to herein and in the schedules mentioned, as well as a copy of the daily statement. These reports should be [redacted] the individual signatures of the directors and copies should be sent Chief National Bank Examiner Robert Neill, 1510 Federal Commerce Trust Building, St. Louis, Missouri, and National Bank Examiner [redacted] Comey, P. O. Box 1697, Louisville, Kentucky.

Very truly yours,

[redacted]

[redacted]
Deputy Comptroller.

ESTABLISHED 1834
NATIONAL BANK OF KENTUCKY
IN LOUISVILLE

July 23, 1927.

Hon. E. W. Stearns,
Deputy Comptroller,
Treasury Department,
Washington, D. C.

Dear Sir:

Your office letter under date of June 30, 1927, directing our attention to the report of the examination of this bank completed on May 12, 1927, has been received.

The estimated losses of your examiner amounting to $137,775.00 have been charged off.

The loans listed under the caption of slow and doubtful assets have been reduced by part payments and payments in full in the amount of $[illegible].00.

The loans listed under the caption of overdue paper and statutory bad debts have been reduced by payments and renewals in the amount of $304,[illegible].00.

The loans listed by the examiner on the sheets following page [illegible] under the caption of loans especially mentioned is receiving the attention of the officers and have been materially reduced, and we are endeavoring to strengthen others by additional security or supporting them by the proper credit [illegible]tion.

Loans listed by your examiner as excess of the legal limit have been reduced as follows -

Kentucky Jockey Club	$530,[illegible]
Reduced by payment to	280,[illegible]
Consolidated Realty Company	$478,[illegible]
C. C. Hieatt	413,[illegible]
H. J. Scheirich;C.C.& G. Y. Hieatt;	30,[illegible]
	$922,[illegible]
Reduced to - Consolidated Realty Co.	$450,[illegible]
C. C. Hieatt	30,[illegible]
H. J. Scheirich;C.C.& G.Y.Hieatt;	123,[illegible]
	$623,[illegible]

Included in these loans of $623,000.00, a note for $100,000.00 signed by H. J. Scheirich;C.C.& G.Y. Hieatt is secured by a

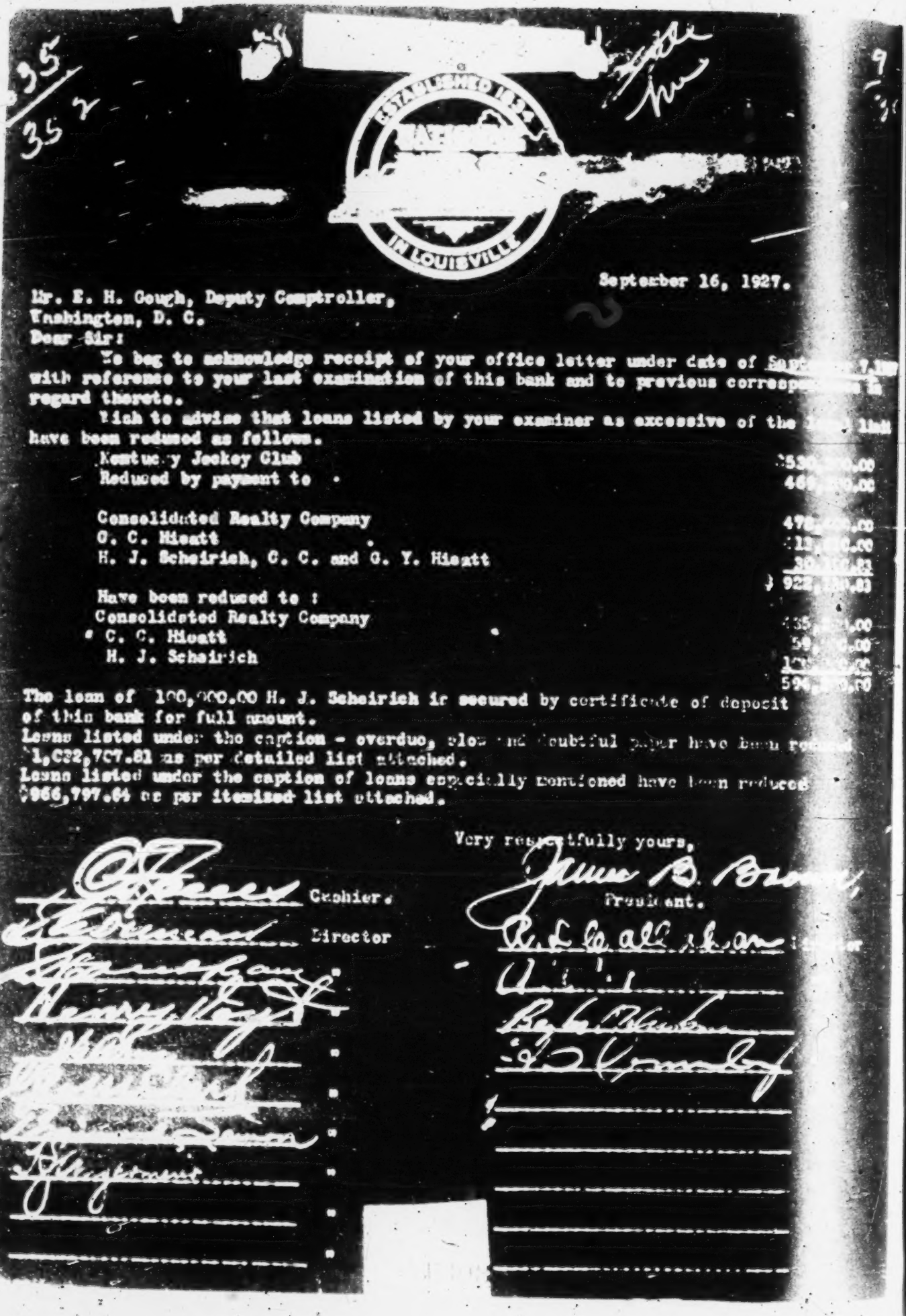
2.

certificate of deposit in this bank.

Other items mentioned in your letter is receiving the attention of our officers and we will report to you later.

Respectfully yours,

Cashier.



September 16, 1927.

Mr. E. H. Gough, Deputy Comptroller,
Washington, D. C.
Dear Sir:

We beg to acknowledge receipt of your office letter under date of Sept... 7,... with reference to your last examination of this bank and to previous corresp... in regard thereto.

Wish to advise that loans listed by your examiner as excessive of the ... limit have been reduced as follows.

Kentucky Jockey Club ... 00
Reduced by payment to ... 00

Consolidated Realty Company ... 00
C. C. Hieatt ... 00
H. J. Scheirich, C. C. and G. Y. Hieatt ... 00

Have been reduced to :
Consolidated Realty Company ... 00
C. C. Hieatt ... 00
H. J. Scheirich ... 00

The loan of 100,000.00 H. J. Scheirich is secured by certificate of deposit of this bank for full amount.
Loans listed under the caption - overdue, slow and doubtful paper have been re... $1,032,767.81 as per detailed list attached.
Loans listed under the caption of loans especially mentioned have been reduced ... $966,797.64 as per itemized list attached.

Very respectfully yours,

Cashier.

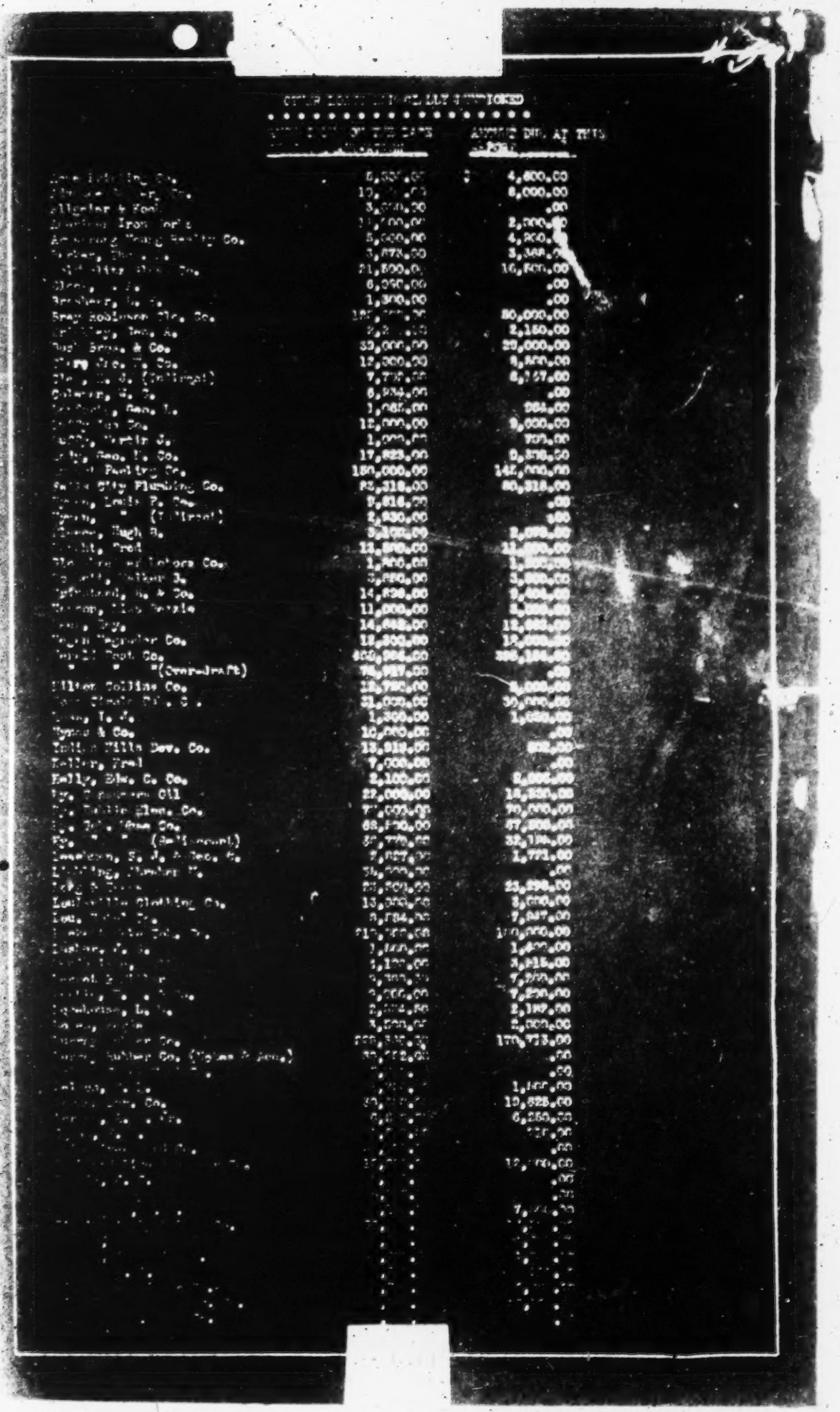
Director

President.

#6312

NAME OF BORROWER	AMOUNT DUE ON THE DATE OF EXAMINATION	[illegible]
Allen J. P.	$ 55.00	$ .00
[illegible]	115.00	100.00
[illegible]	2,264.81	.00
[illegible]	38,000.00	.00
[illegible]	2,000.00	.00
[illegible]	1,800.00	1,400.00
[illegible]	20.00	.00
[illegible]	4,500.00	4,000.00
[illegible]	25,000.00	15,000.00
[illegible]	225.00	.00
Campbell, D. P.	775.00	.00
[illegible]	148,000.00	129,000.00
Campbell, Fred J.	375.00	300.00
Chandler, Jno. M.	6,852.00	6,840.00
Chandler, Jno. M. (Indirect)	3,884.00	3,887.00
Chase & Young	142,163.00	136,435.00
Cohen, Henry F.	820.00	600.00
Cohen, M. V.	2,010.00	1,767.00
Cole Bros. Mfg. Co.	2,200.00	.00
Color Cinema,(Indirect)	6,344.00	1,4[illegible]
Color Cinema Production	8,153.00	2,[illegible]
Comm, J. Parker,	5,000.00	[illegible]
Consolidated Realty Co.	478,400.00	[illegible]
Consolidated Realty Co. (Indirect)	165,702.00	[illegible]
Cook, W. J.	205.00	[illegible]
Cotton [illegible] Products	64,949.00	[illegible]
Cunningham Ice Cream	7,200.00	[illegible]
Cunningham, Arthur	1,080.00	[illegible]
Cunningham, Perry A.	500.00	280.00
[illegible]	1,937.00	1,733.00
[illegible] Coal Co.	50,000.00	45,000.00
[illegible]	200.00	.00
Denner, [illegible]	250.00	.00
Denner, [illegible]	1,720.00	.00
[illegible]	158.00	.00
[illegible]	1,1[illegible]	.00
[illegible]	[illegible]	.00
[illegible]	1,151.00	1,116.00
[illegible]	10,000.00	5,000.00
[illegible]	1,825.00	1,825.00
[illegible]	1,000.00	400.00
[illegible]	800.00	.00
[illegible]	17,400.00	17,400.00
[illegible]	888.00	.00
[illegible]	14,[illegible]	14,500.00
[illegible]	700.00	.00
[illegible]	800.00	.00
[illegible]	74,000.00	72,000.00
[illegible]	19,000.00	17,000.00
Gibraltar Coal Mining Co. (Indirect)	22,000.00	20,000.00
[illegible]	87.00	.00
[illegible]	1,600.00	1,575.00
[illegible]	5,113.00	4,887.00
[illegible]	16,200.00	15,[illegible]
[illegible]	15,000.00	10,[illegible]
[illegible]	[illegible]	.00
[illegible]	747.[illegible]	600.00
[illegible]	275.00	.00
[illegible] Pickle Co.	[illegible]	61,200.00
[illegible]	1,[illegible]	.00
[illegible]	2,701.[illegible]	2,[illegible]
[illegible]	650.00	.00
[illegible]	67,[illegible]	60,000.00
[illegible]	488,000.00	738,[illegible]
[illegible]	10,[illegible]	8,[illegible]
[illegible]	858.00	.00
[illegible]	1,[illegible]	[illegible]
[illegible]	2,014.00	.00
[illegible]	83,500.00	.00
[illegible]	4,000.00	[illegible]
[illegible]	5,[illegible]	1,742.00
[illegible]	4,200.[illegible]	2,[illegible]
[illegible]	35,000.[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

	$ 250.00	$ 200.00
	800.00	
	433.00	.00
	50,000.00	.00
	816.00	612.00
	23,857.00	21,743.00
		135.00
	5,647.00	5,817.00
		6,400.00
	2,560.00	2,250.00
	2,200.00	.00
	43,830.00	45,000.00
	9,000.00	1,489.00
	171.00	125.00
	1,000.00	.00
	26,954.00	21,133.00
	41,600.00	40,300.00
	2,000.00	.00
	6,300.00	.00
	8,198.00	4,440.00
	2,[illegible]	2,480.00
	87[illegible]	800.00
	280.00	.00
	3,002.00	2,079.60
	6,300.00	5,300.00
	400.00	275.00
Griffith, J. E.	5,000.00	.00
Gou. Brick & Tile(Indirect)	6,238.00	5,700.00
State Journal Co.	6,032.00	.00
[illegible], Clarence	300.00	280.00
[illegible], C. E.	1,125.00	1,080.00
Smith, E. E.	9,100.00	1,100.00
[illegible] Coal & Ice(Indirect)	177.00	.00
Thompson, Mrs. E. T.	102.00	82.00
[illegible] E.	1,800.00	1,700.00
[illegible], J. C.	1,900.00	1,850.00
Vaughan, Current Ac	1,125.00	1,075.00
Vaughan, " (Indirect)	388.00	.00
[illegible] & Co.	80,000.00	80,000.00
Vetter, Jno. A.	2,336.00	.00
Alfe, A. E.	859.00	809.00
Wiles, Jno. & Co.	28,362.00	17,078.00
Wiles, Oscar & E.	5,850.00	868.20
Wilson & Green	3,500.00	.00
[illegible], J. E.	2,040.00	.00
Wills, [illegible] E.	6,700.00	8,000.00
Zorn, S. & Co.	300,000.00	.00
Peoples [illegible] Spring Hill, Tenn.	11,346.00	11,196.00
Planters Bank, Clark [illegible], Miss.	58,373.00	57,750.00
	$ 3,239,267.61	$ 2,206,560.00
[illegible]		$ 1,032,707.61



Brownle, F. W.	$ [illegible]	$ 19,461.00
Schultz, F. G.	[illegible]	4,825.00
[illegible]	[illegible]	17,814.00
Standard Pipe. Co.	162,000.00	137,000.00
Standard Printing Co.	102,500.00	94,800.00
[illegible] Computing Scale Co.	313,300.00	315,700.00
Tilsman, C. P.	6,500.00	4,200.00
Thomason Oil Co.	10,857.00	8,427.00
Tucker, J. Marvin	10,182.00	2,861.00
Tyler, E. B. Co.	80,000.00	10,000.00
Vaughan, Mrs. F.	4,218.00	3,818.00
Henry Vogt Machine Co.	93,427.14	.00
Williams, L. P.	3,877.00	2,800.00
Wood, E. K.	47,723.00	30,364.00
Yon, Earle	1,800.00	1,848.00
Jefferson County Bank	27,000.00	20,000.00
Orange County Bank, Paola, Kan.	22,000.00	.00
Bank of Hamelfield	37,800.00	32,800.00
	$ 1,800,712.64	$ 2,234,116.00

AMOUNT OF DEPRECIATION ALLOWED SINCE THE DATE OF THE LAST EXAMINATION---------- $ 906,797.64

December 24, 1937.

Mr. E. W. Stearns, Deputy Comptroller,
Treasury Department,
Washington, D. C.

Dear Sir:

Your office letter under date of December 12, 1937, was read to our Board of Directors at the regular weekly meeting, December 16, 1937, discussed and referred to the officers of the bank for attention.

The management of this bank is carefully considering your letter and we have been working continuously on all matters criticised and, as it is taking considerable time to work out a detailed report, we are not now prepared to write you fully.

As soon as the detailed report is ready we will forward to you, also send a copy to Chief National Bank Examiner, John S. Wood, at St. Louis.

Respectfully yours,

CTJ/M

ESTABLISHED 1834
NATIONAL BANK OF KENTUCKY
IN LOUISVILLE

January 24, 1928.

Mr. E. W. Stearns, Deputy Comptroller,
Treasury Department,
Washington, D. C.

Dear Sir:

Referring to examination of this bank by National Bank Examiner, John S. Wood, as of October, 14, 1927, wish to advise you as follows:

The loans listed under caption Slow and Doubtful Paper, have been reduced by part payments and payments in full in the amount of $499,691.0[illegible] as per detailed list attached. Of this amount, $50,886.03 has been charged off.

Loans, listed under caption of Loans Especially Mentioned, have been reduced in the amount of $705,035.83, as per detailed list attached.

The Kentucky Wagon Manufacturing Company of Delaware has acquired title to the plant and we have eliminated the overdraft and put it in current form secured by their First Mortgage Bonds as collateral.

In addition to the $50,886.03 mentioned above, there was charged off against the Kentucky Wagon Manufacturing Company line $100,000.00 during the examination.

The overdrafts shown by our published statement, of the Comptroller's [illegible] as of December 31, 1927, amounts to a total of $3157.78.

All other items criticised by your Examiner is receiving the attention of our officers and you will be fully advised of the progress made.

Respectfully yours,

Cashier.

February 4, 1928.

Mr. E. H. Gough,
Deputy Comptroller,
Treasury Department,
Washington, D. C.

Dear Sir:

Your office letter under date of January 27, 1928, received.

Loans claimed by your examiner to be excessive to Wakefield & Company amounting to $935,000.00, have been reduced in the amount of $335,000.00.

Loans listed by your examiner under the caption of "Campbell Liner".

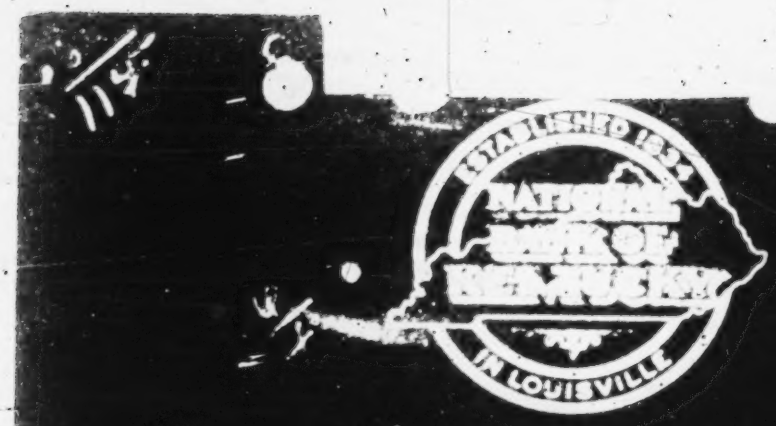
Loans to the Van Camp Packing Co. at the time of the examination amounted to - - $454,263.93

Loans at the present time - - 311,257.86

Advice of further progress will be furnished your office as requested.

Respectfully yours,

Cashier.



June 8, 1928.

Mr. E. H. Gough,
Deputy Comptroller,
Treasury Department,
Washington, D. C.

Dear Sir:

Your letter of May 12, 1928, referring to the report of the examination of this bank completed March 31, 1928 received.

Referring to loans mentioned in the first paragraph of your letter, wish to advise as follows -

Cadet Knitting Company has been reduced since the examination from $100,000.00 to $75,000.00 and we have a positive agreement with the company that the balance of this debt is to be paid as the notes mature.

Campbell, Heath & Company and White & Associates -

Campbell, Heath & Company has been reduced from $100,000 to $96,000.00. These obligations are slow but there has been improvement in the collateral and, in our opinion, there is ample security to protect these loans until paid.

William D. Campbell - Mr. Campbell is President of the W... Camp Packing Company and a very resourceful man. While there is no active market for this stock, we feel that the collateral is sufficient and is a safe loan.

Albert Latta - We regard this loan perfectly good even without collateral.

L. I. Harris - Paid in full.

Murray Rubber Company - Since the examination there has been $150,000.00 cash paid into the treasury of this company by the ... for which they do not receive any obligation of the company, and arrangements are now being made for the payment of an additional $100,000.00. We know the management personally and believe in their ability to make this business a success and, in our opinion, these obligations will be liquidated in full.

Industrial Ownership Corporation - This is regarded by us as a slow loan but our opinion is that in a reasonable time we

be able to dispose of the collateral for more than the amount of the debt and receive payment in full.

Kentucky Wagon Manufacturing Company - We are now negotiating for the reorganization or sale of this company and believe we will in a short time effect a trade that will greatly reduce our loans and secure the balance entirely satisfactory to us.

Loans - Kentucky Jockey Club and Lincoln Fields Jockey Club - have been paid in full.

In paragraph five - referring to items listed by your Examiner as statutory bad debts, wish to advise that this amount has been reduced by payments in the amount of $32,100.48 as per itemized list attached. Also listed by your Examiner under caption "slow and doubtful assets" have been reduced in the amount of $208,886.15 as per itemized list attached. Also items listed as "other loans especially mentioned" on pages 6-6 to 10 inclusive, have been reduced in the amount of $283,065.00 as per itemized list attached.

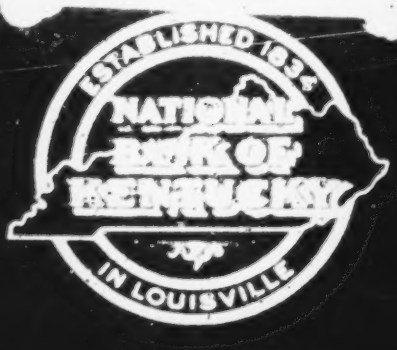
In regard to the Real Estate Loan of E. H. Woods, which is now secured by bonds on the property, there is now fourteen producing wells on this property and there is being formed a corporation with a capital of $300,000.00 with E. H. Woods as its President. They will undertake to sell stock of this corporation to liquidate our debt. However, if this is not successful the property will be foreclosed and sold at auction and will, in our opinion, more than pay the debt.

The lease acquired for a branch office at Fourth & Guthrie Streets, and now used, is sub-leased on a basis that is now producing an annual net profit to the bank.

The items carried for Wakefield & Company, secured by (110) shares National Bank of Kentucky stock, was paid in full during the examination.

Respectfully yours,

Cashier and Secretary of
Board of Directors.



June 8, 1928.

At the regular weekly meeting of the Board of Directors of the National Bank of Kentucky, as of this date, the following directors being present, James B. Brown, John Stites, A. J. Carroll, [illegible] P. Dodd, Walter I. Kohn, Arthur M. Rutledge, T. Kennedy Helm, [illegible] Gray, Oscar E. Bloch, Henry D. Ormsby, James J. Hayes, Milburn P. Kelly, Stuart E. Duncan, Samuel W. Coons, Brainard Lemon, Henry Vogt, C. C. Hieatt, Saunders P. Jones, Baylor O. Hickman, Charles [illegible] Schmer, William Short, John M. Atherton, John B. Pirtle, William S. [illegible], James Garnett and Henry J. Angermeier., a reply to letter from the Comptroller of the Currency under date of May 12, 1928, was read to the Board and on motion, C. C. Hieatt, seconded by Henry Vogt and unanimously carried, the Cashier was authorized to sign said letter as Secretary of the Board and forward same to the Treasury Department.

Secretary Board of Directors.

STATUTORY BAD DEBTS

	Balance Examiners Report	Balance June 4, 1928
Benevolent Assoc. Of Elks	$ 37,100.00	$ 17,600.00
Color-Cinema Co.	1,262.83	1,109.83
J. Parker Conn	4,685.00	2,381.22
F. H. Straub	852.31	279.65
A. V. Thomson	15,435.83	12,589.17
Corsicana National Bank	3,770.00	1,447.22
Peoples Bank, Springfield, Tenn.	10,854.91	8,665.21
	$ 78,150.78	$ 44,[illegible]
	44,060.30	
REDUCTION - - - -	$ 32,100.48	

* * * * * * * *

	SLOW	DOUBTFUL	BALANCE 6-4-28.
J. C. Koon [illegible] Alligator Lodge	$ 3,000.00	$	$ 2,800.00
Benevolent Ass[illegible] of Elks		4,400.00	.00
Bing[illegible]-Barnum Train Co.	40,000.00		.00
Bruni & Behrman	380.00		.00
Robert L. Brown	5,000.00		2,500.00
Wm L. Bruner		853.00	800.00
J. T. Caldwell	119.92		96.47
Campbell Heath Co.	100,000.00		96,[illegible]81.28
[illegible] Carson	50.00		.00
Dillerbe W. Carter	13,706.59		10,580.00
Carter Warranty Co.	102,153.00		102,063.32
[illegible] B. Chandler	1,838.90	3,601.90	5,187.00
[illegible] Pool, Inc.	128,587.62		104,049.42
J. C. Clarke	28,542.71		800.00
Color Cinema Production Co.		3,[illegible]5.94	3,477.49
Color Cinema Co.		1,262.83	1,109.83
J. Parker Conn	4,685.00		2,381.22
Consolidated Realty Co.	425,000.00		408,500.00
" " " Rediscounts	120,072.19		104,813.10
L. L. Daugherty	1,425.42		1,274.46
[illegible] Deming	1,577.42		1,210.62
[illegible] Co.	23,500.00		22,966.18
Dilerbe Coal Mining Co.	13,500.00		12,000.00
[illegible] L. Greenbaum		1,495.00	1,480.00
[illegible]	1,[illegible]		[illegible]
[illegible] Co.		1,130.00	1,126.00
[illegible] Co.	4,[illegible]		4,513.78
[illegible] Co.	13[illegible],845.00		146,425.00
[illegible] Co.	23,[illegible]	13,250.00	14,700.00
[illegible]	1,[illegible]		1,700.00
[illegible]	3,150.00		1,300.00
[illegible]	6,800.00		[illegible]
[illegible]	17,389.32		15,[illegible]
[illegible]	1,125.00		750.00
[illegible]	2,380.00		2,350.00
[illegible]	6,000.00		5,800.00
[illegible]	5,750.00		[illegible]
[illegible]	[illegible]		[illegible]
[illegible]	11,[illegible]		10,[illegible]
[illegible]	27,[illegible]		27,[illegible]
[illegible]	10,[illegible]		[illegible]

	SLOW	DOUBTFUL	BALANCE 6-4-28.
Shamir Mfg. Co.	$ 1,542.18	$	$ 1,464.98
Southern Engineering Co.	1,[illegible]2.27		1,009.27
Standard Lbr. Co.	6,000.00		6,000.00
[illegible] B. Stelternohl	828.00		828.00
[illegible].W. Straub	980.31		279.68
[illegible] V. Thomson	13,238.88		12,889.17
Trumbo, Schupp & Schmidt	218,090.74		208,880.74
J. Dolfinger & Co.	82,417.17		139,417.17
Robert F. Vaughn	[illegible]15.80		5,000.00
[illegible] H. Willis	00.00		6,120.00
[illegible] Yeager	9,000.00		9,000.00
Berrydon National Bank	8,000.00	970.00	1,447.82
Peerless Bank, Springfield, Tenn.	10,864.81		8,863.81
	$ 1,724,612.88	$ 30,172.87	$ 1,868,698.63
	30,172.87		
	$ 1,754,785.85		
	1,868,698.42		
	$ 208,466.18		

OTHER LOANS ESPECIALLY MENTIONED

	Balance Examination	Balance [illegible]
Guy D. Attkisson	$ 10,000.00	$ [illegible]
A. Brandeis & Son	238,000.00	218,000.00
S. M. Clark	283,000.00	182,000.00
Jas. T. Clark	47,000.00	21,000.00
Falls City Plbg & Supply Co.	13,000.00	5,000.00
Hugh S. Fleece	2,150.00	800.00
Hibbs Hiefer Hat Co.	37,000.00	28,000.00
Hirsch Bros. & Co.	186,000.00	176,000.00
Hoffman Hunter Co.	97,800.00	86,000.00
Irvine Construction Co.	6,000.00	[illegible]
Ky. Public Elevator Co.	70,000.00	60,000.00
Lorimore Automobile Co.	12,300.00	11,800.00
Ky. Tobacco Warehouse Co.	68,800.00	53,000.00
" " " " Bodies.	41,973.83	30,288.00
C. A. Koerner & Co.	86,014.67	62,014.67
Mann Insurance Agency	12,500.00	11,800.00
Standard Printing Co.	86,000.00	81,800.00
Starks Realty Co.	118,000.00	100,000.00
Tip Top Baking Co.	52,000.00	40,000.00
Wheeler Realty Co.	88,000.00	40,000.00
T. L. Young	20,000.00	19,800.00
	$ 1,509,540.50	$ 1,226,872.67
	1,226,872.50	
REDUCTION - - - - - - -	$ 282,668.00	

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12

October 11, 1928.

[illegible] E. Gough,
[illegible] Comptroller,
[illegible]ury Department,
[illegible]ington, D. C.

[illegible]Sir:

Your office letter of August 25, 1928, relative to further progress made in the matters referred to in your letter of May [illegible] received.

Cadet Knitting Company has been reduced since the examination from $100,000.00 to $45,000.00.

Van Camp Packing Company - The proposed recapitalization of the Van Camp Packing Company and the prospective new interests will materially aid the marketing of their product and add a minimum of $1,000,000.00 to a possible $2,000,000.00 in cash. This will improve the statement of the company very much and add to the collateral value of other loans by the salability of the collateral.

Kentucky Wagon Manufacturing Company - Negotiations for the refinancing of this company should be consumated by October 1, 1928, which, if successful, will pay our debt.

Items listed by your Examiner as "statutory bad debts" have had a further reduction since June 8, 1928, of $33,562.66 as per itemized list attached.

Items listed by your Examiner under caption of "slow and doubtful assets" have had a further reduction since June 8, 1928, in the amount of $206,152.50 as per itemized list attached.

Items listed as "other loans especially mentioned" have had a further reduction since June 8, 1928, in the amount of $133,493.54 as per itemized list attached.

Items listed as "irregular cash items" have been reduced since your examination from $55,507.36 to $752.50.

Very respectfully yours,

Cashier.

STATEMENT SHOWING THE REDUCTION IN THE OVERDUE, SLOW AND DOUBTFUL PAPER.

NAME OF BORROWER.	AMOUNT DUE ON DATE OF THE EXAMINATION.	AMOUNT DUE AT THIS DATE.
Adams, T. K. & F. P.	425.00	188.69
Koch, J.C. Indorsed B.M.& PERRY FARNSLEY	1,500.00	.00
Koch J.C. Collateral	3,700.00	3,500.00
Koch, J.C. (Indirect)	1,606.75	1,547.32
Armstrong-Young Realty Co.	4,900.00	.00
Ayers, R.E.	300.00	200.00
Badger Aluminum Co.	15,000.00	7,500.00
Ball Optical Co.	2,250.00	2,000.00
Bankers Mortgage Co.	221,500.00	139,500.00
Bankers Trust Co.	25,000.00	17,500.00
Barnes, L. L.	101.25	.00
Bartman, Harry P.	90.00	45.00
Bessmer, August R.	1,600.00	325.00
Bell, H. J. & H. O.	90.00	60.00
Bell, Stella K. Van Dyke	1,716.00	.00
Blimeco, M. George	383.67	.00
Bradley, R. S. and F. H. Straub,	27.50	.00
Bramford, C. W.	1,350.00	1,800.00
Brand, Alfred E. and C. A. Koop,	25.00	.00
Brown, Ida May	1,000.00	.00
Brown, Ida May	800.00	.00
Brown, Robert L.	4,000.00	3,000.00
Burkley, George A.	2,100.00	1,850.00
Caldwell, J. T.	170.45	343.45
Colony Illuminating Co.	2,650.20	2,400.00
Brandeville Fulton	3,490.00	3,265.00
Campbell, D. P.	700.00	975.00
Carson, Sam	102.00	52.00
Carter Guaranty Company	141,000.00	107,500.00
Carter, Ellerbee L.	14,177.68	13,637.18
Chandler, John M. (Indirect)	3,365.43	3,113.38
Chase & Symond Co.	128,561.25	128,533.43
Clarke, D. C. & V. J. Bulloit	34,740.75	89,237.17
Cohn, H. T. & M. V.	460.00	400.00
Mary, O. M.	225.40	.00
Corlew Seed Products Co.	68,252.53	.00
Cruzenden, Harry A.	250.00	.00
Rutbelo, Phil.	90.00	60.00
Dougherty, L. L.	1,628.27	1,472.96
Day, George H. & Harry S. Lee	2,[illegible].13	2,[illegible].87
Dittmar, L. J.	12,[illegible].00	11,796.00
Dosch Chemical Co.	3,216.96	.00
Dupont, E. E.	400.00	.00
Elkins, C. C.	2,200.00	1,900.00
Eckert, Bonnie M.	50.00	.00
Edwards, O.P. & J. Ford C. P. Upton,	1,525.00	1,400.00
Eureka Products Co.	17,400.00	10,000.00
Falls City Plumbing & Supply Co.	70,338.38	19,000.00
Fisher, George H. & Co.	2,250.00	1,775.00
Graham, F. E. and H. A. Henry,	14,000.00	7,000.00
Gibraltor Coal Mining Co.	17,000.00	13,500.00
Mercer Coal Mining Co.	18,000.00	13,500.00
Goodwin, Flint	1,358.13	1,496.75
Greenbaum, E. L.	1,525.00	1,400.00
Greene, M. L. et al,	4,869.10	3,613.00
Graves, Stuart A Tavire R.	15,000.00	.00
Harter, F. M. Motor Co.	10,000.00	7,199.07
Halfrish, John	609.10	516.82
Higgins, James M.	470.00	.00
Home Circle Publishing Co.	27,000.00	25,800.00
Hymna Pickle Co.	57,800.00	34,000.00
Jackson, Frank	250.00	.00
Gean Realty Company	6,391.61	4,663.34
Kahn Bros.	40,000.00	30,000.00
Kelly, Edward C. Co.	2,000.00	1,900.00
Leatherman Anna B.	200.85	.00
Lee, Joseph E.	1,250.00	1,075.00
McBride, T. O. & S. J.	200.00	.00
McCormick, H. E. and W. E.	750.00	700.00
McDavitt, P. H. and Mary H.	1,700.00	1,400.00
Martin, T. B. & Co.	9,000.00	7,800.00
Merriwether, C. J.	96,783.34	78,068.29
Miller, A. R.	450.00	.00
Rombeimer, E. C. and H. J.	100.00	.00
Murray Rubber Co.	200,620.81	150,000.00
Nelson, C. L.	1,500.00	1,375.00
Netherton, H. & Co.	3,375.00	1,000.00

Herman, E. B.	6,300.00	6,100.00
Herman, E. B. Jr.	2,450.00	2,350.00
Herman, J. C.	2,250.00	2,150.00
O'Bryan, P. M.	400.00	300.00
Owens, Ellis and T. M. Cissell,	125.00	.00
Parkway Lumber & Construction Co.	46,500.00	43,960.00
Pate, C. M.	4,098.33	1,029.17
Phillips, R. E. and C. M.	125.00	100.00
Powell, I. D.	450.00	375.00
Progress Chair Co.	38,400.00	28,400.00
Raw, Albert E.	65.00	50.00
Ravitz, Morris,	900.00	.00
Rosen, N. C. Mf'g. Co.	5,300.00	4,050.00
Rosen, N. C. Mf'g. Co. (Indirect)	4,319.67	3,655.95
Rosenbaum, Leon A.	2,450.00	925.00
Shapin Mf'g. Co.	1,997.01	1,707.55
Singer, C. A.	5,300.00	5,000.00
Skillman, Lillian and Henry G.	375.00	.00
Smith, T. P.	100.00	.00
Springer, Elmer R.	30.00	.00
Standard Lumber Co.	10,000.00	7,000.00
Standard Mortgage Co.	117,000.00	113,500.00
Steinbach, Clarence C.	250.00	200.00
Steltenpohl, C. B.	1,000.00	925.00
Smart, John T.	375.00	150.00
Stimpson Computing Scale Co.	300,700.00	234,300.00
Swain, E. E.	1,100.00	.00
Thomson, A. V.	14,650.00	15,460.83
Thomas, T. A. & Co.	2,799.09	.00
Uterbeak, J. C.	1,850.00	1,800.00
Vaughn, Forrest E.	1,021.50	376.50
Verhoeff, H. & Co.	50,000.00	40,000.00
Wartwell, T. C. & R. H.	779.50	.00
Van Berrlee, Victor and Johanna	85.00	59.2 5
John Welsh,	23.75	.00
White John A Co.	17,975.00	.00
Willis, T. M.	8,000.00	7,400.00
Yeager, Julian T.	200.00	.00
Peoples Bank of Springfield, Tenn.	11,196.46	10,854.81
Planters Bank, Clarksdale, Miss.	57,336.31	47,265.98
	$2,016,405.36	
		$1,516,514.34
AMOUNT OF REDUCTION SINCE THE DATE OF THE LAST EXAMINATION		$ 499,891.01

OTHER LOANS ESPECIALLY MENTIONED

NAME OF BORROWER.	AMOUNT DUE ON DATE OF EXAMINATION.	AMOUNT DUE AT THIS DATE.
Acme Printing Co.	$ 4,000.00	$ 4,200.00
Adams, George R.	1,250.00	1,000.00
Barker, Thomas A. (Indirect)	5,345.75	4,345.44
Bingham Hewett Grain Co.	20,000.00	18,000.00
Wolf Hills Glass Co.	18,500.00	10,000.00
Brown, W. P. & Sons Lumber Co.	500,000.00	.00
Clark, James P.	48,500.75	47,000.00
Hilton Collins & Co.	5,000.00	.00
Forsht, Fred.	4,000.00	4,000.00
Glocstrommer Motors Co.	1,250.00	900.00
Goodwin Preserving Co.	198,911.00	197,345.00
Hirsch Bros. Co.	300,000.00	295,000.00
Irvine Construction Co.	12,000.00	4,200.00
Kentucky Boat Mf'g. Co.	8,000.00	7,500.00
Kentucky Consumers Oil Co.	17,250.00	15,000.00
Kraemer, C. A. & Co.	70,414.77	66,414.77
Lobkowitz, B.	4,000.00	1,815.27
Louisville Textile Co.	15,700.00	14,200.00
Portland Tire & Rubber Co.	11,530.00	11,000.00
Pilchers, Henry & Sons	47,000.00	43,000.00
Preston, Lee and Ben H. Schrader	4,500.00	4,200.00
Riddell Furniture Co.	2,600.00	.00
Riddell-Robinson Co.	30,000.00	15,000.00
Roger Bros. Coal Co.	4,000.00	3,500.00
Russell & Garibaldi	12,000.00	.00
Speyer, L. T.	900.00	.00
Standard Printing Co.	93,500.00	88,500.00
Starks Realty Co.	150,000.00	113,000.00
Vaught, Robert F.	3,215.33	3,215.50
Wurfels, C. A. & John,	13,,000.00	.00
Young, T. L.	90,500.00	88,500.00
	$1,500,000.00	$ 000,500.00

AMOUNT OF REDUCTION SINCE THE DATE OF THE LAST EXAMINATION $ 000,000.00

ESTABLISHED 1834
NATIONAL BANK OF KENTUCKY
IN LOUISVILLE

January 22, 1929.

Hon. Comptroller of the Currency,
Washington, D. C.

Dear Sir:

Attention Mr. E. H. Gough, Deputy Comptroller

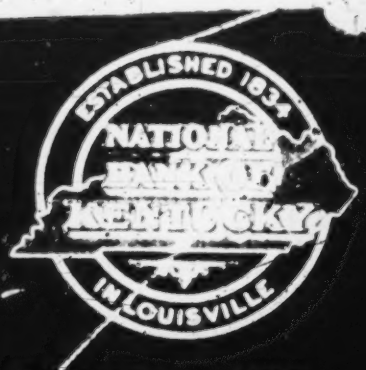
Your letter of January 14th, 1929, received. We are now preparing a detailed statement answering your office letter under date of November 27, 1928, which will be forwarded to you, when completed, which will be within the next few days.

Respectfully yours,

Cashier.

CPG/E

EXHIBIT 11-A



February 4, 1929.

Mr. E. H. Gough, Deputy Comptroller,
Comptroller of the Currency,
Washington, D. C.

Dear Sir:

The following is in reply to your office letter of November 27, 1928.

KENTUCKY WAGON MANUFACTURING COMPANY.

As stated to your examiner there is a plan for the refinancing of this company whereby $4,000,000.00 of preferred stock will be underwritten by a French financial concern to yield the company 90 a total of $3,600,000.00 . From all the information we have and wh... has been confirmed to us several times , this stock is actually underwritten and the money to be paid in as soon as the French Govern... ment approves a license for the sale of stock. There has been chang... in the French Cabinet which has delayed the issuance of all licenses but we have assurance from the company's representative in Paris that the permit will be granted soon.

In addition, should this financing be delayed too long we have other plans for financing in this country that we can start at any time. We expect a material change in the affairs of this company very soon.

WM. D. CAMPBELL $40,000.00 - paid in full.

CADET KNITTING COMPANY.

Under an agreement with bankers dated January 7, 192... a plan of refinancing has been arranged , out of which the Cadet Knitting Company debt of $45,000.00 will be paid in full by March 15, 1929.

WHITE AND ASSOCIATES $249,471.50

In addition to endorsement of Wm. D. Campbell which in our opinion makes this note good, and other collateral, we also have

1126

NATIONAL BANK OF KENTUCKY
IN LOUISVILLE

50,902 shares of Cadet Knitting Company stock which under the plan of refinancing of the Cadet Knitting Company will give this stock a market value more than sufficient to pay the debt which stock will be disposed of gradually and the debt paid.

J. M. GREER - $200,000.00.

Your report lists about $200,000.00 of J. M. Greer loan of $475,000.00, secured by Van Camp Packing Company Stock. This stock is listed on the New York Curb Exchange and based on today's quotation has a present market value of $523,000.00.

VAN CAMP PACKING COMPANY.

The refinancing of this company has been completed with over $1,000,000.00 new money in the company. Their direct unsecured debt has been paid with the unsecured debt entirely out last week. They owe us today $7,203.96 on an oil draft with bill of lading attached.

MURRAY RUBBER COMPANY.

We have a plan of refinancing the company with bankers who are out in Trenton, New Jersey, with engineers and new money should be paid in soon.

BOUNDBROOK COMPANY OF NEW JERSEY - $90,000.00.

The Calco Chemical Company has been sold to the American Cyanamid Company and the securities held as collateral on these notes are worth in excess of $400,000.00 at present market prices.

LIBERTY-WASHINGTON CEDAR STREET CORPORATION
SECOND MORTGAGE BONDS - $100,000.00.

All maturities of principal and interest on these bonds have been paid promptly and the $6,000.00 maturing January 1, 1939, has been paid.

INDUSTRIAL OWNER-SHIP CORPORATION. - $55,840.16

This note is secured by Van Camp Packing Company Stock listed on New York Curb Exchange and based on today's market value is worth over $120,000.00.

#3

CONSOLIDATED REALTY COMPANY LINE - $729,348.77

This line has been reduced to $681,901.50. The management of the bank has been using every effort to have this debt reduced and secure additional collateral.

OVERDRAFTS.

Last published report of condition, as of December 31, 1928, showed total overdrafts $10,085.08.

Enclosed find detailed list showing reductions in items set forth in report on pages 4 to 4-B9 inclusive amounting to $554,645.41.

Your Examiner's remarks concerning loans sold to country banks and our Credit Department is having the attention of our Officers

Respectfully yours,

Cashier.

Enc. (List)

CFJ/M

ESTABLISHED 1837 IN LOUISVILLE

RECEIVED APhh COMPTROLLER OF THE CURRENCY

April 5,1929.

Mr. E. H. Gough,Deputy Comptroller,
Comptroller of the Currency,
Washington,D.C.

Dear Sir:

Supplementing our letter of February 4th., answering yours of November 17th., beg to report the following:

WHITE AND ASSOCIATES $ 234,471.80

There has been a payment of $ 16,000.00 which has reduced this debt to $ 218,471.80

BOUNDBROOK COMPANY OF NEW JERSEY $ 90,200.00

This debt has been paid in full.

CONSOLIDATED REALTY COMPANY $ 729,348.77

On January 25th., this debt had been reduced to $ 661,901.[illegible] Since that date there has been a further reduction to $ 656,81[illegible].

Enclosed find statement list showing reductions in items set out in report on pages 1 to 4 inclusive amounting to $ 743,410.[illegible]

Respectfully yours,

Cashier.

Enc. (List)
CWJ/L

Name of Payee	Balance Dec.13th	Balance Jan.28th
O. L. & F. E. Adams	$ 73.60	$ 69.10
J. C. Nash	2,755.17	2,600.00
F. M. Kilgore	1,280.00	900.00
Bankers Trust Co.	194,800.00	174,000.00
August R. Bauer	223.47	.00
Benevolent Asg'n. of Elks	13,200.00	.00
Charles M. Boden	1,083.72	1,068.97
Bagby Rose Drug Co.	408.08	29.89
J. Graham Brown	19,151.67	.00
Robert L. Brown	2,000.00	1,000.00
Rea L. Bruner	896.00	880.00
Buchanan Motors Co.	6,850.00	.00
J. T. Caldwell	72.62	68.87
Wm. D. Campbell	40,000.00	.00
Fred J. Campbell	280.00	200.00
Carter County Co.	115,686.76	114,317.79
Elberbe T. Carter	10,206.89	9,781.39
W. C. Cawthon	475.00	300.00
John M. Chandler	4,870.00	4,078.07
Chess & Dymond, Inc.	73,702.51	65,994.42
Adolph Christian	20.50	.00
Clay County Coal Co.	15,440.00	6,194.89
Color Cinema Productions	2,618.19	1,379.78
Color Cinema Co.	752.63	.00
Columbia Phosphate Mining Co.	15,230.00	15,228.00
H. A. Cook	200.00	100.00
Consolidated Realty Co.	388,800.00	287,800.00
" " Re-discounts	91,184.06	60,119.00
Le La Daugherty	1,770.58	666.37
A. Devegne Re-discounts	1,200.62	.00
L. J. Dittmer	11,496.00	11,346.00
Duffy Tea Co.	11,000.00	10,000.00
J. A. Everton	1,800.00	1,800.00
M. T. Felton	80.00	.00
Hugh B. Fleece	1,800.00	1,380.00
Mrs. M. L. Flowers	264.00	.00
J. T. Gallagher	5,600.00	4,100.00
Garfield Rock Asphalt Co.	10,808.00	.00
Gibbs-Inlow Co.	78,000.00	73,000.00
Gibraltar Coal Mining Co.	10,000.00	8,000.00
Hanger Coal Mining Co.	8,000.00	7,000.00
H. L. Greene, et al	2,533.00	2,433.00
Harland Coal Co.	42,410.28	40,903.88
H. P. Hartig Motor Co.	4,000.96	2,829.90
C. C. Hewitt	27,674.40	25,030.08
F. L. Hodapp	800.00	678.00
Joseph Hubbuch Sr. & Sons	25,000.00	20,000.00
Hyman Pickle Co.	89,400.00	88,400.00
International Bolt Co.	10,183.33	10,180.00
Ky. Plumbing & Heating Co.	4,521.90	1,000.00
Langdon Crane & Haney	8,381.87	3,381.87
Lewis and Drye	1,178.00	1,078.66
Swiss Cleaners and Dyers	31,632.17	31,428.00
Abe D. Levi Co.	27,800.00	22,800.00
Lou. Hotel Co.	1,686.37	.00
Lou. Ice & Cold Storage Co.	158,313.78	147,786.00
Lou. Morris Chemical Service Co.	23,000.00	15,000.00
Eagle Dewey Co.	14,000.00	.00
Fulton Centerville	1,075.00	880.00
Chas. D. Grimsley	16,138.38	.00
Thos. D. Grimsley - Rediscounts	35,344.93	20,863.71
A. A. Moore	75.00	.00
Norman Lumber Co.	55,000.00	50,000.00
Norman Lumber Co. - Re-discounts	18,923.91	18,948.42
C. B. Norman, Jr.	2,150.00	2,080.00
C. B. Norman	5,800.00	5,300.00
J. Colgate Norman	1,775.00	1,575.00
F. M. O'Bryan	100.00	75.00
O. M. Orrill & W. M. Dillon	240.00	260.00
H. M. Overly, Jr.	1,572.50	.00
Parkland Tire & Rubber Co.	3,50 .00	3,500.00
Parkway Lbr. & Construction Co.	45,134.62	43,278.62
Elliott [illegible]	200.00	.00
Progress Chair Co.	4,400.00	.00
[illegible] Co.	26,774.78	26,624.00
Chas. M. Richmond	1,700.00	150.00

(continued)

[illegible] Ritter	$ 6,671.59	$ 3,867.82
Leon Rosenbaum	925.00	280.00
T. Leon Shapin	140.00	.00
Shapin Mfg. Co.	1,117.82	869.82
Southern Engineering Co.	1,009.27	.00
Standard [illegible] Co.	102,000.00	73,800.00
Standard Printing Co.	75,500.00	71,000.00
Clarence C. Steinbach	100.00	50.00
L. B. Stoltzenohl	800.00	400.00
F. M. Straub	161.66	129.66
Strube's Garage	7,800.00	.00
T. C. Taylor	8,700.00	5,800.00
J. C. Utterback	1,730.00	1,680.00
Van Camp Packing Co.	200,000.00	.00
B. W. Weber	35.00	.00
L. & J. P. Woolfolk	90.00	.00
M. C. Wright	201.00	161.07
T. L. Young	19,800.00	19,000.00
Corydon National Bank	1,467.22	347.22
Peoples Bank, Springfield, Tenn.	8,253.71	4,253.71
Planters Bank, Clarksdale, Miss.	44,773.14	34,897.87
Total October 15, 1928	$ 2,879,073.63	
Total January 25, 1929		$ 1,714,488.22
NET REDUCTION		$ 664,868.41

Name of Maker	Balance Oct.13th	Balance April 1st.
G. M.and F. F. Adams	$ 73.40	$ 62.35
J. C. Koch	2,786.17	2,000.00
F. W. Allgeier	1,200.00	600.00
Bankers Trust Co.	194,800.00	178,000.00
August H. Bremer	223.47	.00
Benevolent Ass'n. of Elks	11,200.00	.00
Charles H. Bolen	1,000.71	1,000.27
Bagby Home Drug Co.	600.00	.00
J. Graham Brown	10,181.67	.00
Robert L. Brown	2,000.00	1,000.00
Wm.L. Bremer	600.00	.00
Beckmann Bakery Co.	6,000.00	.00
J. P. Caldwell	72.00	.00
Campbell, Heath & Co.	60,181.80	50,000.00
Wm. D. Campbell	40,000.00	.00
White and Associates	200,671.00	.00
Fred J. Campbell	200.00	.00
Carter Coal Co.	116,000.00	.00
Charles W. Carter	10,000.00	.00
Wm. G. Chatham	600.00	.00
Street & Upcraft Bros.	70,000.00	.00
Adolph Christian	50.00	.00
Clay County Coal Co.	15,000.00	.00
Color Pigment Productions	2,000.00	.00
Color Pigment Co.	700.00	.00
Columbia Phosphate Mining Co.	14,000.00	.00
T. A. Cook	600.00	.00
Consolidated Realty Co.	200,000.00	.00
Consolidated Realty Co. Rediscounts	91,184.00	.00
L. L. Dougherty	1,000.00	.00
A. Dreyer - Rediscounts	1,000.00	.00
L. J. Dittmar	11,000.00	.00
Duffy Ice Co.	11,000.00	.00
J. E. Ehlerman	1,000.00	.00
M. C. Felton	50.00	.00
Hugh E. Fleece	1,000.00	.00
Mrs. K. L. Fleming	200.00	.00
J. C. Gallagher	1,000.00	.00
Garfield Rock Asphalt Co.	10,000.00	.00
Gibraltar Coal Mining Co.	10,000.00	.00
Mercer Coal Mining Co.	5,000.00	.00
H. L. Greene, et al	2,000.00	.00
Robert Hardin	50.00	.00
Harlan Coal Co.	42,610.00	.00
F. P. Harter Water Co.	4,000.00	.00
C. C. Hiatt	27,000.00	.00
F. E. Hodapp	600.00	.00
Geo. Horn	66.76	.00
Joseph Hubbuch Sr. & Sons	20,000.00	.00
Hynes Pickle Co.	80,000.00	.00
H. D. Crumby, Agt. Hyman Pickle Co.	1,000.00	.00
International Belt Co.	10,000.00	.00
Ky. Plumbing & Heating Co.	4,000.00	.00
C. A. Koerner & Co.	61,000.00	.00
Langdon, Orman and Ramey	8,000.00	.00
Lewis and Dryer	1,000.00	.00
Oates Gleaners and Dyers	21,000.00	.00
Abe G. Levi Co.	27,000.00	.00
Louisville Hotel Co.	1,000.00	.00
Louisville Ice & Cold Storage Co.	100,000.00	.00
Louisville Whse & Elmmore Co.	25,000.00	.00
Wm. Lynch	1,000.00	.00
Magic Soap Co.	14,000.00	.00
Otto Belle Mattes	600.00	.00
Fulton Madeville	1,000.00	.00
Marrett & Miller	5,000.00	.00
Chas. J. Merriwether	16,000.00	.00
Chas. J. Merriwether, Rediscounts	25,000.00	.00
W. A. Moore	75.00	.00
Geo. D. Morrison, et al	5,000.00	.00
Norman Lumber Co.	65,000.00	.00
Norman Lumber Co.-Rediscounts	18,923.01	.00
A. E. Norman, Jr.	5,000.00	.00
A. B. Norman, Jr.	2,100.00	.00
A. B. Norman	5,000.00	.00
J. Colgate Norman	1,775.00	.00

(continued)

T. W. O'Bryan	100.00	.00
T. ... Orrill & ... Dillon	200.00	246.00
... Dowdy, Jr.	1,[illegible].00	.00
[illegible] Fire & Cas[illegible]r Co.	9,[illegible].00	.00
[illegible] Inv. & Construction Co.	48,134.42	41,725.08
[illegible]	150.00	.00
Elliott Pennebaker	200.00	.00
Progress Chair Co.	4,400.00	.00
Reutlinger & Co.	26,726.78	24,471.75
Reutlinger & Co.-rediscounts	17,594.43	10,294.81
Jas. M. Richmond	1,750.00	180.00
Edwin Ritter	6,871.52	3,711.34
Leon Rosenbaum	928.73	.00
T. Leon Rosin	140.00	.00
Shanks Mfg. Co.	1,117.48	706.12
Southern Engineering Co.	1,709.87	.00
Standard Mortgage Co.	102,020.00	72,020.00
Standard Printing Co.	75,000.00	68,000.00
Clarence C. Steinbach	100.00	.00
E. B. Stellingwahl	800.00	440.00
C. J. Sternberg	80.68	.00
T. M. Straub	181.68	129.68
Straub's Garage	7,800.00	.00
... C. Taylor	8,000.00	4,000.00
Mrs. Treacy, Inc.	868.00	278.00
Trumbo, Schapp & Schmidt	168,378.27	168,378.27
C. Tolfinger & Co.	138,871.84	138,841.95
J. C. Utterback	1,700.00	1,000.00
Van Camp Packing Co.	900,000.00	.00
Giles B. Van Cleave	8,880.00	1,980.00
B. A. Weber	38.00	.00
W. K. Willis	8,000.00	.00
L. and J. P. Woolfolk	80.80	.00
W. C. Wright	881.00	181.97
T. L. Young	16,000.00	16,000.00
Corydon National Bank	1,447.22	347.22
Peoples Bank, Springfield, Tenn	9,283.71	830.68
Planters Bank, Clarksdale	44,773.14	29,897.07
Frank Fohr, Trustee	10,000.00	.00
Total October 15, 1928	2,908,426.67	
Total April 1, [illegible]		2,715,016.67
NET REDUCTION		963,410.00

[redacted]

ESTABLISHED 1834
[redacted]
IN LOUISVILLE

September 24, 1929.

Mr. John L. Proctor,
Deputy Comptroller,
Treasury Department,
Washington, D. C.

Dear Sir:

Answering your Office Letter of September 17, 1929, we have recently formed a $50,000,000.00 Corporation, known as The [redacted] Company which became operative on September 19, 1929.

This company has already acquired through the exchange of stock about 98% of the entire capital stock of both the National Bank of Kentucky and the Louisville Trust Company.

We will within the next ten days make application to you to denationalize the National Bank of Kentucky and consolidate our interest with the Louisville Trust Company under a State Charter.

Respectfully yours,

[redacted]
, Cashier.

P. S. We are enclosing herewith copy of letter sent to our stockholders under date of July 19, 1929.

Enc.

[redacted]

Louisville, Ky., July 19, 1928.

To the Holders of Trustees' Participation Shares,
National Bank of Kentucky and The Louisville Trust Company:

1. Your Officers and Directors have studied the present banking conditions in the banking business in Kentucky, with a view to preparing the two banking institutions under their management, to meet these changed conditions, and to take early advantage of new opportunities presented thereby.

2. The conclusion unanimously reached, as a result of their deliberations, is that the two banks, and the business conducted by them, should be reorganized by uniting in this group a third institution, which will enable the consolidated group to render more profitable service, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections.

3. Such a reorganization is in line with the trend of business and finance in this country; and the strength and influence of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities, frequently presented in the course of business of the two banks, but not available to them, because of the restrictions upon their powers and activities.

4. The following is the Plan of Reorganization agreed upon by the Officers and Directors of the two banks, and approved by formal Resolutions of the Trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

5. There has been organized under the laws of the State of Delaware, a corporation known as The BancoKentucky Company, with an authorized capital of 2,000,000 shares, having a par value of Ten ($10.00) Dollars each. The stock will be exchanged or sold, in accordance with this Plan, on the basis of Twenty-five ($25.00) Dollars per share, which will give the Company a capital of Twenty Million ($20,000,000.00) Dollars, and a surplus of Thirty Million ($30,000,000.00) Dollars, or a total capital and surplus of Fifty Million ($50,000,000.00) Dollars. No stock will be sold by the Company at less than Twenty-five ($25.00) Dollars per share.

6. The corporation is given broad charter powers, including the right to acquire stock bonds and other securities of other corporations, and evidences of indebtedness created or issued other corporations; the power to underwrite securities and take part in syndicate management, and charge fees and commissions for its services in connection with the reorganization or refinancing other corporations; the power to issue bonds and to guarantee the obligations of others and to become surety, guarantor and endorser thereof. The foregoing is merely a brief summary of the broad powers given the corporation; complete details of these powers appear in the Certificate of Incorporation the Company, copies of which may be examined at the offices of the two banks by any one interested

7. It is an essential part of this reorganization that the shares of this corporation (or least a substantial majority thereof) be owned by the Trustees' Participation Shareholders, and that it be managed and operated by the Boards of Directors and the officers of the two banks. The Banco Kentucky Company, therefore, offers to the Trustees' Participation Shareholders of the National Bank of Kentucky and The Louisville Trust Company, through the Trustees as agents in the transaction, its entire capital stock, on the bases and subject to the terms and conditions hereinafter set out:

8. It is an essential part of this Plan that:

(a) On or before September 19, 1929, the holders of the Trustees' Participation Shares must deposit their Certificates with the Trustees for exchange into the shares of The BancoKentucky Company; and for each Participation Share thus deposited, the Trustees will cause to be issued to the holder thereof, Two (2) shares of the stock of the new corporation. In addition thereto the depositing shareholder will have the right to subscribe for as many additional shares of the stock of The Banco Kentucky Company as he may desire at the price of Twenty-five ($25.00) Dollars per share subject to allotment suitably if over-subscribed. Trustees' Participation Shareholders who fail to deposit their shares on or before September 19, 1929, will be deemed to have waived their rights to thus exchange their shares and subscribe for stock in the new Company, unless the Trustees shall extend the time for deposit and subscription (as they may do in their discretion), in which event the Trustees' Participation Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time.

(b) The entire Plan of Reorganization, and the deposit and subscription privileges and rights hereinabove set out, are all, and each of them is, conditioned expressly upon the acquisition by the Trustees' Participation Shareholders, either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of The BancoKentucky Company; and further conditioned upon the acquisition by The BancoKentucky Company of at least a majority of the Trustees' Participation Shares issued and outstanding as of September 19, 1929.

9. It is the unanimous recommendation of your Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees' Participation Shareholders immediately deposit their shares under this Reorganization Plan, and that they exercise their right to subscribe to the additional shares of stock of the BancoKentucky Company.

10. There is enclosed herewith a subscription form covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees, at their office, 421 West Market Street, together with your Certificate or Certificates for Trustees' Participation Shares, endorsed in blank and witnessed. There will be issued to you an Interim Receipt for the shares deposited which, when the Plan has become effective as above set forth, may be presented for exchange for the permanent certificates of the BancoKentucky Company, in accordance with the Plan of Reorganization.

NATIONAL BANK OF KENTUCKY

By James B. Brown
President

THE LOUISVILLE TRUST CO.

By Richard Bean
President

DIRECTORS

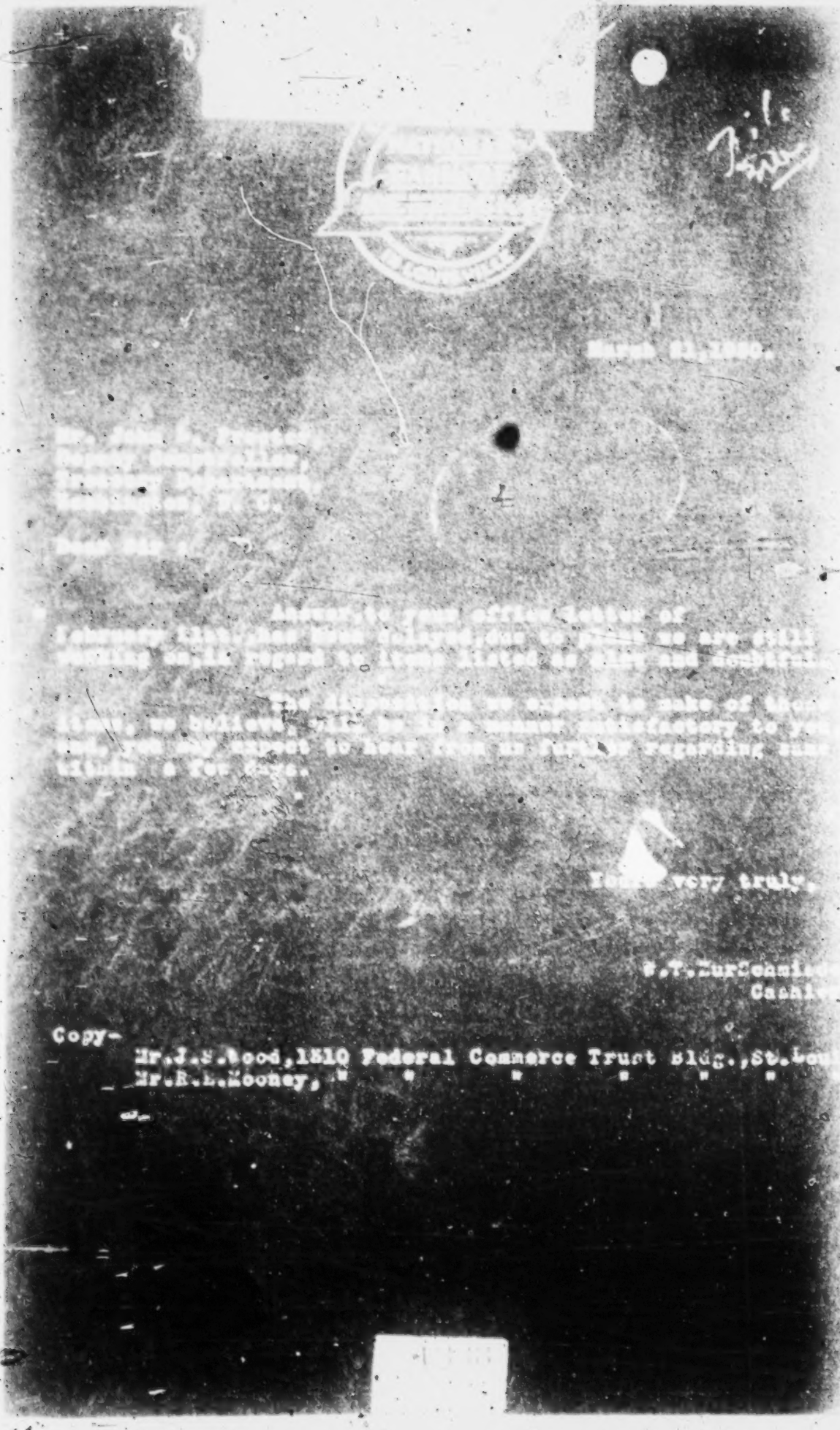
JOHN STETTER, Chairman

JOHN S. AKERS
HENRY J. ANGERMEIER
RICHARD BEAN
WILLIAM BLACK
DR. OSCAR E. BLOCH
CHARLES H. BOEHMER
GEORGE O. BOOKER
R. R. BOSWELL
JAMES B. BROWN
R. LEE CALLAHAN
ANTHONY J. CARROLL
GEORGE M. CLARK
SAMUEL W. COOKE
ALLEN P. DODD
NICHOLAS H. DOSKER
STUART E. DUNCAN
JOSEPH M. DURHAM
C. OSCAR ESTES
JAMES GARRETT
WALTER H. GESSLER
ANDERSON GRAY
JAMES J. HAYES
T. KENNEDY HELM
BAYLOR O. HICKMAN
C. C. HILLTO
SAUNDERS P. JONES
MILDRUM P. KELLEY
WALTER L. KOHN
BRAIDARD LACKEY
S. CLAY LYNCH
CHARLES C. MEREDITH
BEN J. METCALFE
J. WM. MILLER
THOMAS J. MINARY
DAVID C. MORTON
EDWARD J. O'BRIEN, JR.
HENRY D. OWSLEY
JOHN B. PRATER
[illegible] ROBERTSON
ARTHUR A. M. RUTLEDGE
WILLIAM SCOTT
WILLIAM S. SPEED
SAM H. STONE
E. LELAND TAYLOR
HUBERT A. TAYLOR
ROBERT F. VAUGHAN
HENRY VOGT
E. WEIN-TOCK

TRUSTEES

CHARLES H. BOEHMER
ALLEN P. DODD
STUART E. DUNCAN
BEN J. METCALFE
THOMAS J. MINARY
HENRY VOGT

OFFICE OF TRUSTEES
421 WEST MARKET STREET
THE LOUISVILLE TRUST COMPANY BUILDING
LOUISVILLE, KENTUCKY



Copy-
Mr.J.S.Wood,1510 Federal Commerce Trust Bldg.,St.Lou
Mr.R.L.Mooney, " " " " " "

ESTABLISHED 1834
NATIONAL BANK OF KENTUCKY
IN LOUISVILLE

GKW

August 23,1930.

Mr. E. H. Gough, Deputy Comptroller,
Treasury Department,
Washington, D. C.

Dear Sir:

Replying to your letter of August 9th., relative to examination of this bank under date of May 9th. wish to advise that the management has been working continuously on the criticized items and have made considerable progress.

We are now working on a report which will be read to the Board of Directors and forwarded to you on or before September 1st.

Relative to Van Camp Packing Company stock wish to advise this stock has been sold and the entire amount eliminated from the assets of the bank.

Yours very truly,

W. P. Burkhardt
Cashier.

October 24, 1930.

Hon. Comptroller of the Currency,
Washington, D. C.

Sir:

In reply to the letter of Chief National Bank Examiner, Robert Neill, addressed to this board on October 11, 1930, the undersigned directors of The National Bank of Kentucky make the following report:

#1. The item of $242,500 representing loss in the Van Camp Packing Company stock, which had been added to the carrying value of the BancoKentucky Company stock owned by the National Bank of Kentucky has been charged to the Undivided Profit Account, thereby creating a deficit in that account, which deficit we are confident will be covered by current earnings within the next sixty days.

#2. The $580,000 represented by debentures of the Murray Rubber Company and a participation of $20,000 in the note of Lewis C. Humphreys for $27,754.74 have been this day sold to the BancoKentucky Company, this bank having received in payment therefor check of the BancoKentucky Company for $600,000 against its adequate balance on the books of this bank. The remainder of $7,754.74 of the Humphreys' item has been charged to Undivided Profits.

#3. This board is assured by Messrs. James B. Brown, Charles F. Jones and W. T. Zur Schmiede, officers of the BancoKentucky Company, the two first named being members of this board and the last named its secretary, that active and bonafide efforts are being made by them as officers of the BancoKentucky Company to borrow $400,000, which is to be used by the BancoKentucky Company for the purpose of purchasing, under the terms set forth in letter of October 11, 1930, the remaining items described therein.

#4. The entire 100,000 shares of the BancoKentucky Company stock acquired by this bank in exchange for the Kentucky Wagon Company indebtedness is now being carried on the books of the bank at $1,627,650, the amount of the Kentucky Wagon

ESTABLISHED 1834
NATIONAL BANK OF KENTUCKY
IN LOUISVILLE

...Comptroller of the Currency.

...indebtedness as of the date of the transfer. We agree that this carrying value will not be increased unless and until the market value of the BancoKentucky Company stock shall exceed the present carrying value.

This Board of Directors in its entirety and through its recently created Executive Committee is undertaking to pass on all loans made by this bank, and to consider and pass on all lines of credit, commitments, contracts and majpr expense items incident to the operation of this bank. The heavy line of credit to Caldwell and Company and affiliated interests, which the examiner advises this board is in his opinion an excessive loan in violation of law, will not be increased- in fact our President has been directed to call for additional collateral on existing loans. $600,000 of this indebtedness which has come into the bank since the commencement of the current examination has not been approved by this board. Of this amount $500,000 was loaned after the creation by this board of the Executive Committee for the purpose, as one of its functions, of passing on loan applications. President Brown and Vice President Jones assume the entire responsibility for this loan from the bank's funds.

We believe and represent that active and bona fide efforts are being made to consummate a merger of this bank with the Louisville Trust Company and on the completion of such merger, it is anticipated that other slow and doubtful paper criticised by the examiner will be eliminated from the assets of this bank.

This letter is copied in full in the minutes of this meeting.

Respectfully,

...Caldwell

...Anderson Jones

Exhibit 35-1

July Thirtieth,
1 9 . 2 9

PLAINTIFF'S EXHIBIT No. 35-1
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

The Second National Bank,
Hagerstown,
Md.

Attem: Mr.J.J.Funk,President.

Gentlemen:-

Your letter of July 22nd,1929, addressed to the Trustees, National Bank of Kentucky - Louisville Trust Company has been handed to the writer for reply.

We note that Mrs. Letitia C.Rogers, who is the holder of one hundred (100) shares of the unified stock, is in Europe and in all likelihood will not return by September 19th, or in time to take advantage of the proposal as outlined in letter of July 19th.

While it is not compulsory that Mrs. Rogers exchange her stock, it is the unanimous opinion of the officers and directors of the two banks that it would be advantageous to do so, as it is their wish that the ownership of the new Company be identical, as near as possible, to the ownership of the Bank and Trust Company.

Regarding your request for statement and market value of the present stock (we have no record of having received such a request, and we are enclosing you herein statement of the Bank, the Trust Company and a consolidated statement) wish to advise that three hundred and thirty (330) shares of the stock were sold Saturday at 47 a share - bid 46½ and 47½ asked.

We would like to see Mrs. Rogers take advantage of the offering now being made, if possible, and to that end we suggest that subscription and exchange blank be mailed her for execution and return, she could then send her unified certifi-

(Cont'd)

Exhibit 35-2

July Thirtieth,
1 9 2 9

PLAINTIFF'S
EXHIBIT No. 35-2
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

The Second National Bank,
Hagerstown,
Md.

Page #2.

cates in whom she returns, however, if she should desire to sell her stock, we would be pleased to offer our services in connection therewith.

Respectfully yours,

Vice-President

JHA-B.

Exhibit 35—3

J. J. [illegible], PRESIDENT
J. O. SNYDER, VICE-PRESIDENT
HENRY R. MUNDS, CASHIER
JOSEPH A. MULLENDORE, ASS'T CASHIER

The Second National Bank
of Hagerstown, Md.

[illegible]

July 22, 1929

PLAINTIFF'S
EXHIBIT No. 35-3
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Trustees, National Bank of Kentucky,
& The Louisville Trust Company.
421 West Market Street
Louisville, Kentucky

Gentlemen:

Your subscription paper as well as the proposition of the consolidation of the three banks received. Mrs. Leticia Rogers is in Europe and will not likely return in time to deposit her stock or to sign the subscription list. She is traveling through Europe and it is impossible to get these papers over and returned in the time that you require, and we would like to know how we will be protected in the transaction according to our statement above.

Some months ago I wrote you twice to send a statement of the National Bank of Kentucky and the market value of the stock but we never had a reply to the request. We will now ask you to know the value and we will thank you for a prompt reply to the above questions, and oblige.

Very respectfully,

JF/VN

President

P.S. If possible I will get in touch with Mrs. Rogers and she may wish to sell her 40 shares of the National Bank of Kentucky if you give us a price. I am sure I will not be able to deposit her certificate by the 19th of September.

Mrs Letitia C Rogers
4-30-29 — Cf 490 — 100 shares

P-3

Exhibit 35-4

PLAINTIFF'S
EXHIBIT No. 35-4
OCT 18 1938
OFFICIAL REPORTER

August Third,
1 9 2 9

Mr. London A.Thomas,
Augusta,
Ga.

Dear Mr. Thomas:-

I am in receipt of your letter of July 30th and glad to note that you have sent in your unified stock National Bank of Kentucky - Louisville Trust Company for exchange for Banco Kentucky stock.

In writing we solicit your assistance to have Mrs. Emily T.Clay do likewise.

It is the desire and wish of the officers and directors of the Bank and Trust Company to have the ownership of the new stock, as nearly as possible, identical with that of the Bank and Trust Company, and that in view additional stock is being offered to the present stockholders for subscription. If you and the members of your family could, we would like to see them subscribe to additional stock to the extent of the same number of shares of Banco Kentucky that they will receive in exchange for their present unified stock.

If you or they should need any temporary assistance to finance the purchase of additional stock, we could arrange that for you.

Respectfully yours,

Vice-President

JBA-R.

Exhibit 35-5

CLARENCE E. WALKER
SHORTHAND REPORTER

EXHIBIT No. 35-5
OCT 18 1938
Official Reporter

August Tenth,
1 9 3 9

Mrs. Bertie Greenbaum,
890 West End Ave.,
New York, N.Y.

Dear Madam:-

We have yours of the 7th instant and in reply thereto, wish to state that the Bunco Kentucky Company will pay dividends - the rate, of course, being dependent on the earnings - which, we have every reason to believe, will be substantial.

It is the wish and desire that the ownership of the new Company be identical with that of the Bank and Trust Company, and the Officers and Directors are recommending that the holders of Trustees' Participation Certificates exchange their stock for stock of the new company, as outlined by letter of July 19th, and in addition to subscribe to additional stock to the extent of at least an equal number of shares that they will receive in exchange for their present unified stock, and are extending that privilege to the stockholders. You are the holder of one hundred shares of the $10.00 par value unified stock, in exchange for which you would receive two hundred shares of Bunco Kentucky stock. We are suggesting that you subscribe for an additional two hundred shares at $25.00 per share.

Respectfully yours,

Vice-President

JEA-P.

3-4(6-2)
5E

Exhibit 35–6

New York Aug 7/29.

Jas. B. Brown
or Henry Ormsby
Jr. Pres Bk of Ky.
Louisville Ky.

Gentlemen

I received your letter asking me to convert my present holding of stock into the stock of the Banco-Kentucky Corp. No mention of dividend on the new stock was made in the circular & I would like to know if possible if a dividend will be paid on the new stock. With kind regards, I remain

Yours Respectfully
Bertie Greenbaum
698 West End Ave apt 9a
New York N.Y.

Mrs Bertie Greenbaum
100 shares 10 par value

PLAINTIFF'S
EXHIBIT No. 35-6
OCT 18 1938
Chas. C. Carpenter
OFFICIAL REPORTER

Exhibit 35-7

August Fifteenth,
1 9 2 9

Mr.Rupert S.Holland,
Proute Neck,
Maine.

Dear Sir:-

We are in receipt of yours of August 12th with reference to exchanging your Trustees' Participation Shares for stock of the Banco Kentucky Company.

In reply, wish to state the matter can be arranged and suggest that you sign the deposit slip enclosed herein and mail to us, which we will enter, and you can then send in your stock certificate when convenient. There is attached also a subscription blank for additional shares of the Banco Kentucky Company, which we trust you will avail yourself of to the extent of the shares alloted to you, or as much more as you desire, under the plan of reorganization as outlined in letter of July 19th. You will receive in exchange for your Trustees' Participation Certificates two shares of Banco Kentucky Stock for each share of Trustees' Participation Stock. This will give you one hundred and sixty shares of the new stock and will entitle you to subscribe for one hundred and sixty shares additional. Should you desire to subscribe for more of the new stock than that, we will be glad to have your subscription subject to allotment.

It is the desire of the Directors and Officers that the stock of the new Company be owned by the present shareholders so they will receive the benefits to be derived from all three institutions rather than to have the ownership divided.

Trusting that we may hear from you shortly, we are,

Respectfully yours,

Vice-President

JHA-R.
ENCL.

108

PLAINTIFF'S EXHIBIT No. 35 OCT 18 Paul B. Chapman OFFICIAL REPORTER

Exhibit 35-8

EASTCLIFFE
PROUTS NECK
MAINE

August 12, 1929

Ernoteca
National Bank of Kentucky
Louisville Trust Company

Dear Sirs:-

I have received your letter of July 19th in regard to exchange of Ernoteca' Participation Shares for shares of the stock of the Banco-Kentucky Company. I desire to make the exchange as outlined in your letter, but my certificate for eighty (80) Ernoteca' shares is in my safe deposit.

178 179

Exhibit 35-8

but in Philadelphia, Pa. and neither Mrs. Holland nor I could have access to the list. What to be in Philadelphia before September 19th. Your letter says that the Trustees may in their discretion extend the time for deposit. so I phoned like to know whether, if I send you the certificate to reach you on or before October first, it will be considered by you as deposited in time to secure exchange into shares

1350

Exhibit 35-8

EASTCLIFFE
PROUTS NECK
MAINE

(2)

of the stock of the Bancs-Kentucky Company.

will you please let me know whether we may have this extension of time to October first to deposit the certificate.

My summer address is Prouts Neck, Maine.

Very truly yours

Rupert S. Holland

80 shares

7E

Exhibit 35–9

August Twentyfourth,
1 9 2 8

PLA
EXHIB.
35-9
OCT 18 1938
OFFICIAL REPORTER

Mr. Fred. P.Hill,
Columbia,
Ky.

Dear Sir:-

At the suggestion of Mr.James Garnett, I am writing to you with reference to the deposit of stock in this Bank owned by Mrs. Emma W.Paul, under plan as outlined in letter to stockholders under date of July 19th, copy of which is enclosed herein.

We request that you see Mrs.Paul and have her stock sent in to be exchanged and also with reference to her availing herself of the opportunity of subscribing for additional stock in the new Company.

As stated in the letter, the plan has the unanimous approval of the Officers and Directors of both the Bank and the Trust Company and it is hoped that she will send it her stock as early as possible.

Respectfully yours,

Vice-President

JSA-R.
Encl.

38 q

1250

Exhibit 35–10

PLAINTIFF'S
EXHIBIT No. 35-10
OCT 18 1938
Paul E. Longenecker
OFFICIAL REPORTER
OCT 18
Paul E. [illegible]
OFFICIAL REPORTER

August Twentyseventh,
1 9 2 9

Mr. Geo.A.Scott,
7 Pleasant Street,
Nantucket,
Mass.

Dear Sir:-

On July 19th there was mailed to you a letter regarding the plan of reorganization, setting out a new Company under the style of the Banco Kentucky Company, requesting the deposit, with the Trustees, the present outstanding Trustees' Participation Certificates of the National Bank of Kentucky - Louisville Trust Company. For fear, perhaps, you have not received copy sent you under date of July 19th, I am enclosing another copy herein.

The plan has been very well received by the stockholders and a substantial amount of the stock has already been deposited, and the present stockholders has subscribed for additional stock in substantial amounts. As the time limit is set for September 19th, we are desirous of having stockholders deposit their stock without delay, as it is the desire of the Officers and Directors of the National Bank of Kentucky and The Louisville Trust Company that a substantial majority of the stock of the new Company be owned by the present stockholders.

We would, therefore, appreciate your sending in your stock, properly endorsed, at your earliest convenience, and that you will avail yourself of the opportunity of exercising your right to purchase as many additional shares as you desire.

Accompanying your stock, you will please execute the enclosed deposit agreement and subscription blank for any additional shares you may desire. You can send your stock to this bank as arrangements have been made for the issuance of a negotiable receipt from this office in addition to the office of the Trustees, as indicated in the letter.

Respectfully yours,

Vice-President

JSA-R.
Encls.

PATRONS ARE REQUESTED TO FAVOR THE COMPANY BY CRITICISM AND SUGGESTION CONCERNING ITS SERVICE

Exhibit 35-11

WESTERN UNION

SIGNS
DL = Day Letter
NM = Night Message
NL = Night Letter
LCO = Deferred Cable
NLT = Cable Letter
WLT = Week-End Letter

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at 405-407-409 West Market St. (Near 4th Ave.). Louisville

RXJ2037 [illegible]

NATIONAL BANK OF KENTUCKY=

LOUISVILLE KY= 120

ANSWERING YOUR LINE SEVEN PLEASANT STREET NANTUCKET [illegible]=

RENO NATIONAL BANK.

PLAINTIFFS 35-16
EXHIBIT NO.
OCT 18 1938
Paul E. Corfondis
OFFICIAL REPORTER

10E

THE QUICKEST, SUREST AND SAFEST 1354 BY TELEGRAPH OR CABLE

Exhibit 35-12

CLARE[illegible] KER
S[illegible]

September Sixth,
1 9 2 9

PLAINTIFF'S
EXHIBIT No. 35-12
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Mrs. V.L.Holt,
c/o Mrs. W.M.Rose,
450 South Grand Avenue,
Pasadena,
California.

Dear Mrs. Holt:-

We have your letter of September 1st and note that you have misplaced the letter of July 19th sent you in regard to the reorganization plan National Bank of Kentucky - Louisville Trust Company and the Banco Kentucky Company, and I am sending you herein another copy of same.

According to our records, you are the present holder of four hundred and twenty (420) shares of Trustees' Participation Certificates of the National Bank of Kentucky - Louisville Trust Company which, under the plan of reorganization, you have the right to exchange for shares in the Banco Kentucky Company on the basis of two shares of Banco Kentucky for each share of National Bank of Kentucky - Louisville Trust Company, and in addition you are entitled to subscribe to as many additional shares of Banco Kentucky as you desire at the rate of $25.00 per share, to be paid for as called by the Company, which will probably be sometime around October 1,1929.

The plan has been unanimously approved by the Directors of both the Louisville Trust Company and the National Bank of Kentucky and is heartily recommended to the stockholders.

The suggestion we have to make is that you endorse your present certificates and forward them to

(Cont'd)

35-12

Exhibit 35-13

September Sixth,
1 9 2 9

PLAINTIFF'S
EXHIBIT No. 35-13
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mrs. V.L.Holt,
Pasadena,
Cal.

Page #2.

us at once for deposit and an interim negotiable receipt will be sent you by return mail. Should you desire to subscribe for additional shares and need some assistance, we can make you a loan on the stock at 6%, allowing you any reasonable time you may wish to pay for same.

We are also sending you herein a deposit and subscription blank for your use in depositing and subscribing to the shares. The right to subscribe will expire on September 19,1929.

Respectfully yours,

Vice-President

JSA-R.
Encl.

Exhibit 35-14

35-14

LA SOLANA
450 SOUTH GRAND AVENUE
PASADENA, CALIFORNIA

OCT 18 1933

Paul E. Wagstaff
OFFICIAL REPORTER

September 1, 1929

Gentlemen,

Ever since I recieved your announcement of "rights" in you consolidated Banks, I have intended asking information relative to what I can, and should do. But I have been sick and the letter is delayed. I shall be very grateful if you will let me know whether there is any way I can reserve my rights, or part of them, so I can take them up in a year or so. Unfortunately before your announcement, other companies and banks in which I had stock, announced rights which I took up even to the extent of borrowing rather heavily for me. The Guarantee Trust Company of New York, the Pacific Mutual Insurance Company of California, and the Union Oil Company of California. In about two years I expect to get these paid off. I seem to have misplaced

your announcement, but I think I remember it suggested there might be some correspondence about the matter. Thanking you very much to let me know as quickly as possible what you suggest that I do in these unusual circumstances, I am

Very sincerely,

U. 2. Hart. (Wanda Lee Hart)

Please address your letter care of Mrs. W. M. Rose.

420 shares.

Exhibit35-15

CLARENCE F. WALKER

September Twentyeighth,
1 9 2 9

OCT 18 1938
Paul E. Walker
OFFICIAL REPORTER
35-15

Mr. W.T.Pope,
820 S.Floyd St.,
Louisville,
Ky.

Dear Sir:-

I am in receipt of yours of September 28th regarding your subscription, 4 shares BancoKentucky Company stock.

In reply, wish to state that if you wish us to carry the stock for you until the first of the year, you will kindly sign the enclosed note for $80.00 and the 'Power of Attorney', signing the 'Power of Attorney' in your full given name, instead of just initials, sending along at the same time $80.00 as a part payment on the stock and we will carry the balance for you until the first of January.

Respectfully yours,

Vice-President

JEA_R.
Encl.

15-C

Exhibit 35–16

820 S Floyd St
Louisville Ky
Sept 26 1929.

PLAINTIFF'S EXHIBIT No. 35-A
OCT 18 1938
Chas. C. Carpenter
OFFICIAL REPORTER

Mr J. S. Akers
5th & Main St
City

Dear Sir

I have received notice that the Banco-Ky. Shares are due to be paid by Oct 1st.

As stated in my letter of Aug. 26th to you I will have to ask that I be given time to make my payments.

If consistent to do so you may send me a four months note for the amount of my four shares.

My work is so that it's not very convenient for me to come in during work hours and will have to ask that I be allowed to return the note by mail, if satisfactory, & otherwise I will have to arrange to come in to the Bank

Yours very truly

35-10

16-E

Exhibit 35—17

CLARENCE E. WA[illegible]ER
SHORTHAN[illegible]

PLAINTIFF'S
EXHIBIT No. 35—17
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

August Twentyeighth,
1 9 3 8

Mr. W.T.Pope,
820 S.Floyd St.,
Louisville,Ky.

Dear Sir:-

I have yours of August 26th regarding the four shares Bunce Kentucky Company stock that you had subscribed for, and in reply, wish to state that if you desire until the first of the year to pay for the stock, we can arrange that for you when the time comes.

Respectfully yours,

Vice-President

JBA-R.

17 E

Exhibit 35–18

820 S. Floyd St
Louisville, Ky
Aug 26, 1929

Mr J S Akers
5th Main St
City

PLAINTIFF'S EXHIBIT No. 35-18
OCT 18 1938
Paul C. Confondon
OFFICIAL REPORTER

Dear Sir:-

On account of some unexpected repairs that I will be compelled to have done on my property and illness in my family I fear that I will be hard pressed to pay for the Banco Ky shares I subscribed for If they should call for payment in September.

I subscribed for them in good faith and would like to own them. If the call for payment is made in September do you think I could sell them, or would they allow me until first of year to pay.

Any suggestion you may have to offer will be appreciated.

Yours Very Truly
W T Pope

18.E

Exhibit 35–19

CLARENCE E. WALKER
SHORTHAND REPORTER

July Twentythird,
1 9 2 9

PLAINTIFF'S
EXHIBIT No. 35 - 19
OCT 18 1938
Official Reporter
OFFICIAL REPORTER

Mr. W.T.Pope,
880 South Floyd Street,
Louisville,Ky.

Dear Sir:-

I have yours of July 20th with reference to subscription stock of The Banco Kentucky Company, and in reply, wish to state that the subscription price is $25.00 per share, the amount to be paid when called for by the Trustees which will probably be September 19th.

I am enclosing you herein subscription blank which you may fill out and sign for the number of shares you desire, and then send it to me.

Respectfully yours,

Vice-President

JMA-B.
Encl.

Exhibit 35–20

820 Sou. Floyd St
Louisville Ky
July 20, 1929

Mr. J S Akers, Vice Pres.
Natl Bank of Ky
City.

Dear Sir.

If it should be decided to sell the shares of the Banco-Kentucky to others than the trustees I would like to purchase ten (10) shares, if $10.00 per share is the price, or four (4) shares if $25.00 per share.

Please advise at your earliest convenience, also state if I would have to pay in full at time of purchase.

Yours Very Truly
W T Pope

(P.S.) 20 E

CLARENCE E. WI...
S...
PLAINTIFF'S EXHIBIT No. 35-2
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Exhibit 35-21

September Sixth,
1 9 2 9

PLAINTIFF'S
EXHIBIT
35-21
OCT 18 1938
OFFICIAL REPORTER

Mr. Wm.C.Chamberlain,
1501 Beacon Street,
Brookline,
Mass.

Dear Mr.Chamberlain:-

I have yours of September 4th and in answer to questions asked, wish to state as follows:-

Stock not exchanged will receive such dividends as are declared by the Bank and Trust Company to the Trustees' and will be paid out by them to such stockholders who do not exchange their stock, and in all likelihood will be the same as heretofore. Under the plan your 670 shares will entitle you to two shares of new stock for each share of old, namely, 1340 shares of the par value of $10.00 each, and which automatically gives your old stock value of $50.00 a share, as no stock of the new Company is being sold at less than $25.00 per share.

With reference to the dividend the new stock will probably pay, it would be safe to say, that you will receive the same aggregate return on the new stock that you are now receiving on your present stock. At a reasonable time, it is expected that you will probably receive more, as the new Company will be operated with very little expense as the management and clerical work will be done by the same Officers and employees as the Bank.

Such shares of the old stock as have been offered for sale have found a ready market.

Respectfully yours,

Exhibit 35-22

1501 BEACON STREET
BROOKLINE, MASS.

September 4-1929.

Mr.J.S.Akers,Vice-President,
National Bank of Kentucky,
Louisville,Ky.

Dear Sir:-

I suppose you received my letter written a short time ago saying I was to be away for about a week etc.

We returned Monday night and since then I have been reading the circular again sent out, regarding the Plan of Reorganization and wish to ask the following questions.

I have 670 shares of old stock, par value $10.00 per share.

1--- If old stock is not exchanged for new will stockholder receive same dividend as before reorganization?

2--- If he does exchange how many shares of new stock will he receive ? (take my 670 shares for example)

3--- What dividend will the new stock probably pay?

I note in the financial columns of the Louisville-Courier Journal that quite a number of the old shares are being sold.

A prompt reply will be appreciated.

Yours very truly,

Wm. L Chamberlain.

I enclose self addressed envelope for reply.

PLAINTIFF'S 35-22
EXHIBIT No. .....
OCT 18 1939
Paul C. Copeland
OFFICIAL REPORTER

Exhibit 35-23

1501 BEACON STREET
BROOKLINE, MASS.

August 25-1929.

Mr.J.S.Akers,Vice-President
Natl.Bank of Kentucky.
Louisville,Ky.

Dear Sir:-

PL... EXH... 35-23
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Your letter of 19th inst.received several days ago and contents noted. We are leaving to morrow morning for a trip up to the White Mountains,N.H. and expect to be absent about a week Upon our return I expect to forward my old certificate in exchange for the new stock on or about Sept.4 th.

I am not going to subscribe to any additional shares.

Yours Very Truly,

Wm. C. Chamberlain.

1367

Exhibit 35—24

August Fifteenth,
1 9 2 9

PLAINTIFFS EXHIBIT No. 35-24
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Mr. Wm.C.Chamberlain,
1501 Beacon Street,
Brookline,
Mass.

Dear Mr.Chamberlain:-

Under date of July 19th you were mailed a circular letter with reference to the reorganization plan incorporating therein the organization of the Banco Kentucky Company and requesting the deposit of your Trustees' Participation Certificates in exchange for stock of the Banco Kentucky Company and a subscription blank for your use for the subscription to additional shares.

At this writing we have not heard from you regarding same.

As stated in the letter of July 19th the plan has the unanimous approval of the Officers and Directors of the National Bank of Kentucky and the Louisville Trust Company, and it is the desire, as expressed therein, that the ownership of the new stock be, as nearly as possible, identical to that of the Bank and Trust Company.

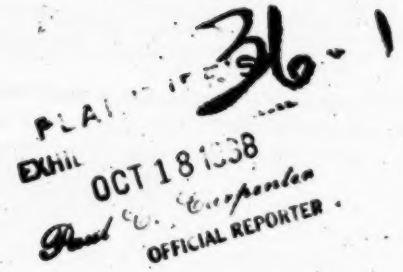
We would appreciate hearing from you at an early date.

Respectfully yours,

Vice-President

JBA-R.

Exhibit 36-1



July 22, 1929.

Mr. Geo. C. Wilson,
P. O. Box 177
Louisville, Ky.

Dear Mr. Wilson:-

We have yours of the 20th regarding the Bancokentucky stock, - you have doubtless received a copy of the letter to stock hollers.

If you want to exchange the $4,000.00 Louisville Title Co. bonds into the stock, it can be arranged, - the writer can buy them for some words.

As you will see from the letter, you do not have to pay for the new stock right away.

As a suggestion, you can save a little by buying National Bank of Kentucky stock at present prices (around 46) and obtain in exchange 2 shares of the new company, which would cost $50.00.

Will be glad to attend to it for you either way you prefer, - should you buy the stock to convert, suggest that it be done pretty soon as it will likely advance to the price of the new stock.

Yours very truly,

Vice President.

FBR:SHA

36-1

10

Exhibit 36-2

HAWESVILLE DEPOSIT BANK

HAWESVILLE, KY.

PLAINTIFF'S
EXHIBIT No. 36-2
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Exhibit 36-3

CLARENCE E. [illegible]
SHORTHAND REPORTER

PLAINTIFF'S
EXHIBIT No. 36-3
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

July 25, 1929.

Mr. E. L. Byron,
c/o Farmers Bank,
Owingsville, Ky.

Dear Mr. Byron:-

This will acknowledge yours of the 24th and a copy of letter to stockholders under date of the 19th inst. is enclosed for your perusal.

Under the plan, the new Company will have 2,000,000 shares par value $10.00.

After converting present stock of the National Bank of Kentucky-Louisville Trust Co. into BancoKentucky one share for two, the remainder is to be sold at not less than $25.00 per share.

Dividends have been paid at the rate of 10% per annum, 40¢ per share quarterly, on the present $10.00 par value.

You will see from the letter that the directors [redacted] unanimously and signed individually, endorsing and recommending [redacted] plan.

The writer has already lodged his stock for exchange and expects to buy some of the new stock.

Yours very truly,

Vice President.

KHR:HBA

Exhibit 36-4

FARMERS BANK

SAFETY AND SERVICE

OWINGSVILLE, KY.

MR BYRON, CASHIER

July 24th, 1929

PLAINTIFF'S EXHIBIT 36-4
OCT 18 1938
Official Reporter

Mr. E. B. Robertson, Vice Pres.,
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Robertson:

Let me know something about the Nat. Bank of Kentucky stock at the 45 or 46. Would like to have 20 to 25 shares if it is what I believe it to be. What is the dividend per share at the present time?

Let me hear from you and your advice about the matter. I thank you.

Yours very truly,

E. L. Byron

Exhibit 36-5

Aug. 9, 1929.

PLAINTIFF'S
EXHIBIT No. 36-5
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. J. F. McDaniel, Jr., Cashier,
Farmers National Bank,
Danville, Ky.

Dear Mr. McDaniel:-

In keeping with your request over the telephone, we enclose copy of letter to holders of trustees participation shares National Bank of Kentucky-Louisville Trust Co. and a copy of the certificate of incorporation and by-laws of the BancoKentucky Co., which are self-explanatory.

As stated over the phone, it is not an investment trust, nor is it organized for speculative purposes, but to meet the trend of the times and be in position to handle safe and profitable matters which a National Bank cannot do.

You will see from the letter that it received the unqualified and unanimous endorsement of the directors and officers of the National Bank of Kentucky-Louisville Trust Co. and it is the purpose that the present holders control and the same board of directors manage.

Had this company been in operation since last January, a great deal of money could have been made and legitimate demands could have been met and a great deal of money which has gone to New York and elsewhere could have been kept in the state.

The field is broad and the opportunities almost unlimited and it should prove a big thing for the State of Kentucky.

Should you be consulted by any share holders, believe you should have no hesitation in recommending that they deposit the stock and subscribe for as much stock as they feel disposed.

With all good wishes,

Yours very truly,

FBR:SBA

Vice President.

Exhibit 36-6

CLARENCE F. WALKER
SHORTHAND REPORTER

PLAINTIFF'S
EXHIBIT No. 36-6
OCT 18 1938
Reed & Carpenter
OFFICIAL REPORTERS

Aug. 13, 1929.

Mrs. B. K. Alcorn,
Greensburg, Ky.

Dear Madam:-

You have doubtless received a letter sent stockholders regarding the new BancoKentucky, - capital $20,000,000.00, surplus $30,000,000.00.

Another copy is enclosed with subscription blank.

Two shares of the new stock are to be given in exchange for one of present stock and stockholders are asked to subscribe for as much of the new stock at $25.00 per share as they feel disposed, which is to be paid for around Sept. 19.

You will see from the letter that the directors and officers were unanimous in endorsing and recommending the plan and are very optimistic about the future, believing the field broad and possibilities almost unlimited, which warrants splendid profits.

It is a big undertaking and we are anxious for the stock holders to send their stock in for exchange, for which a receipt will be sent, also to subscribe for as much new stock as they feel it is possible to do.

Yours very truly,

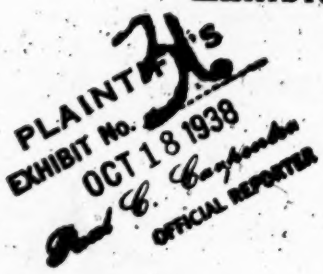
Vice President.

EER:SBA

6 D
34 (39)

36-6

Exhibit 36-7



CLARENCE E. WALKER
SHORTHAND REPORTER.

Aug. 15, 1929.

Mr. E. W. Abrams,
Woodbury, Conn.

Dear Mr. Abrams:-

You have doubtless received letter to stockholders regarding the RussellKentucky Company, - at any rate, another copy and certificate of incorporation and by-laws and a subscription blank are enclosed.

It is not an investment trust or for speculative purposes, but to affiliate and cooperate with the National Bank of Kentucky and Louisville Trust Co.

Most of the large banks in New York, Chicago, and elsewhere have similar companies which are of mutual benefit and show large profits.

As you will see from enclosed letter, the directors and officers were unanimous in approving and recommending and are very optimistic about the outlook as the field is broad and possibilities almost unlimited.

Had this company been in operation when the Kentucky Heating, Louisville Gas, etc. were re-financed, it would no doubt have been handled here instead of large fees going to Chicago.

Had it been in operation since last January, it could have "coined money" and prevented a great volume of funds going from this state to New York and elsewhere in order to obtain the high rates as the legal rate for banks in this state is 6%.

The directors and officers are anxious to expedite the deposit of stock (receiving two of new for one of old) as well as get subscriptions for the new stock to be settled for around Sept. 19.

The dividend on present stock has been declared payable Oct. 1 to stock holders of record Sept. 15.

We would appreciate sending in your stock for exchange, as well as using the enclosed blank for as liberal a subscription to the new as you feel inclined.

With all good wishes,

Yours very truly,

Vice President.

EWR:SRA

Miss you very much, - thinking something of driving to Montreal to meet our daughter who lands there Sept. 7 and may go from there through some of the New England States, in which event would drop by to shake hands provided ~~[illegible]~~ isn't too far out of the way.

Exhibit 36-8

E. W. ABRAMS
OLD PLACE
WOODBURY, CONNECTICUT

August 20"1929

PLAINTIFF'S
EXHIBIT No. 36-8
OCT 18 1938
OFFICIAL REPORTER

Mr E.B.Robertson

c/o Nat'l Bank of Kentucky

Louisville Kentucky

Dear Mr Robertson:-

Your favor of the 13"inst received and I was glad to hear from you.I have dropped out,so completely,from life in Louisville that whan I get other than a business letter,from friends there,that it brings back"longings"for the old association.I have written for enlightment on certain phases of the proposed move,regarding the new bank.As soon as I hear I will decide and have no doubt but that my holdings will be accounted for before the limit expires.

Should you drive through to Montreal,I hope you will look in upon us.It is a little too far to make in one day,without hard driving(Montreal to Woodbury)but you would like the country and the roads are fine.There are good Inns everywhere and Mrs Abrams,will be more than glad to have you for a night,or meal,or as long as you will stay.Please assure Mrs Robertson of this and tell her to over-look the informal way,we have put it before you.You can,reach us by wire or telephone We expect to be home after Sep'r 1"as far as I know.

Yours truly

E W Abrams

Exhibit 36-9

Aug. 13, 1929.

Mrs. Margaret C. Broadus,
Decatur, Ala.

My dear Mrs. Broadus:-

You have doubtless received a letter sent stockholders regarding the new BancoKentucky, capital to be $20,000,000.00, surplus $30,000,000.00.

Another copy is enclosed with subscription blank.

Two shares of the new stock are to be given in exchange for one of present stock and stockholders are asked to subscribe for as much of the new stock at $25.00 per share as they feel disposed, which is to be paid for around Sept. 19.

You will see from the letter that the directors and officers were unanimous in endorsing and recommending the plan and are very optimistic about the future, believing the field broad and possibilities almost unlimited, which warrants splendid profits.

It is a big undertaking and we are anxious for the stock holders to send their stock in for exchange, for which a receipt will be sent, also to subscribe for as much new stock as they feel it is possible to do.

Yours very truly,

Vice President.

EBR:BA

Exhibit 36-10

CLARENCE E. WALKER
REPORTER

August 28, 1929

PLAINTIFF'S
EXHIBIT No. 36-10
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mrs. Margaret C. Broadus,
Decatur,
Ala.

My dear Mrs. Broadus:

You have doubtless received a letter sent holders of participation certificates National Bank of Kentucky and Louisville Trust Company relative to lodging their stock to be exchanged for BancoKentucky stock on the basis of two shares of the new stock for one of the old.

Another copy is enclosed - we are anxious to get in the old stock, as well as sell the new stock at $25.00 per share to be paid for September 19th.

The Directors (list in letter enclosed) and Officers were unanimous in endorsing and recommending the plan. There is no cost in the way of fees, commission or organization expense - everyone pays the same price for the new stock and the same Directors will manage the new Company.

It is to cooperate with and supplement the National Bank of Kentucky and Louisville Trust Company - the Directors and Officers feel that it should prove very profitable as the field is broad and the possibilities almost unlimited.

We would appreciate hearing from you with any suggestions or if you would like additional information it will be furnished promptly.

Yours very truly,

EBR:VM
Encl.

Vice President

Assume you have heard of the death of Mr. Andrew Broaddus - he passed away Thursday Night, the 22nd.

11 D

34(d)

36-10

Exhibit 36-11

[illegible] E. WALKER
SHORTHAND REPORTER

PLAINTIFF'S
EXHIBIT No. 36-11
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Sept. 7, 1929.

Mr. T. H. Broadus,
Decatur, Ala.

My dear Mr. Broadus:-

This will acknowledge yours of the 6th and a letter to holders of trustees participation shares, subscription blank, and articles of incorporation are enclosed, which are self-explanatory.

As you state, the Banco-Kentucky Co. will have broad powers but the present stockholders and directors will control, - it received the unanimous endorsement and recommendation of the directors and officers.

The trend of the times, such as chain department, drug, and grocery stores and other things makes it increasingly hard for a strictly commercial bank, especially in Kentucky where the interest rate is limited to 6% and the vast majority of banks pay 4% for time money (we pay 3%) that the large banks throughout the nation have and are organizing affiliated institutions which can finance, underwrite, etc. to greater advantage and larger profits.

As the letter to stockholders states, the exchange is optional but the directors and officers feel that it would be advantageous to make the exchange and also subscribe for stock in the new company (capital $20,000,000.00, surplus $30,000,000.00).

The earnings of the National Bank of Kentucky-Louisville Trust Co. are paid to trustees, - the same will apply to the earnings of the new company, - stock that is exchanged will participate in the earnings of the new company as well as the present banks.

The new company will cooperate with and supplement the present banks, - had it been in operation no longer than last January, we could have taken on a large amount of splendid business and any money not needed locally could have been loaned safely in the east at excellent rates.

Answering your question, - if the stock is not exchanged, they will continue to hold the present participation certificates and receive such dividends as the earnings warrant and the directors declare.

If there is any specific point or points that are not covered that you would like to know about, do not hesitate to let us know.

With all good wishes,

Yours very truly,

128

EBR:SBA

1379 Vice President.

36-11

Exhibit 36-12

M. M. McCALL, President — C. W. STEWART, Cashier

The National Bank of Opelika

CAPITAL & SURPLUS $ 155 000 00

Opelika, Ala.

September 6, 1929

PLAINTIFF'S EX. 36-1 OCT 18 1938 Paul C. Carlisle REPORTER

Mr. E. B. Robertson, Vice President,
The National Bank of Kentucky,
Louisville, Kentucky.

My dear Mr. Robertson:

I am writing you in behalf of my mother, Mrs. M. C. Broadus of Decatur, Ala., who is the owner of one hundred shares of stock of the National Bank of Kentucky.

We have given a great deal of thought to the advisability of exchanging the present stock for stock in the proposed Natcoky Company. If I understand it the new Company is going to have very broad powers and will probably make a great deal of money in which event the exchange would be a very desirable one. Will you kindly write me what will be the status of such shareholders who elect to retain their shares in the Bank and refuse to exchange their stock. I am at present inclined to think it advisable to wait awhile.

With kindest regards, I am

Yours very truly,

T. H. Broadus,
Decatur, Ala.

(R)

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36-12

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Exhibit 36--13

36-13
OCT 18 1938
OFFICIAL REPORTER

Aug. 16, 1929.

Mrs. Evelyn M. Craig,
Vevay, Ind.

Dear Madam:-

You doubtless received a letter sent holders of trustee participation shares National Bank of Kentucky and Louisville Trust Co. regarding the new BancoKentucky Company with capital of $20,000,000.00, surplus $30,000,000.00.

The present holders of certificates are privileged to buy shares of the new stock for one of present holdings.

If agreeable, we would be glad for you to send your stock to us to be exchanged for new stock, as well as subscribe for as many additional shares at $25.00 per share to be paid for around Sept. 19 as you feel disposed.

The directors and officers are unanimous in endorsing and recommending the new company and are confident of its success. The field is broad and the opportunities almost unlimited.

Had the company been in operation last January, the opportunities would have enabled it to make large profits.

A dividend on the stock you now hold has been declared payable Oct. 1 to stock holders of record Sept. 16.

We would appreciate your prompt attention and any suggestions or inquiries will be given immediate attention.

Yours very truly,

Vice President.

FBR:SBA

Exhibit 36-14

Aug. 16, 1929.

Mr. Isaac R. Woodland,
Scottsburg, Ind.

Dear Mr. Woodland:-

If we are able, we would be glad for you to send in for exchange your present trustees certificates for National Bank of Kentucky - Louisville trust Co. stock, and to as-subscribe for as much of the new stock to be paid for about Sept. 19 at $25.00 per share, as you feel disposed.

The directors and officers were unanimous in endorsing and recommending the plan, feeling that the field is broad and the possibilities almost unlimited.

Had the company been in operation last January, the opportunities would have enabled it to make large profits.

A dividend on the stock you now hold has been declared payable Oct. 1 to stock holders of record Sept. 16.

We would appreciate your prompt attention and any sugrestions or inquiries will be given immediate attention.

Yours very truly,

Vice President.

EBR:SBA

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36-14

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Exhibit 36-15

PLAINTIFF'S
EXHIBIT No. 36-15
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Aug. 16, 1929.

Mr. Daniel M. Hoagland,
Franklin, Ind.

Dear Mr. Hoagland:-

If agreeable, we would be glad for you to send in for exchange your present trustees certificates for National Bank of Kentucky - Louisville Trust Co. stock, as well as subscribe for as much of the new stock to be paid for about Sept. 19 at $25.00 per share, as you feel disposed.

The directors and officers were unanimous in endorsing and recommending the plan, feeling that the field is broad and the possibilities almost unlimited.

Had the company been in operation last January, the opportunities would have enabled it to make large profits.

A dividend on the stock you now hold has been declared payable Oct. 1 to stock holders of record Sept. 16.

We would appreciate your prompt attention and any suggestions or inquiries will be given i mediate attention.

Yours very truly,

Vice President.

EBR:SBA

Exhibit 36-16

Aug. 22, 1929.

PLAINTIFF'S EXHIBIT No. 36-16
OCT 18 1938
Official Reporter

Mr. L. W. Coakley, Cashier,
Greensburg Deposit Bank,
Greensburg, Ky.

Dear Mr. Coakley:-

Some days ago we wrote Mrs. L. K. Bloorn requesting that she deposit her National Bank of Kentucky - Louisville Trust Co. stock to be exchanged for stock in the Bancokentucky Company.

The capital is to be $20,000,000.00, surplus $30,000,000.00, stockholders to receive two shares of the new company for one of the old stock.

You will see from the enclosed letters that the plan received the unanimous endorsement and recommendation of the directors (list enclosed) and officers.

It is to supplement and cooperate with the National Bank of Kentucky - Louisville Trust Co. and the officers and directors believe it to be perfectly safe and should show a large earning power as the field is broad and the possibilities almost unlimited.

Had the company been in operation last January and since, it could have cared for a great deal of splendid business offered us and any excess funds not needed locally could have been safely invested in New York and elsewhere at high rates of interest.

We trust you will look over the enclosed literature and if agreeable, explain to Mrs. Bloorn, Mrs. Owena Hobson, as well as any other stockholders that you may know of in your vicinity.

The first time you are in Louisville, we would be glad to go over the matter with you.

Thanking you for any assistance you may be able to render in the matter and with all good wishes,-

Yours very truly,

Vice President.

FBP:osA

Exhibit 36-17

PLAINTIFF'S EXHIBIT 36's 17
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

August 27, 1929

Mr. Glenn H. Mobley, Cashier,
Peoples Bank,
Olive Hill, Ky.

Dear Mr. Mobley:

In response to yours of the 26th. we enclose copy of letter sent to the holders of Participation Certificates National Bank of Kentucky and Louisville Trust Company.

The BancoKentucky is in process of formation, capital $20,000,000, surplus $30,000,000. It is incorporated under the laws of Delaware and will have power to accomplish things which a national bank cannot do and which should show large earning power. It is not, however, an investment trust or organized for speculative purposes but, as you are aware, conditions have changed greatly in the last few years - chain drug stores, chain grocery stores, chain department stores, etc.

The Directors of the combined National Bank of Kentucky, Louisville National Bank and Trust Company and Louisville Trust Company, were unanimous in endorsing and recommending the new Company, which is to cooperate with and supplement the combined Banks. Had it been in operation last January we could have taken care of business and secured a large amount of new business and any excess or additional funds could have been loaned on high class collateral at splendid rates. As you will see from the letter, present holders of Participation Certificates will receive two shares BancoKentucky Stock for one of the old stock.

Subscriptions are being taken for new stock at $25.00 per share - there is no commission fees or organiso expenses in connection with the new Company, consequently it will be able to operate very economically.

If we have not made the matter clear or if there is additional information desired, please let us know.

Yours truly,

EBR:VH
Encl.

Vice President

Exhibit 36-18

PEOPLES BANK

M. S. QUALL, PRESIDENT
J. M. ROSE, VICE PRESIDENT
E. A. EVANS, CASHIER
GLENN H. MOBLEY, ASST CASHIER

CAPITAL $50,000
SURPLUS $18,000

OLIVE HILL, KY.

CLARENCE F. WALKER
SHORTHAND

PLAINTIFF'S
EXHIBIT No. 36-18
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

August 26th, 1929.

National Bank of Kentucky,

Louisville, Ky.

Dear Sirs:

I understand that "National Bank of Kentucky" Trustees' certificates are transferable for "Banco-Kentucky" stock. If this is correct, would you give me the details of transfer and on what basis and ,etc.

Yours very truly,

GHM.S

Cashier.

Exhibit 36-19

CLARENCE E. WALKER
SHORTHAND REPORTER

August 28, 1929 EXHIBIT 36-19

OCT 18 1938
Paul G. Carpenter
OFFICIAL REPORTER

Mr. J. A. Cheek,
Danville,
Ky.

Dear Mr. Cheek:

You have doubtless received a letter sent holders of participation certificates National Bank of Kentucky and Louisville Trust Company relative to lodging their stock to be exchanged for BancoKentucky stock on the basis of two shares of the new stock for one of the old.

Another copy is enclosed - we are anxious to get in the old stock, as well as sell the new stock at $25.00 per share to be paid for September 19th.

The Directors (list in letter enclosed) and Officers were unanimous in endorsing and recommending the plan. There is no cost in the way of fees, commission or organization expense - everyone pays the same price for the new stock and the same Directors will manage the new Company.

It is to cooperate with and supplement the National Bank of Kentucky and Louisville Trust Company - the Directors and Officers feel that it should prove very profitable as the field is broad and the possibilities almost unlimited.

We would appreciate hearing from you with any suggestions or if you would like additional information it will be furnished promptly.

Yours very truly,

Vice President

RHR:VH
Encl

Exhibit 36-20

E. E. WALKER
OFFICIAL REPORTER

PLAINTIFF'S
EXHIBIT No. 36-20
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Miss Julia C. Tandy,
Vevay, Indiana.

August 31, 1929

My dear Miss Tandy:

Answering yours of the 29th.

The BancoKentucky Company is not a holding company but a financial corporation with power to lend money, purchase bonds or other companies, etc. as outlined in the Articles of Incorporation, copy enclosed.

The control will be with the present holders of trustees participation certificates National Bank of Kentucky - Louisville Trust Company and will have the same directors and management as the present banks.

The majority of its assets will be in Kentucky, consequently it will not be taxable to the residents of Kentucky - not subject to normal income tax. As to dividends, the rate (naturally) has not been fixed - it will, of course, depend upon the earnings, which the directors and management expect to be larger as the BancoKentucky Company will have a broader field and much greater opportunities than has a national bank - such as fees for financing, underwriting, etc.

The present stock pays 10% on par value of the shares - the new Company (giving two shares for one) at the same rate would be 5% on par new stock.

Should the present holders of trustees participation certificates not convert, they would receive such dividends as earnings of the present banks would justify but would not share in the earnings of the new Company; consequently, the management believes that it would be very much to the interest of holders to exchange the certificates.

We appreciate your telling us that Miss Elizabeth C. Tandy has not had notice of the proposed reorganization. Our records give her address as Vevay, Indiana. We would thank you to give us her Washington, D. C. address, using the enclosed envelope.

If there is anything we have not made clear or you would like additional information we would be pleased indeed to endeavor to furnish it.

Yours very truly,

Vice President.

Enc.(VH
Encl.

PLAINTIFF'S EXHIBIT No. 36-21
OCT 18 1938
Official Reporter

MISS JULIA C. TANDY
VEVAY, INDIANA

August 29, 1929.

E. B. Robertson, Vice Pres.
National Bank of Ky.
Louisville, Ky.

Dear Sir:- your letters of Aug. 28th have been received by Mrs. Jeanette D. Tandy and myself. We would like to ask several questions in regard to The Banco-Kentucky Co.

Just what type of organization do you term the Banco-Kentucky Co.? Is it a holding company? Is the stock taxable on personal income tax or state taxes, or are taxes paid at source as is the case with national Banks and Trust companies?

What dividends do you plan to pay on the new stock?

What becomes of the stock holders who choose to retain their stock in the National Bank of Ky. and The Louisville Trust Co.? Will they have to come in if a substantial majority sign up for the new STOCK?

I would like to hear from you by return mail in regard to this so we will know what to do.

Yours very truly,
Julia C. Tandy

P.S. Miss Elizabeth C. Tandy, Wash. D.C. has never had any word of this proposed reorganization.
J.C.T.

Elizabeth C. Tandy 220 Vevay, Ind

Exhibit 36-22

E. B. BAIRD PRESIDENT | F. W. FINLEY VICE-PRESIDENT | E. B. BAIRD SECRETARY | FRANK L. SMITH TREASURER

JELLICO HARDWARE COMPANY

INCORPORATED

WHOLESALE

HARDWARE, STOVES, TINWARE,
MINE AND MILL SUPPLIES.

JELLICO, TENN.,

Sept. 3, 1929.

PLAINTIFF'S EXHIBIT No. 36-22
OCT 18 1938
Reed C. Carpenter
OFFICIAL REPORTER

Mr. E. B. Robertson, Vice Pres.,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

Mr. Harry Bridges, of your city, was telling me about the Banco Kentucky Corporation being organized and he stated he thought there was some stock available and that he felt sure same would be a fine investment. Since I saw Mr. Bridges, I have understood that by buying National Bank of Kentucky stock, that same may be exchanged for Banco Kentucky Corporation on or before September 19th, at two shares Banco Kentucky for one share National Bank of Kentucky. I am interested in acquiring a small amount of Banco Kentucky and will appreciate it if you will advise me whether or not I have been correctly informed with reference to exchange of stock; also your opinion regarding Banco Kentucky.

I don't know whether or not you remember me, but this may serve to help you: R. L. Moore, of Jellico, and myself came to Louisville about two years ago to see you with reference to the Weatherly-McKinney Company, but, as you know, we could not get together.

Thanking you in advance for any information you may give me, I am

Yours very truly,

Frank L. Smith

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Exhibit 36-23

BRUCE R. WALKER
REPORTER

PLAINTIFF'S
EXHIBIT No. 36-23
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Sept. 4, 1929.

Mr. Frank L. Smith,-
c/o Jellico Hardware Co.,
Jellico, Tenn.

Dear Mr. Smith:-

We were pleased to receive yours of the 3rd asking about BancoKentucky stock which Mr. Harry Bridges was kind enough to mention to you.

A letter sent holders of trustees participation certificates National Bank of Kentucky-Louisville Trust Co. and subscription blank are enclosed.

It is being organized to cooperate with and supplement the National Bank of Kentucky-Louisville Trust Co. The proposed capital is $20,000,000.00, surplus $30,000,000.00.

As a business man, you are aware of the changing conditions and trend of the times in this country, among other things, chain department stores, drug stores, grocery stores, etc.

It is incorporated under the laws of Delaware and can do things which are profitable which a National Bank cannot do, such as underwriting, buying, selling, etc.

The directors (list enclosed) and officers were unanimous in endorsing and recommending the plan and are confident that it should be a splendid money maker.

The stock is $25.00 per share, not less to anyone and there is no expense for commission, fees, underwriting or organization, - in other words, everyone is on the same footing.

It is true that holders of National Bank of Kentucky-Louisville Trust Co. will receive two shares for one around Sept. 19. A little money could be made that way but it would be simply an exchange of stockholders and would not furnish new money to the company.

The officers feel that the present price of Bank of Kentucky-Louisville Trust Co. is about right as many people purchased Bank of Kentucky when the stock was split ten for one around 30 or 40 for speculative purposes and would most likely sell the stock should it reach 50, which would not help the present holders or the new company either.

We are willing to lend on BancoKentucky stock, so if you care to subscribe this might be an inducement to subscribe for more than you would otherwise do. Would be pleased to receive your subscription, as well as that of any of your friends(subject to allotment if oversubscribed by stockholders) and be of any service in this or other matters you may wish.

Yours very truly,

FER:SBA 240.

Vice President.

Remember you quite well, - sorry you and Mr. Moore didn't buy Weatherly McKinney Co. 36-23 5

Exhibit 36-24

Sept. 9, 1929.

PLAINTIFF'S
EXHIBIT No. 36-24
OCT 18 1938
Official Reporter

Mrs. Justine Tandy Campbell,
Ghent, Ky.

My dear Mrs. Campbell:-

In keeping with our conversation over the phone, find enclosed subscription blank to be executed for the 40 shares BancoKentucky stock at $25.00 per share, - as you will observe, the lower form is to be used for the additional shares.

As stated, the directors and officers unanimously endorsed and recommended the plan and are sanguine that the new company has a broad field and great possibilities.

Naturally we would like to get all of the old stock converted and feel that it would be to the advantage of the stockholders to make the exchange as the present stockholders would get the benefit of the earnings of the two banks and share in the new company as well.

I regret exceedingly that the telephone service was not good, which added to the noise here on the corner, made it difficult for the writer to understand you over the phone as well as he would have liked.

Thanking you and awaiting your instructions.

Yours very truly,

Vice President.

EHR:SBA

36-24

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Exhibit 36-25

Ghent, Kentucky
Sept 8, 1929.

Mr. James B. Brown, Pres.
National Bank of Kentucky
and
Louisville Trust Co.
Louisville, Ky.

PLAINTIFF'S
EXHIBIT No. 36-25
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Dear Mr. Brown:- I would like to purchase forty shares of stock in the Banco-Kentucky Company at $25. per share. I hold in my name 144 shares of stock in the National Bank of Kentucky and Louisville Trust Co. which I prefer not to exchange. Will you please advise me at your earliest convenience.

Yours very Truly,
Justine Tandy Campbell
(Mrs. John T.)

Exhibit 36-26

Sept. 14, 1929.

PLA. EXHIBIT 36-26
OCT 18 1938
OFFICIAL REPORTER

Mr. Sam C. Baird, Pres.,
First National Bank,
Jellico, Tenn.

Dear Mr. Baird:-

We were glad to get your inquiry of the 13th about the Banco Kentucky Company and a letter sent stockholders and subscription blanks are enclosed.

As you will see, the capital is to be $20,000,000.00, - surplus 30,000,000.00 and it is organized to cooperate with and supplement the National Bank of Kentucky and the Louisville Trust Co.

It received the unanimous endorsement and recommendation of the directors (list in letter) and they believe that it will have a broad field and almost unlimited possibilities.

The stock is $25.00 per share,- none has sold for less, - in other words, there is no expense for commission, selling or organization.

The time for conversion or purchase as outlined was originally fixed for Sept. 19 with the privilege of extending if thought advisable, - at the last meeting, however, it was definitely decided that the time would not be extended.

The stock is to be paid for when notified, somewhere near the 19th of September.

Should you or any of your friends wish to subscribe, some blanks are enclosed.

With all good wishes,

Yours very truly,

BF:SBA

Vice President.

36-26
150

Exhibit 36-27

THE
FIRST NATIONAL BANK

CAPITAL $ 50,000.00 SURPLUS $ 15,000.00

SAM C. BAIRD, PRESIDENT

JELLICO, TENN.

EXHIBIT 36-27
OCT 18 1938
Paul C. Caplinger
OFFICIAL REPORTER

Sept. 13, 1929

Mr. E. B. Robertson, Vice Pres.
National Bank of Kentucky,
Louisville, Ky.

Robertson

Dear Mr. Robertson—

Your letter received acknowledging receipt of check we sent you for collection, for which we thank you. We wrote Mr. Lothair a strong letter, asking him to deposit to cover this check, or we would be obliged to place it in the hands of our Attorney and prosecute him for giving a cold check. We hope he will attend to it without forcing us to do this.

On August 27th I wrote you in regard to stock of the National Investors, Inc. It seems I got the wrong impression of this stock, and since writing you I understand your people are interested in the organization of the Banco, Ky, company, which seems to be organized with a good future to it. Would there be any change to buy stock in this company, and at what price per share?

With best wishes, and kindest personal regards,

Yours truly,

Sam C. Baird

Sam C. Baird, Pres.

28D.

Exhibit 36-28

Sept. 17, 1929.

PLAINTIFF'S EXHIBIT No. 36-28
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. J. C. Cardwell,
c/o Mr. John T. Reynolds,
Greenville, Ky.

Dear Mr. Cardwell:-

Don't like to trouble you with business when you are away on a pleasure trip, but as you will see from enclosed letter, the time to exchange stock or subscribe for new at $25.00 expires the 19th.

The letter to stockholders is self-explanatory, - besides, you are somewhat familiar with the proposition, so subscription blanks are enclosed for you and J.T. or anyone else who should wish to avail themselves of what our President says is a great opportunity.

I want to see something of you when you get back, so be sure to let me know.

Yours very truly,

Vice President.

EBR:SBA

Exhibit 36-29

No 4356

First National Bank

W A WICKLIFFE, Chm of the Board
JOHN T REYNOLDS, President
C E MARTIN, Vice President
J T CHATHAM, Cashier

Greenville, Ky. Sept 23, 1929.

PLAINTIFF'S
EXHIBIT No. 36-29
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. E. B. Robertson,
Louisville, Ky.

My Dear Mr. Robson:

I did not receive your letter of the 17th until late Saturday, the 21st, which was too late to get in on the 19th, Sat., as I had gone on a trip with Reynolds & the Martin boys.

I am returning to the city in very few days & hope to see you.

Have been having a big time.

Very sincerely,
J. C. Carruthers

JCD.

Exhibit 37 1

August 16, 1929

Mr. A. C. Hodgen,
Russellville,
Kentucky.

Dear Mr. Hodgen:-

I have your letter of the 14th and note you do not understand the new stock selling at $25.00 to be on the proper basis with the old.

We think our old stock is worth about $30.00.

Two or three parties became too enthusiastic when the stock was split up and overbought themselves and run the stock up too high and the gradual selling that they have done is keeping our stock down below $30.00. I am quite sure it will sell for at least $30.00 when this is over.

We decided to offer the new stock at $25.00. If we had decided to offer it at $10.00 we would have given the old stockholders five for one instead of two for one. This would have been equitable just as the exchange is equitable now.

Want to say further that I believe in this new scheme as our new money is to be used chiefly for buying controlling interest in banks that are strategic territories. So much money worried me at first.

I think you should not only advise your wife and friends to exchange their stock but buy more. The new stock will be in just as safe a position, as I see it, as the old, and without double liability if that amounts to anything.

As you know, bank stock does not pay very much on the amount invested. Trustees and others looking for safe investment, name bank stock to sell high. The Russellville Stock is in this position. It will not pay much at first on the amount invested but the public is buying it. I do not mean going to buy it but are buying it now and exchanging their stock. It is going over and I think strong. The stock will sell higher and it won't be very long - that is why I wish you to buy new stock in addition to transferring the old.

Ask me some more questions if you are not convinced.

Yours very truly,

JH.MYH

Vice-President.

Exhibit 87 2

A. C. HODGEN
ACCOUNTANT AND ABSTRACTER
RUSSELLVILLE, KY.

August 14-29.

PLAINTIFF'S EXHIBIT No. 87-2
OCT 18 1938
Paul C. Coopersmith
OFFICIAL REPORTER

Mr. J. J. Hayes,
Nat.Bank of Ky.
Louisville,Ky.

Dear Mr. Hayes:-

As usual,with me,when I want information I somehow turn to you as the source,and such an occasion has arisen,and it is with reference to the big scheme,the Banco Kentucky ?

The circular letter sent out by the Nat.Bnk. of Ky.and the Lou.Trust Co.of date July 19-29 states the exchange of the Participation shares of the Bnk.of Ky.& Lou Trust Co.for the BancoKentucky shares in the ratio of two for one and the sale of the remaining 2,000,000 shares at $25.00 per share will give the BancoKentucky Company a capital of $20,000,000.00 and surplus of $30,000,000.00. Will you please explain to me how the Bank and Trust Co.stock ~~purchases~~ procures its $40.00 per share in the combine,so that it shall stand,in the combination,on an equal footing with the shares,about to be sold at $25.00 ? The Bnk.& Trust Co. stock is now ten dollars par and the proposition is to give two for one and then it is to equal with the shares now being sold for $25.00 ? It carries me back to the great scheme,years ago, of Fiat Money, the fallacy of which proved its undoing.

Please dont think me a misanthrope,for I am not;but desire to understand the scheme and know what we are doing so I can understandingly advise my wife.

I certainly will thank you for the information asked for and do thank you now in advance.

Ever yours.

A.C. Hodgen

Exhibit 37 3

PLAINTIFF'S
EXHIBIT No. 37-3
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Oct. 2, 1929

Mr. Al C. Hodgen,
Russellville,
Kentucky.

Dear Mr. Hodgen:-

BancoKentucky Stock will not be taxable to the holders in Kentucky. As I believe I have mentioned before too, it does not have the double liability to the holders as bank shares have.

Our authority on bonds and stocks in this bank does not think much of American Investment Trust of Kentucky. He says their circular said they would invest in Standard Oils and Electric Securities and did not say that they had but, even if they did, they might invest in other things not quite so good.

The BancoKentucky probably will make other purchases. It will make an are if it does not make a ring around the world. It was because of such purchases as these that Mr. Brown intended to make, that I felt safe in recommending it.

The investment business has been very profitable to all of the investment trusts but they might meet with some reverses later.

I would think Belknap Hardware and Manufacturing Company Stock would be a safe purchase.

With best regards,

Yours very truly,

(14) 4C JEM:MVH

Vice-President.

Exhibit 37 4

A. C. HODGEN
196 WEST 5TH STREET
RUSSELLVILLE, KENTUCKY

October ONE-29.

PLAINTIFF'S
EXHIBIT No. 37-4
OCT 18 1938
Paul C. Campbell
OFFICIAL REPORTER

Mr.J.J.Hayes,
Louisville,Ky.

Dear Mr.Hayes:-

I am in need of information and you are my encyclopedia-I am at the point where all stock holders come, sooner or later. Is BancoKentucky stock taxable at the .50¢ State rate ?

I understand we did not have any July 1-29 but before investing my ALL would love to know.

Would you object expressing an opinion on the "American Investment Trust of Ky" ? The bare fact that a part of their investments consists of Standard Gas & Electric- they so say- which should, by now, yield them a handsome profit, makes it, thus far, attractive; but I think I am getting too old to take much risk; hence my call upon you, whom I consider my friend. You have been and I appreciate your kindnesses.

Is the BancoKentucky trying to make a ring around the world ? Since the discovery of the "Wireless" this world is not so large as it used to be: Maybe, you fellows have made that discovery.

Sincerely yours.

A. C. Hodgen

What kind of a buy would be Belknap Hardware and Manufacturing Company, have been offerred some at 24.

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37-4

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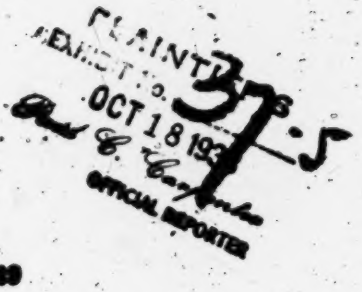
Exhibit 37 5



August 16, 1929

Mr. Davis Brown,
"Montrose",
Lawrenceburg,
Kentucky.

Friend Brown:-

I am enclosing Certificate No. 2015 for 5@ shares National Bank of Kentucky-Louisville Trust Company for your endorsement and return.

According to your letter you have already sold 100 shares and I will have 105 shares transferred as Grant suggests. The balance I will make in one hundred shares and forty shares certificates. I am enclosing Power of Attorney as your letter indicates that he is trying to dispose of another 100 shares, so if you wish to sign this Power of Attorney so that the second 100 shares can be delivered promptly. This is merely a suggestion and if you don't want to sign it now as soon as it is sold I can send this up to you and have it endorsed. I assume they can wait a little while.

This stock is transferred to the Louisville Trust Company and they want the stock endorsed or regular Power of Attorney signed. Sorry I could not endorse same for you.

I dislike to see you sell the stock at this time, as I am completely sold on this new scheme of Mr. Brown's. Our stockholders are combined very widely but they are depositing their stock and a great many new shares are being sold, sufficient already, I think, to guarantee the scheme going over.

Mr. Brown's plan is to use the new money principally to buy controlling interest in banks located in growing territories. This, I feel, makes the money safe and the new money that comes in can be deposited at 2@ and the proceeds can pay the dividend as we are now paying it covering all expenses and I am sure we can make more than 2@. The fact that [redacted] can make this profit and with all this new money coming in, insures that the stock will be selling considerably higher than $20.00 before very long.

Yours very truly,

[redacted]

Vice-President.

1402

Exhibit 37 6

PLAINTIFFS
EXHIBIT No. 37 6
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

August 31, 1929.

Mr. Jno. L. Street,
Cadiz,
Kentucky.

Dear Mr. Street:-

I assume that Mary C. Street, the holder of fifty shares of our stock, is your mother.

I am sure it is to her interest to exchange the stock she owns now into Kentucky Company Stock and I feel safe in advising anyone to purchase as much of the new stock at $25.00 a share as they are able to purchase. I don't think she would make a mistake in purchasing four hundred new shares to make her holdings five hundred.

Mr. Brown has stated he is very sure the stock will be sold at $30.00 a share inside of a month and will continue to rise slowly, and in his opinion, will sell for double its value inside of a year.

Yours very truly,

JM JMH

Vice-President.

7C

39-6

Exhibit 37 7

TRIGG COUNTY FARMERS BANK
(CAPITAL AND SURPLUS $100,000.00)
A COMBINED BANK AND TRUST COMPANY

JNO. L. STREET, PRESIDENT
O. C. GRANTER, VICE PRESIDENT

J. E. GRIFFIN, CASHIER
ROBT. P. PIERCY, ASST. CASHIER

CADIZ, KENTUCKY
Aug. 23rd 1929.

PLAINTIFF'S EXHIBIT 37-7
OCT 18 1938
Official Reporter

Mr. J. J. Hayes, Vice Pt.,
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Hayes:

You are correct in that Mrs. Mary C. Street is my mother, who holds fifty shares your bank stock. I have had no intention of not exchanging it for the new company, but have been a little at loss as to whether to purchase additional bank stock and exchange, or merely subscribe for new stock in the BancoKy. Co. It appears that on a purchase of 200 shares of the bank stock, I could exchange into the new company and save her possibly $800-$1000.

Mrs. Mary C. Garnett also holds 320 shares I believe which I expect to have her exchange right away.

I will let you hear from me within a few days, exactly what I may finally determine to do about it. Thank you very much for your interest and information.

Yours truly,

President.

8C

Exhibit 37 8

August 26, 1929

PLAINTIFF'S EXHIBIT No. 37-8
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. John L. Street, Pres.,
Trigg County Farmers Bank,
Cadiz, Kentucky.

Dear Mr. Street:

Have yours of the 23rd. and notice that you intend to exchange your stock into the Dunaffin-Vesky stock.

If you are hesitating about whether you should buy the old stock and exchange it or buy the new shares, please buy the new shares as buying the old shares doesn't help our scheme at all. You may make a little by buying the old shares but after the commission is paid and carrying the stock to the 15th. of September I doubt very much if it will be made, and, as the great benefit to old and new stockholders alike will be from the new money that comes in, I feel that our friends should buy the new stock instead of buying the old and exchanging it.

With best wishes, I remain,

Yours truly,

JHE/VH

Vice President

Exhibit 37 9

TRIGG COUNTY FARMERS BANK
CAPITAL AND SURPLUS $100,000.00
A COMBINED BANK AND TRUST COMPANY

JNO. L. STREET, PRESIDENT
O. L. GRINTER, VICE PRESIDENT

J. E. GRIFFIN, CASHIER
ROBT. P. PIERCY, ASST. CASHIER

CADIZ, KENTUCKY

Sept. 6th 1929.

Hayes

PLAINTIFFS
EXHIBIT No. 37-9
OCT 18 1938
Chas. C. Campbell
OFFICIAL REPORTER

Mr. J. J. Hayes, Vice Pt.,
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Hayes:

I have fimally decided to let my mother, Mrs. Mary G. Street, subscribe for 400 additional shares BanecKentucky Co., rather than purchase the old stopkfor exchange. It does appear that if she will make anything out of the purchase it will necessary for sufficient new money to come in to make the plan effective

In this connection she will not be able to make full payment before Nov. 1st, and it will be necessary to ask you to carry her on such calls as may be made prior to that date, if she should make the subscription.

May I hear from you as to whether that will be agreeable with you, so that I may act in the matter.

Verytruly yours,

Jas.

President.

10C

37-9

Exhibit 37 10

Sept. 7, 1926

PLAINTIFF'S
EXHIBIT No. 37-10
OCT 18 1933
Paul C. Carpenter
OFFICIAL REPORTER

Mr. Jno. L. Stroud, Pres.,
Trigg Co. Farmers Bank,
Cadiz, Ky.

Dear Mr. Stroud:

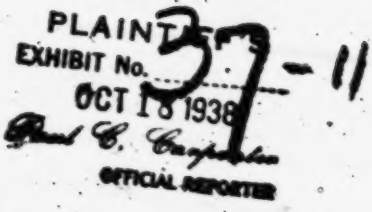
I have your letter of the 6th, and appreciate the spirit of it. An enclosing subscription for your mother to sign and will certainly not give her any trouble about the payment. The fact is, we will not ask for payment of any of them until October 1st, although, the time to subscribe expires on Sept. 10th.

Very truly yours,

Vice-President.

JJH:CE
enc'l.

Exhibit 37 11



August 22, 1929

Mrs. Pearl R. Burford,
c/o Union and Planters Bank and Trust Co.,
Memphis, Tenn.

Dear Mrs. Burford:-

I notice you have not definited your stock to be exchanged for the new Investment Company Stock and am writing you to say that in my opinion it is very much to your interest to do so.

Furthermore, from what Mr. Byrne, our President, says, and the fact that the new Company was heartily approved by all of our Board of Directors, I feel that you will not regret it if you should buy additional stock.

The new Company will not be an investment trust but will cooperate direct with the National Bank of Kentucky and the Louisville Trust Company and be of considerable help to both.

Yours very truly,

JH:MK

Vice-President.

Exhibit 37-12

August 28th, 1929

PLAINTIFF'S
EXHIBIT No. 37-12
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. Frank Smith,
c/o Jellico Hardware Co.,
Jellico, Tennessee.

Dear Mr. Smith:

Enclosing the papers explaining the Bancokentucky Company, also Certificate of Incorporation of same, at the suggestion of Mr. Harry Bridges, who has subscribed for 200 shares of the new stock. We are putting this at $55.00 per share which must be paid for by the 10th. of September. Mr. Brown, our President, says the stock will be sold for $60.00 a share after that date. He further says that this new Company has all the safeguards of the stock of the National Bank of Kentucky and the Louisville Trust Company with the additional prospect of making money that these two concerns do not have.

I think it would be a very profitable investment to make and would like to see you subscribe for a good block of shares. If you do, fill out the second half of the subscription I am sending you, return, and oblige.

Yours truly,

JJH:VH
Encl.

Vice President

34(4)
15C

Exhibit 37 13

August 24, 1929

PLAINTIFF'S
EXHIBIT No. 37-13
OCT 18 1938
Paul E. Campbell
OFFICIAL REPORTER

Mr. S. G. Gish,
Central City,
Ky.

Dear Mr. Gish:

I am enclosing some information in regard to the Exceltimeky Company, which is being organized by this Bank and the Louisville Trust Company.

The stock is selling now at $20.00 per share and I think it will sell for more after September 20th. As you have been a friend of the Bank, I would like to see you subscribe for some of the stock as I think it will pay you very well inside of a year. Mr. Brown, our President, has made the statement that he feels it will be close to double in value inside of a year.

Our Board is very enthusiastic in regard to the new venture and our old stockholders and those who have been interested in us are subscribing very rapidly for the stock.

Kindly let me hear from you within the next few days with a subscription for a nice block of stock, and oblige.

Yours truly,

Vice President

AHK:VH
Encl.

14c.

17-13

126

Exhibit 37 14

Marlborough-Blenheim
Atlantic City, N.J.

Aug. 27th 1929.

PLAINTIFF'S EXHIBIT No. 37-14
OCT 18 1933
Paul C. Carpenter
OFFICIAL REPORTER

Mr J. J. Hayes -
Vice Pres. Nat. Bank of Ky.
Louisville Ky.

My dear Friend:

Yours of Aug. 22nd has been forwarded to me here. We left home for our vacation soon after receiving the proposition for exchange of back stock
We return to Atlanta about Sept. 10th or 12th, which I understand is well within the limit set for turning in the stock (Sept. 19th)
The papers are in safety vault, and could not be reached readily before that time.
The proposition is such an unusual and big one that it tempts one without expert knowledge of such things to feel some hesitancy to join

(16) 37-14
34
15C
101

in the movement. But on the other hand what will one be if the plan goes through and he does not concur?

May I trespass on your goodness and your valuable time to answer that question? And will you tell me very plainly just why you advise me to send in the stock?

You can easily understand how much this will depend to Mrs Lyons and myself; and your letter will be considered as confidential.

We expect to be here through next week. Will be so glad to hear from you.

With best wishes, yours sincerely friend J. Sproat Lyons.

Exhibit 37 15

August 30, 1929

FL
EXHIBIT 37-15
OCT 15 1930
Paul C. Carpenter
OFFICIAL REPORTER

Rev. J. S. Lyons, D. D.,
Marlborough-Blenheim,
Atlantic City, N. J.

Dear doctor Lyons:-

I have yours of the 27th and am enclosing Articles of Incorporation of the BancoKentucky Company.

I think one reason and possibly the main reason that Mr. Brown has organized this company is because of chain banking. Mr. Brown is not constituted so that he may just "jog" along and let other banks overpower him. The principal use of the money will be put to purchasing banks in this state and other states that are situated in promising fields. We do not intend to buy small country banks, as we have no special need for them.

BancoKentucky is not an investment trust and it is not the intention of Mr. Brown to deal in securities; the fact is, it will cooperate with the National Bank of Kentucky and the Louisville Trust Company, and be of considerable benefit to both.

If one does not exchange the stock for BancoKentucky stock, he will remain a stockholder just as he is now, and I assume his dividends will come in just as they have been. However, as Mr. Brown has stated, and it appears to me, that a stockholder in the new company will have the same safe-guard that the stockholders in the National Bank of Kentucky and the Louisville Trust Co., have with the added opportunities of the new company.

This new Company can take on certain matters that the Bank cannot take on and matters not necessarily hazardous. Ordinarily banks are afraid of "frozen assets," but this Company need not be afraid of acquiring them if they are good.

Very truly yours,

Vice-President.

(17) 1 CC

JJE:C
encl.

Exhibit 37 16

PLAINTIFF'S
EXHIBIT 37-16
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

August 29, 1929

Mr. J. M. Kendall,
Anchorage, Ky.

Dear Sir:-

An enclosing papers relative to the Home-Kentucky Company, which the National Bank of Kentucky - The Louisville Trust Company are organizing.

You have been a customer of this bank for some time and we are offering this stock at $25.00 per share to our stockholders and other friends. The stock is to be paid for by September 15th, and it is the opinion of Mr. Brown, our President, it will be selling higher very soon after that date and will continue to advance and be worth double its value in a year or two.

We will be glad to talk this matter over with you, as we feel it will be an investment which will be of considerable value to you as it goes on.

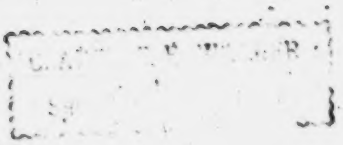
Very truly yours,

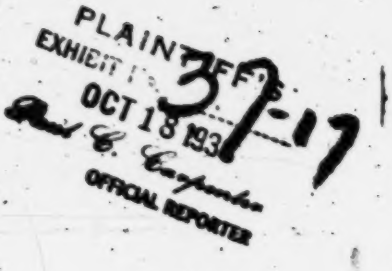
Vice-President.

JJH:GH
encl.

37-16

Exhibit 37 17





September 4, 1929

John H. Carson,
Morgantown, Ky.

Dear Sir:-

We are crediting your account today in this bank, $2200.00, Washington Securities Co., bond, due September 1, 1929.

I wrote you in regard to Louisville Trust Company and Kentucky Title Co. bonds, either of which I can recommend very highly.

An enclosing literature in regard to the Bond-Kentucky stock, which we are selling at $25.00 a share, payable about September 15th, which our President, Mr. Bruce Sutch will be worth near double its value inside of a year. Our Board was very enthusiastic in regard to it and I, myself, feel that it will give Mr. Bruce an opportunity he has not had in the banking business and along lines to which he is especially adapted.

Please let me hear from you in regard to investing the $2200.00., with the return of the signature card.

Very truly yours,

Vice-President.

JH:H
enc'l.

Stip 30 & 37

1415

Exhibit 37 18

Hayes

JNO. M. CARSON
BOX A
MORGANTOWN, KY.

Sept.6,1929

Mr.Jas.J.Hayes,Vice-President,
Louisville,Ky,
Dear Sir-

I have your letter of the 4th,and am enclosing signature card.
I note your reference to the Banco Kentucky stock. I am very much disposed to invest the $2500.in the stock you have on deposit in my name,instead of bonds but before I did so I would like to know how you feel about the matter.
You know I need to make some money and I feel you would be glad to assist me. Whatever you say about it will be between you and me. If I do not take the stock I will then write you with reference to the bonds you wrote me about a short time ago.
Should I subscribe for the stock I will send you check to cover.

Yours truly,

Jno.M.Carson

PLAINTIFF'S
EXHIBIT No. 37-18
OCT 18 1938
Paul E. Campbell
OFFICIAL REPORTER

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Exhibit 37 19

PLAINTIFF'S
EXHIBIT No. 37-19
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Sept. 7, 1929

Mr. Jno. M. Carson,
Box A,
Morgantown, Ky.

Dear Mr. Carson:-

I have yours of the 6th, in reference to investing the $2500.00, and wish to say that my opinion is formed from Mr. Bacon's. I do know that the opportunities for making money is very great and he says that the stock will be worth close to double its value within a year.

I have invested in it myself, but am not counting on quite that much. Still the new stock pays 8% on the par value, - this means only 3.2% on the amount invested, which is quite small if you have to carry it any length of time. Am talking frankly and do not wish you to be disappointed after you get into it.

The bank stock in any of the banks in New York pay about 3.2% on the amount invested or less, so that the money made in bank stock as a rule comes from the rise of the principal the stock.

The future of this new concern depends altogether upon the management, and as I have said, the opportunities are very great indeed.

I acknowledge receipt of your signature.

Very truly yours,

Vice-Pres.

JJH:GH

37-19

Exhibit 37-20

JNO. M. CARSON
BOX A
MORGANTOWN, KY.

PLAINTIFF'S EXHIBIT No. 37-20
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

[illegible], 13, 1929

Mr. Jas. T. Hayes,
[illegible]ville, Ky.

Dear Sir:-

Replying to your letter, 7, I have concluded to invest the $2500. you hold, in the Banco Kentucky Company Stock and I am enclosing subscription signed.

You may charge the $2500. for the stock to my account, or, I will send you a check, just as you prefer, advising me to whom to make check.

I am enclosing you the special receipt, #10510, issued me Feb. 2, 1929 for the Washington $2500. bond.
Thanking for the interest you have shown in this, I am

Yours truly
Jno. M. Carson

1 Oc Stmt

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37-20

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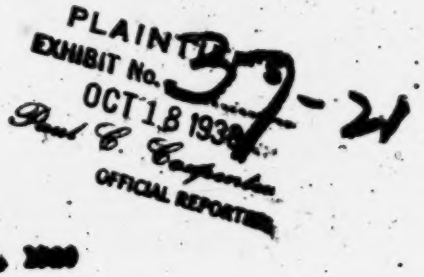
Exhibit 37 21



September 11, 1929

Mr. Jno. H. Gureen,
Box "A",
Binghamton,
Kentucky.

Dear Mr. Gureen:-

I am filling up the subscription sent me for 100 shares Binghamton Company Stock. Notices will be sent out shortly for payment.

The new stock will be issued to Jno. H. Gureen unless you instruct otherwise.

Mr. Brown is very enthusiastic about the Company and I feel like it will be of value to you before many months have passed.

I acknowledge receipt of the Special Deposit Receipt No. 16518.

With best regards to Mrs. Gureen, I remain,

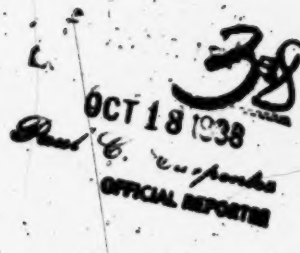
Yours very truly,

37-21

JHM.HH Vice-President.

21C

Exhibit 38 1



August 9, 1929

Mr. P. M. Witt,
c/o Central Savings Bank and Trust Company,
Newport, Kentucky.

Dear Mr. Witt:-

Received your kind favor of the 5th instant asking about The Remo-Kentucky Company and have sent you under separate cover, copy of the Articles of Incorporation and By-Laws.

Your experience in the bank has doubtless shown you many avenues of profit for the bank in lines of business granted to this Company under its charter and prohibited by banking laws.

The Remo-Kentucky Company will act as the Federal Reserve Bank now acts for its members, using its influence for the bank and trust company connections. There is no definite plan of operation, each business transaction to be taken care of on its merit as it arises. My observations are we do not plan to buy banking institutions in the smaller cities in line with the newspaper article which you sent me, preferring to leave the local banking to the local community, we acting as their reserve agent, keeping their good will and influence.

If there is any definite information you desire and I can give, kindly advise.

Yours very truly,

RJA.MFK

Vice-President.

P. S. Kindly keep this pamphlet confidential.

Item 31 Ex 38

(15)

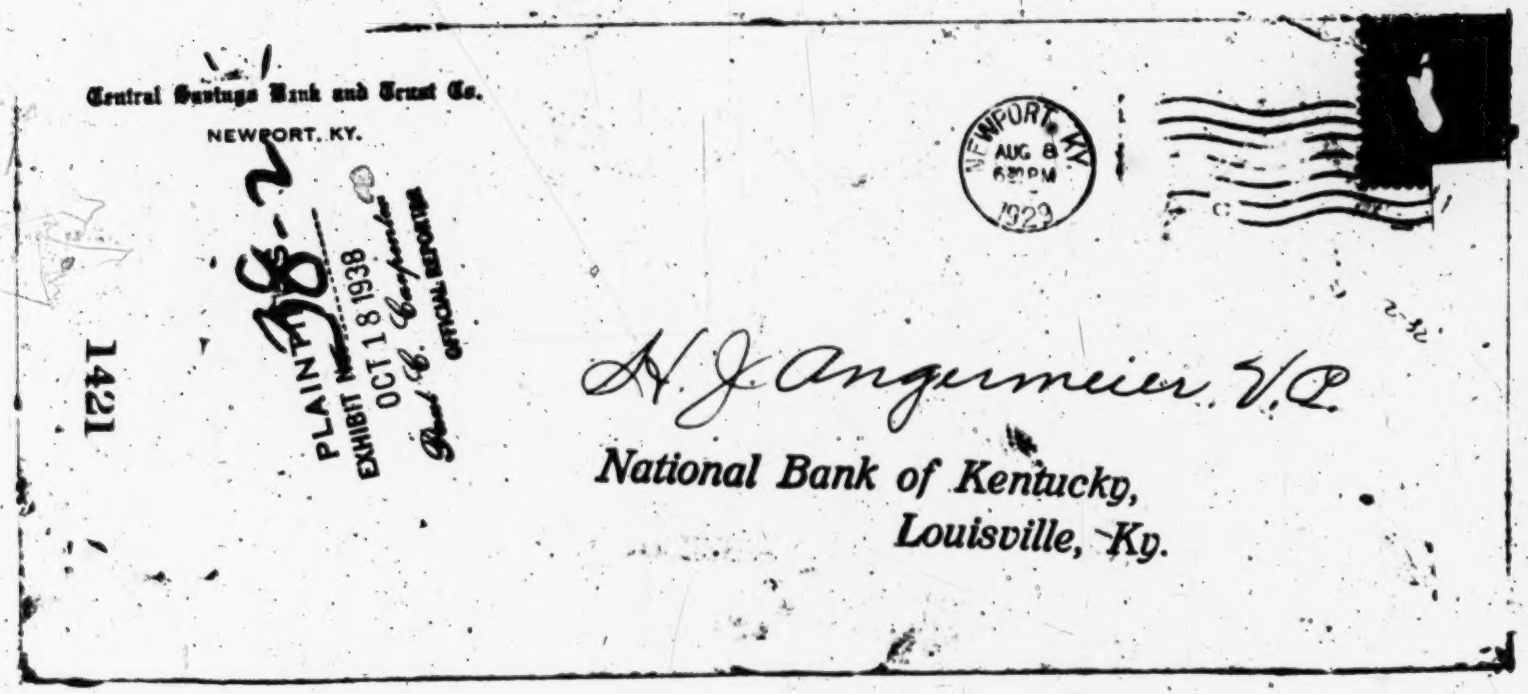

Central Savings Bank and Trust Co.
NEWPORT, KY.
PLAINTIFF'S
EXHIBIT No. 38-2
OCT 18 1938
OFFICIAL REPORTER
1421
NEWPORT, KY.
AUG 8
1929
H. J. Angermeier V.P.
National Bank of Kentucky,
Louisville, Ky.

Exhibit 38 2.

P. H. WITT, President

Exhibit 38 3

E. W. BOLAND, Cashier

Central Savings Bank and Trust Company

Newport, Ky. 8/8/29

Dear Mr. Argamesi, —

Clipping from Enquirer attached is self explanatory, a similar one appeared the other day from Owensboro.

I also learn that your Bank is doing similar things, what does all this mean?, write me the plan of operation.

Enclosed find statement of my Banks July 1st 1929.

Very truly yours

P. H. Witt

Argamesi

38-3

BANK CONTROL ACQUIRED.

First National Of Louisville Takes Over Danville Institution.

Louisville, August 7.—(AP)—The First National Bank of this city and its affiliated institutions have acquired a majority interest in the Boyle Bank & Trust Co. of Danville. This was announced here today by Sam H. Nichols, cashier of the Danville bank.

Control of the Danville bank was taken on the same basis as controlling stock of the First National Bank & Trust Co. of Owensboro was acquired last week.

Nichols said a majority of the capital stock of the Boyle Bank had been turned over to Embry L. Swearingen, president of the Louisville bank, pursuant to an agreement between directors and stockholders of both

PLAINTIFF'S EXHIBIT NO. 38-3
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Exhibit 38 4

PLAINTIFF'S
EXHIBIT No. 38-4
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

October 21, 1929

Mr. C. Quarrier,
"Pleasant Valley",
Wheeling, W. Va.

Dear Mr. Quarrier:-

I am enclosing literature in regard to the Bancokentucky Company.

This means that the Bancokentucky Company owns all the National Bank of Kentucky Stock. The National Bank of Kentucky does not go out of existence at once but it will consolidate later but even then you can use your old checks. After that they will be Bank of Kentucky checks.

Bancokentucky Company came into existence September 19th. Nearly all of the old National Bank of Kentucky and Louisville Trust Company Stock was deposited and I believe it all will be as there is so little outstanding they have agreed to let them come in if they so desire, although it is past time.

About $18,000,000.00 new cash was paid into the Bancokentucky. The principal business will be to buy controlling interest or buy other banks outright. It has already bought two in Cincinnati.

While the par value of the Bancokentucky Stock is $10.00, it was put out at $25.00 , as the circular shows and there was enough paid in cash to give us $18,000,000.00. These figures are all rather large for us to comprehend as well as yourself.

With best regards, I remain,

Yours very truly,

40

31 (20)

- LLE. MEK

Vice-President.

78-4

Exhibit 38 5

THE BANCOKENTUCKY COMPANY capitalized at $20,000,000, with a surplus of $30,000,000, was recently organized in Louisville for the purpose of buying, holding and controlling banks in Louisville and surrounding cities. Stockholders of National Bank of Kentucky-Louisville Trust Company Unified stock exchanged their stock for stock in the new company at the ratio of one for two shares. The remaining stock was privately subscribed for by individuals and several large banking houses.

The BancoKentucky Company is the largest company of its kind operating in the South and it is expected that the acquisition of large banks in this section will be announced shortly. The company recently acquired control of the Brighton Bank & Trust Company and the Pearl-Market Bank & Trust Company of Cincinnati. These banks will be merged and operated as the Brighton-Pearl-Market Bank & Trust Company. Gustave M. Moaler, President of the Brighton Bank, will head the combined Brighton-Pearl Market institutions. The $10 par value shares have been listed on the Chicago Stock Exchange and on the Louisville Stock Exchange. The present resources of the new institution are around $215,000,000. Mr. James B. Brown, President of the National Bank of Kentucky, is president of the new company.

The dividend policy of the BancoKentucky Company has not yet been announced.

BancoKentucky stock has advanced rapidly in the Louisville and Chicago markets and has been traded in large volume since BancoKentucky certificates were issued October 1st. The stock should be bought as an investment to be held over a period of time rather than as a speculation, for several points' profit. For the patient holder the stock has tremendous potential value.

Exhibit 38 6

38-6

Personal Meeting, W. Va
Oct 19 1929

Dear Mr Hayes

Although, I, unfortunately, am not a stock holder, in the National Bank of Ky. Assn. and have been a loyal friend of the Bank, and of course am interested in the merging now in progress, I regret my request was misunderstood. What I desired was a list of the stock holders, and the number of shares held by each, and the par value of each, if it is a dollar? When the change is made, I assume, a new stock book will be required - My curiosity, at the present time, I regret to say, does not comprehend the length, breadth, and depth of these Mergers, which are in vogue to day!

Assuring you, that you, and yours, enjoy perfect health, is my regard to all the clerks, and employees.

Sincerely Graham Brown

Exhibit 39 1

August 2, 1929

PLAINTIFF'S EXHIBIT No. 39-1
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. J. E. Pridday,
c/o Associated Dry Goods Co.
270 Madison Ave.
New York, N.Y.

Dear Mr. Pridday:

Receipt is acknowledged your letter August 1st enclosing check for $37.50 which we have placed to your credit.

We are today forwarding your Certificate of Deposit for Safe-T-Stat stock and your Fostem stock to be exchanged for the new stocks.

Mrs. Pridday's note will be due August 27th and it will be our pleasure to renew this note for you. In my opinion it will be a mistake for you to sell the stock at the present price, in fact the market is absolutely dead now and I don't think you could sell it.

Mr. Pridday as I have often told you and am telling you again when we want your notes paid or reduced, we will tell you, and until that time please do not mention the subject, unless of course it is your desire to liquidate. Don't think I am getting rough as I am just trying to get it over to you that we meant what we said when we made these loans, and that was it would be our pleasure to carry them as long as you wanted them carried, and you are not imposing on anybody.

I am glad you wrote Mr. Brown about the BancoKentucky Company as he is very much entranced over it, and in this connection if you want something good to put away in your old box you ought to subscribe for some of this stock. Mr. Brown said to me the other night " Nearly every man has one chance in a life time, and listen sporty here's your chance, wade in up to your neck and then take on a little more", and believe me I stepped in.

I hope to be able to sell my Turf stock some time in the late Fall around 40 and buy more BancoKentucky stock with it.

I believe I told you in a previous letter that I was not able to get away, and I doubt now whether I will before the BancoKentucky Company becomes operative.

With kindest regards, beg to remain,

Very truly yours,

L. L. Fontaine
VicePresident

LLF MEH

EX 39

73

August 21, 1929

Mr. J. E. Pridday,
15 RidgeCrest Terr,
Scarsdale, N.Y.

Dear Mr. Pridday:

Enclosed please find broker's statement, covering sale of 50 shares Continental Can which we sold for you in accordance with your instructions of August 15th. We have credited your account with the proceeds in amount $4088.00, and will wait until we hear from you before applying this on your loan.

Mr. Pridday I have given a good deal of thought to your financial program as outlined by you, and think well of it, with the exception of American Turf and Standard Oil of Kentucky, which in my opinion would be a crime for you to sell at these prices, unless as you suggested you might get in on some good ones and make more money in less time, by selling 200 of Turf and 100 of Kentucky, but I still think they would have to be mighty good ones to make me sell these stocks at your figures.

The BancoKentucky stock will be sold to everyone at the same price, and that will be $25.00 per share, payable on September 10th. I believe I told you in a previous letter that I intended to sell my American Turf and Standard Oil of Kentucky, and in fact all of the stock that I am interested in, and put it in BancoKentucky stock; however I am selling none of them at these prices, as I think Turf will easily sell back to $60.00 and Standard Oil of Kentucky, in my opinion will sell close to $80.00 by the end of this year.

It is hard to put in writing how we feel about the BancoKentucky Company and its future, but believe me we are all very enthusiastic and optimistic about the Company, and I will say to you as coming from Mr. Brown that we all expect to make a lot of money out of this stock in the next few years. Of course it will not be a spectacular mover. Mr. Brown thinks it is good for 10 points a year for the next five years, and when you get one as good as we know this is that will make 10 points a year for you for the next five years, it certainly seems to me that it is well worth while, and Mr. Brown and myself think that you should have 1000 shares.

The stock in my opinion will pay from the beginning at the same rate the bank stock is now paying, which would be $3 cents per share per annum, and I think within a reasonable length of time it can easily pay more. One thousand shares would cost you

continued

August 21, 1929

Mr. J. E. Pridday -2-

$25,000.00. and we will lend you the full amount or any part thereof that you might want to borrow, and carry it for you until you get the prices that you want on your other securities that you might want to sell. If there is any banker in New York that can make any fairer proposition I would like to know the "third" name. As previously stated I know that you will have absolutely gilt edge investment, and I honestly believe you will double your money in the next few years.

Please let me hear from you by return mail, and give instructions as to the disposition to be made of the proceeds from the sale of the 50 shares Continental Can.

With kindest personal regards, and very best wishes for you and yours, beg to remain,

Very truly yours,

L.L.Fontaine
Vice President

Exhibit 39 3

15 Ridge Crest Road
Scarsdale N.Y.

Aug. 26 - 1929

Dear L L

I greatly appreciate your letter of Aug 21 and the opportunity to subscribe to the Bancs. Ky stock. I am enclosing subscription for 1000 shares as suggested. Will you kindly convey to Mr Brown my appreciation.

I have great faith in the S.C. of Ky and would not want to sell at the price mentioned in my letter unless to clear off the note I owe. I also feel confident that Turf will go up and would sell only for the same reason.

I am figuring on the following plan, which I would want you to think about, for clearing up the present notes.

Notes (Turf)		$ 24370-
Sell 600 Stan. @ 40.	$ 24000.	
Pay balance in cash		
Note		$ 30908 57
Sell 50 C Can	4000.	
" 200 Turf @ 40	8000.	
" 150 N.A Austin	1700 -	
" 80 Texas & Simplex	6000 -	
" 100 Nat. Motor	3000 -	
" 100 So. Ky	4800 -	
Pay cash	340857	

PLAINTIFF'S
EXHIBIT No. 39 3
OCT 18 1932
C. Campbell
OFFICIAL REPORTER

34(92)

Exhibit 39 3

NOTE (Bankers Ky) $25000 -

Sell: 100 Shs Bucyrus Erie Com Pfd @ 50 5000.
" 200 " So Ky @ 50 10000.
" 200 Tenn @ 40 8000
Pay Cash 2000

This is a special payment of $700 - due me from my company as soon as I return from vacation, which I will send you for deposit.
Of the amount you would like to apply on my present note 3820.87 which call for $4088 proceeds of the sale of Bank Com Stock sold will leave 7908.87, and will reduce the note from 30908.87 to $23000 -
As to other stocks not sold the proceeds can be applied to this note.
After these stock sales are made I will still have an interest of 200 shares in S.C. Ky and 200 shares in Tenn., which I think it would be well to retain especially the S.C. Ky.
Of course one never knows if stock can be sold at the prices set down but I will make up an cash payments the difference between the prices quoted and those at which I may finally sell. I may be unduly optimistic but I do believe that I will get these prices by the end of the year
I can see only great success for the Bankers Ky, with its wise financial leadership & Mr Brown, the opportunities which will come to it to participate in and stimulate the growth and expansion of business in a section in which great growth is possible.
To participate in this is an opportunity indeed which I will not forget
With every good wish to you & yours
Sincerely J E Pierce 34-3

Hope you can visit the "Old Home" place in Huntsville. 10Q

66 1/2

Exhibit 39 4

October 5, 1929

Mr. J. E. Priddy,
c/o Stewart and Co., Howard and Lexington Sts.
Baltimore, Md.

Dear Mr. Priddy:

Receipt is acknowledged your letter October 3rd enclosing check for $62.80 which we have credited to your account. Also your note signed in blank which we have made out for $25,000.00, to mature with your other note; interest on same is $479.17. Your balance after paying this interest and including deposit of $62.80 is $6,818.88.

We made the Dunco note out for the full amount and trust this meets with your approval. In the event you want to make a payment on this note, please advise, as I do not remember just how you wanted it handled.

The stock was listed on the local exchange yesterday and sold at $27.00, with strong demand. It has been listed on the Chicago exchange and trading will start about next Tuesday.

You surely got a rotten break on the stocks purchased with the proceeds of the sale of the Standard Oil, and of course you know what the stock market has done, so we wont talk about that. Here's hoping it does better in the near future.

This is Saturday and I haven't been able to get out to the track yet, am going to try to get out this afternoon in time to see the big race.

I deeply appreciate information given on stocks you mentioned, but I am getting out of everything as fast as I can, and am putting it all into RancoKentucky, as I expect this one to be our gravy train.

With kindest regards, and very best wishes, beg to remain,

Very truly yours,

L. L. Fontaine
Vice President

LLF Mac
encl

39-4

Exhibit 39 5

CLARENCE E. WALKER
... AND REPORTER

August 21, 1933

Mr. William C. Hall,
Edgartown, Mass.

Dear Mr. Hall:

Receipt is acknowledged your letters August 18th and 19th, in which you enclosed two checks aggregating $88.00 which we have credited to the checking account of Mrs. Hall. Also check for $36.00 which we have credited to Miss Noel Hall's savings account, balance to her credit as shown by our books, including this deposit, is $222.21. Also $12.00 check which we have credited to Miss Edith Hall's savings account, balance to her credit as shown by our books, including this deposit, is $234.51.

Mr. Hall, as you and Mrs. Hall may not return to Louisville before the middle of September, we are enclosing some literature on the Bancokentucky Company, which we are organizing, and which we think will be of interest to you. As explained in the enclosed letter that was mailed to the present stockholders of the National Bank of Kentucky and Louisville Trust Company under date of July 19th, this stock will be sold at $25.00 per share, payment to be made on September 19th. Knowing that this is a gilt edge investment, and believing it will greatly enhance in value within a reasonable length of time, earnestly recommend that you and Mrs. Hall subscribe for a substantial amount of this stock.

Trusting that this finds you and yours enjoying the best of health, and with kindest regards, beg to remain,

Very truly yours,

L. L. Fontaine
Vice President

LLF MEH

PLAINTIFF'S
EXHIBIT No. 39-5
OCT 18 1938
Richard B. Campbell
OFFICIAL REPORTER

Plan 32 & 59

(97) 12-6

39-5

Exhibit 39 6

PLAINTIFF'S EXHIBIT No. 396
OCT 18 1938
COURT REPORTER

August 28, 1929

Mr. Wm. C. Hall,
Edgartown, Mass.

Dear Mr. Hall:

Receipt is acknowledged your letter August 26th with reference to dividend rate of the BancoKentucky Company.

In reply beg to advise that while no rate has yet been definitely decided upon it is the writer's understanding that the BancoKentucky Company stock will at least pay a rate equivalent to that now being paid by the National Bank of Kentucky and The Louisville Trust Company, which would be $0 cents per share annually on the BancoKentucky Company stock, this being about 8 1/2% yield on your investment.

In the event you desire to subscribe we will be pleased to finance it for you until you return to the city, and longer if you so desire.

Mr. Hall I earnestly believe this is an opportunity that you and Mrs. Hall should not overlook, and I sincerely trust that you will subscribe liberally.

Upon receipt of advice from you we shall be pleased to enter your subscription.

Trusting that this finds you and yours enjoying the best of health, and with kindest regards, beg to remain,

Very truly yours,

LLF MEH 1432

L. L. Fontaine
Vice President

Exhibit 39-7

Edgartown, Mass.,
August 26, 1929.

Mr. L. L. Fontaine, Vice President,
National Bank of Kentucky,
4th & Chestnut Street,
Louisville, Kentucky.

Dear Mr. Fontaine:

I have your letter and booklet regarding the Banco Kentucky Company. This sounds very interesting. Mrs. Hall and I, I think would like to make a subscription, but would like to know just a little more about the corporation in regard to dividends. Has the initial dividend rate been decided upon? I also note that stock must be paid for by September 19th. If we decide to subscribe to this stock, we could not pay for it until we got back to Louisville and sold some other securities, but I suppose you could arrange to make us a temporary loan until we got back sometime in October, as you have, I think, some surplus collateral.

Thank you for sending us this information and trusting that you are in good health again, I am

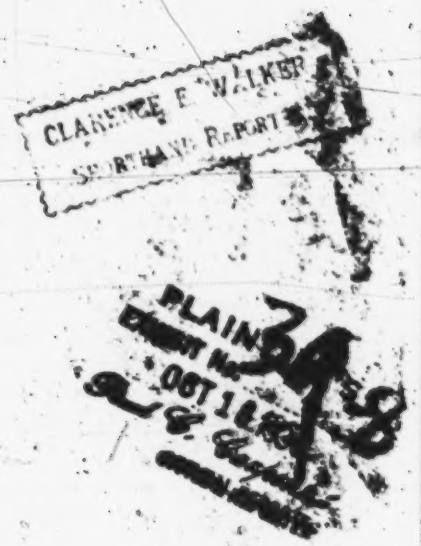
Sincerely yours,

Lin Hall

PLAINTIFF'S
EXHIBIT NO. 39-7
OCT 18 1932
Paul E. Gaskins
OFFICIAL REPORTER

140

Exhibit 39 8



August 28, 1929

Mrs. Jennie B. Young,
2502 Julian St.
St. Louis, Mo.

Dear Mrs. Young:

Receipt is acknowledged your letter August 21st.

In reply beg to advise that $5,000.00 Louisville Title Company bond if paid for on Monday August 26th will cost $5,022.50. The reason I say on August 26th is interest is accruing every day, and of course if paid Tuesday day the accrued interest would be more; in other words the interest is accruing every day.

Sorry I did not get to talk to you about the investment as I would like to have seen you invested at least part of this in our new company, as I know this is a gilt edge investment, and in my opinion will make a lot of money for you in the next few years. It is BancoKentucky Company, a fifty million corporation which we are organizing that will own the National Bank of Kentucky and The Louisville Trust Company. Enclosed you will find literature on this Company, and if interested you can advise me.

It will be our pleasure to buy the Louisville Title Company Bonds for you, and we will do so upon receipt of your reply.

Very truly yours,

L. L. Fontaine
Vice President

4150 LLF MEH
encl

34-8

Exhibit 39 9

St. Louis, Mo. May 24th 1929

$2001.00

Dear Mr. Fontaine:

Your letter regarding purchase of bonds, and booklet arrived yesterday. I read all the literature, but unfortunately, what I do not know concerning stocks and bonds would probably fill a book. So, if you will enlighten me, I may see my way clear to investing a little [illegible] Is it a stock or bond, the

PLAINTIFF'S EXHIBIT No. 39-9
OCT 18 1938
C. Carpenter
OFFICIAL REPORTER

company is issuing? If stock
is it preferred or common, and
how much do I pay a share?
Is it callable at a higher
price, as the L. S. & E. stock?
I hope I am not asking too
many foolish questions, but as
you know I have only a little
to invest, so am not in a
position to get much information.
I haven't the least desire to
get rich quick, but I would
like a good safe investment.
If you consider it me, 178

that you would be willing to
have you further insist me, if
the were in my position, I feel
sure, that you consider it as
safe as anything can be.
Regarding the Louisville Title
bonds, suppose you get $2000
with for me, and I'll hold
the other $1000, until I hear from
you.
I am writing to my daughter, to call
you, the moment she receives my
letter.
Thank you so much for you
for your kindness and help to me.

1882 Millard St Omaha Neb
Sincerely
Jennie B. Young. 174 180

Exhibit 39-9

St. Louis, Mo. Aug. 21 [illegible]

CLARENCE E. WALKER SHORTHAND REPORTER

My dear Mr. Fontaine:

When I was in Louisville last month, I talked with you regarding investing some money, and you said you would take care of it for me.

I have three thousand ($3000.00) dollars, which I would like to invest in first mortgage, real estate loans.

Buy them from the Louisville Title Co. Which, I

1908

Release, guaranteeing title principal and interest.

CLARENCE E. WALKER
SHORTHAND REPORTER.

Please let me know before purchasing, what the entire cost will be, & am not sure whether there is any accrued interest to be paid, as in stocks.

As soon as I hear from you, I'll have my daughter & nurse Biggers bring you the money, and you may deliver the bonds to them.

Sincerely
Jennie B. Young

Mrs. L. W. Young 5882 Julian Ave. St. Louis, Mo 175
208

Exhibit 39 10

September 30, 1929

PLAINTIFF'S EXHIBIT No. 39-10
OCT 18 1933
Official Reporter

Mr. Robert J. Graf,
231 S. LaSalle St.,
Chicago, Ill.

Dear Mr. Graf:

Mr. T. B. Wilson handed me your letter of the 28th in which you enclosed check for $12,800.00, being part payment on 2000 shares BancoKentucky Company stock.

It will be our pleasure to carry the balance for you, and we are enclosing ninety day note for $37,500.00, dated October 1, 1929, which we will thank you to sign and return to us, together with your check for $568.75 in payment of interest on same.

We shall be pleased to renew the note for you as often as you desire.

Very truly yours,

L. L. Fontaine
Vice President

LLF MEH
encl

39-10

Exhibit 39 11

ROBERT J. GRAF

231 SOUTH LASALLE STREET
CHICAGO

September 28, 1929.

PLAINTIFF'S
EXHIBIT No. 39-11
OCT 18 1933
Paul C. Campbell
OFFICIAL REPORTER

Mr. T. B. Wilson,
c/o Louisville Gas & Electric Co.,
Louisville, Ky.

Dear Bert:

I am enclosing check for $12,500.00 in favor of The Bancokentucky Company, and as I understand it, James B. will arrange for the balance. I assume he will want a note signed by me, which I shall be glad to do if you will send it to me.

Yours very truly,

RJG
MB

Enclosure

Exhibit 39 12

ROBERT J. GRAF

231 SOUTH LASALLE STREET
CHICAGO

October 2, 1929.

PLAINTIFF'S
EXHIBIT No. 39-12
OCT 18 1938
Chief Clerk
OFFICIAL REPORTER

Mr. L.L. Fontaine,
Vice President, National Bank of Kentucky,
Louisville, Ky.

My dear Mr. Fontaine:

Referring to your letter of September 30th, I am returning herewith duly executed note in your favor for $37,500.00 and stock power to be attached to the certificate. I am also enclosing check to the order of the National Bank of Kentucky for $568.75 in payment of the interest.

Thank you very much for arranging this for me.

Yours very truly,

Robert J. Graf

RJG
MB

Enclosures

Exhibit 39-13

October 17, 1929

EX. OCT 18 1938 39-13
OFFICIAL REPORTER

Mr. E. S. Kinsley,
c/o The Gorge,
French Lick, Indiana.

Dear Mr. Kinsley:

Enclosed please find note for $2500.00, dated October 1st which we will thank you to sign and return to us together with power of attorney which we enclose, to be signed on line marked "X". Also let us have your check for $57.92 in payment of 90 days interest on this note. When signing the power of attorney, please sign your name in full.

The proceeds of the enclosed note with your check for $2500.00, which we have already received, pays for 200 shares Banco-Kentucky Company stock that will be held as collateral on the note. While this note matures in 90 days it will be our pleasure to renew same for you if you so desire.

Kindly address your reply to the National Bank of Kentucky, Fourth and Chestnut.

Very truly yours,

L. L. Fontaine
Vice President

LLF MEH

Exhibit 39 14

March 28,1930

Mr. J. E. Pridday,
c/o James McCreery & Co.,
5 West 34th St.
New York, N.Y.

Dear Mr. Pridday:

Your letter of the 16th received and greatly appreciated. I have delayed answering in the hope that something might turn up that would enable me to be of assistance to you in behalf of our mutual friend about whom you wrote. I was greatly surprised to hear of his misfortune, as I was under the impression he was getting along fine. Positions here are awfully scarce and hard to get. I know of absolutely nothing at the present time, but will keep you in mind, and if I hear of anything at all will certainly do my part in trying to get him located.

I had the pleasure of sitting in the meeting with Mr. Brown together with two of your New York men, and Mr.Weiser, Mr. McKim, Mr. Pirtle and Mr. Wilhoyte from your local store. As you say, unfortunately they united too late before talking the matter up with Mr. Brown as the bill had passed both house and the senate by a large majority. The boys went into action immediately in their presence and did all he could to get the bill vetoed, but matters were in such a mess at Frankfort he was too late in getting into action.

We are very much impressed with Mr. McKim and it will certainly be our pleasure to be of every assistance to him that we can. I have impressed upon him a couple of times that if we can ever be of any service to him in any way not to hesitate to call upon us. As pleased to advise he opened his account with us in our Fifth and Main Street office. He apparently has had some unpleasant dealings with some branch banks in California, and did not understand our situation here at the time he opened his account, which was before I had a chance to meet him. Since explaining the situation to him he has intimated that he is going to transfer his account out here, of course it doesn't make any difference to us.

American Turf is a little quite at present, the stock sold yesterday at 29; not much stock on the market at 30. We got a flash yesterday that the supreme court would hand down their decision today; of course there is nothing authentic about that, in fact I hardly look for it today, however or would like to see it handed down before their annual meeting the 7th of next month. Talk on the street is a stock dividend will be paid at that time; one share for every six held, but this is just street talk as I have heard nothing from any authentic source. Personally I do not look for a stock dividend at this time. I do think the court decision is good for a 3 point advance; the stock may sell as high as 40 by Derby day.

Exhibit 39 14

March 26, 1930

Mr. J. E. Priddy,

Ramco is selling today at 24 3/4; the market is quite active. It certainly looks better to me than at any time. We bought ten [illegible] yesterday/ the Security Bank of this city and the Ashland National Bank of Ashland, Kentucky; this brings our total up to nine. This just for you - one big deal in the making which if consummated will be an eye opener example you. As I see the picture a price of 35 a share for Ramco is just around the corner, and possibilities unlimited. It sure looks good to me.

Can't you find some excuse to run down for a few days as we would all like to see you.

If I don't stop writing you will have to take a vacation to read this letter.

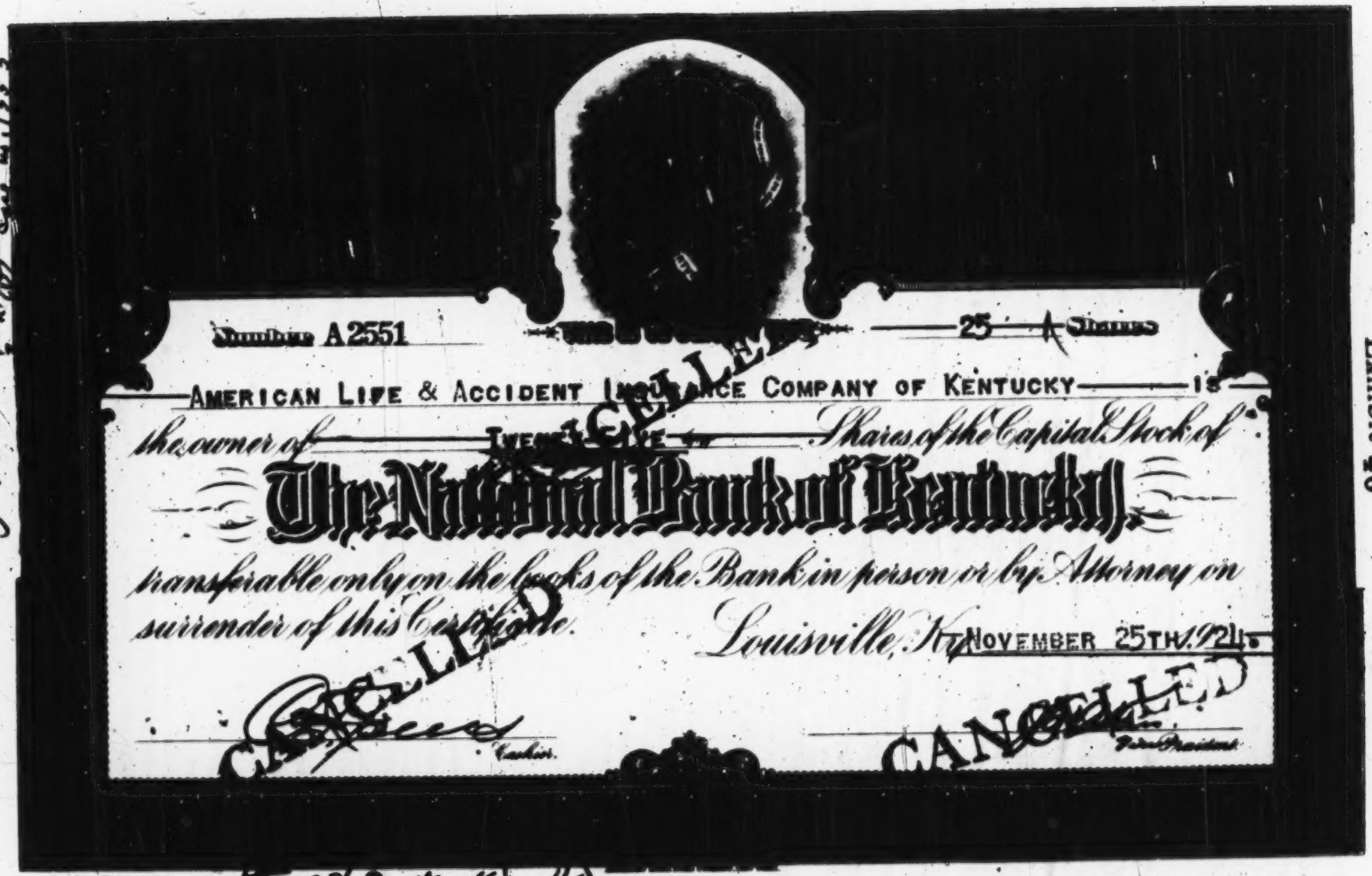
Will close for this time with the hope that this finds you and yours enjoying the very best of health.

With kindest personal regards, beg to remain,

Very truly yours,

L. L. Fontaine
Vice President

LLF MHH



Number A2551 — 25 Shares

AMERICAN LIFE & ACCIDENT INSURANCE COMPANY OF KENTUCKY — Is

the owner of — Twenty-five — Shares of the Capital Stock of

The National Bank of Kentucky

transferable only on the books of the Bank in person or by Attorney on surrender of this Certificate.

Louisville, Ky. NOVEMBER 25TH 1921.

CANCELLED

Cashier

CANCELLED

Vice President

CANCELLED

Exhibit 40

D-1445

5 Docs Sec 41/353

28 Sec 33 (Pg 46-46) 40

Exhibit 40

For Value received, hereby sell, assign and transfer unto

_____

_____

_____

_____ Shares

of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the Books of the within named Bank with full power of substitution in the premises.

Dated, _____ 19

_____

In Presence of _____

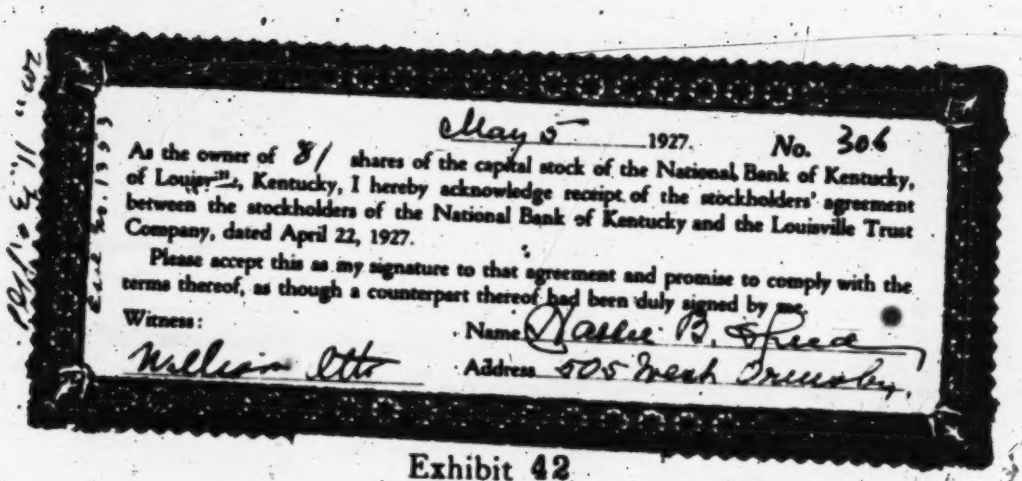
NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

PLAINTIFF'S EXHIBIT No. 40
OCT 18 1938
Paul E. Peterson
OFFICIAL REPORTER

4

115-B.

Exhibit 41



May 5 1927. No. 306

As the owner of 81 shares of the capital stock of the National Bank of Kentucky, of Louisville, Kentucky, I hereby acknowledge receipt of the stockholders' agreement between the stockholders of the National Bank of Kentucky and the Louisville Trust Company, dated April 22, 1927.

Please accept this as my signature to that agreement and promise to comply with the terms thereof, as though a counterpart thereof had been duly signed by me.

Witness: William Otto

Name Mamie B. Speed

Address 505 Beach Drive

Exhibit 42

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned has appointed and empowered and does hereby appoint and empower the Louisville Trust Company to transfer to the Trustees, under a Trust Agreement entered into between the stockholders of the National Bank of Kentucky and the Louisville Trust Company, dated April 22, 1927, 81 shares of my stock in the National Bank of Kentucky, represented by Certificates Nos. a 989 - a 990 a 993, and also to receive from the National Bank of Kentucky certificates of stock that shall be issued to me upon the declaration of the stock dividend of said National Bank of Kentucky mentioned in said agreement and transfer the same in the same manner as above directed as to the certificates above mentioned and to receive and receipt for me and in my name the trustees' participation certificates representing all of said shares of stock.

It is provided, however, that if the said Trust Agreement shall, under its terms, fail to become effective by August 1, 1927, this power of attorney shall cease to have any effect, and the said Louisville Trust Company shall return to me the certificates of stock now held by me and also those which it may receive upon the declaration of said stock dividend.

As WITNESS MY HAND this 5 of May, 1927.

William Otto
Witness.

Mamie B. Speed
Stockholder.

Exhibit 44

1447

TRUSTEES OF

National Bank of Kentucky

and

The Louisville Trust Company

No. 198 C **INTERIM RECEIPT** _____ Shares

Issued Pending Completion of the Reorganization Outlined in Letter of Trustees and Directors, Dated July 19, 1929.

THIS IS TO CERTIFY that.....

the holder of.....

shares of Trustees' Participation Certificates, has deposited with the undersigned, as agents under the Agreement aforesaid,

Trustees' Participation Certificates numbered.....

.....

representing the total number of shares above mentioned. These certificates are to be exchanged on the basis of Two (2) shares of The BancoKentucky Company, when, as and if the Plan of Reorganization is declared effective, for each share of the Certificates herein stated.

In the event the proposed Reorganization does not become effective, the undersigned, as agents, will redeliver said Certificates, without expense, to the depositor thereof or his assigns.

IN WITNESS WHEREOF, the Trustees under the Trust Agreement between the stockholders of the National Bank of Kentucky and The Louisville Trust Company, dated April 22, 1927, as agents, have hereunto caused their seal to be affixed, and this Receipt to be executed by the fac-simile signature of the Vice Chairman and attested by the Secretary or Assistant Secretary.

CANCELLED

TRUSTEES of National Bank of Kentucky and The Louisville Trust Company, Agents.

By _____ Vice Chairman.

CANCELLED

_____ Asst. Secretary

Exhibit 44

FOR VALUE RECEIVED, ...hereby sell, assign and transfer unto

.....

.....shares

of the capital stock represented by the within receipt, and do hereby irrevocably constitute and

appoint.....attorney,

to transfer the said stock on the books of the within-named Corporation, with full power of substitution in the premises.

Dated.....

.....

In the presence of:

.....

Exhibit 45

Exhibit 45

For Value Received, _____ HEREBY SELL, ASSIGN AND TRANSFER UNTO

_____

_____

_____ SHARES.

OF THE CAPITAL STOCK REPRESENTED BY THE WITHIN CERTIFICATE, AND DO HEREBY IRREVOCABLY CONSTITUTE AND APPOINT

_____ ATTORNEY

TO TRANSFER THE SAID STOCK ON THE BOOKS OF THE WITHIN-NAMED COMPANY WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

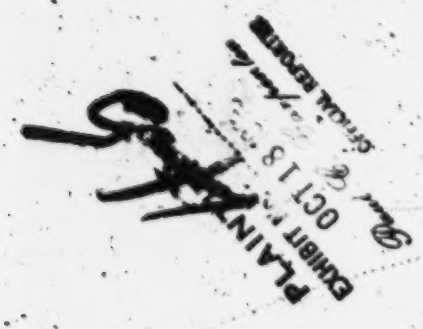
DATED _____, 19____

_____

IN PRESENCE OF:

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.



THIS SPACE MUST NOT BE COVERED IN ANY WAY

Exhibit 46

CERTIFICATE FOR LESS THAN 100 SHARES

JUL 5 - 1930

THE NATIONAL BANK OF KENTUCKY
(LOUISVILLE)

By J. B. Allen

CERTIFICATE FOR LESS THAN 100 SHARES

THE BANKERS TRUST COMPANY

THIS CERTIFICATE IS TRANSFERABLE IN CHICAGO OR IN LOUISVILLE

SERIES 100 PAR VALUE

SERIES 100 PAR VALUE

This Certifies that **FRANK BADER**

is the owner of **TWENTY**

full paid and non-assessable shares of the Capital Stock of

CAPITAL STOCK

of The Bankers Trust Company transferable only on the books of the Company by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed.

Witness the seal of the Corporation and the undersigned duly authorized officers.

Dated JUL 5 - 1930

James B. Brown
Agent and Registrar for the Register

B. Dee Lee
Secretary

THE LOUISVILLE TRUST COMPANY
(LOUISVILLE)
Registrar

By

Exhibit 46

For Value received, ____ *hereby sell, assign and transfer unto*

_____

_____

_____

_____ *Shares*

of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____

_____ *Attorney*

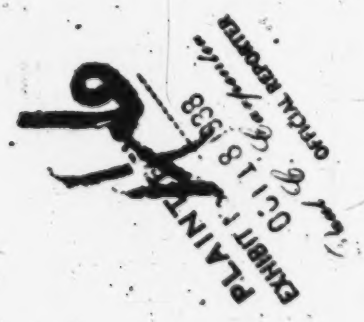
to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated, _____ 19____

_____

In Presence of _____ _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.



THIS SPACE MUST NOT BE COVERED IN ANY WAY

Exhibit 47

National Bank of Kentucky, Louisville, Ky.

Tuesday, January 10, 1928.

The regular annual meeting of the shareholders of the National Bank of Kentucky for the election of directors for the ensuing year and for the transaction of such other business as might properly come before the meeting was held this 10th day of January, 1928, at the Office of the Bank pursuant to notice legally given. Mr. Henry T. Jefferson was called to the Chair and called the Meeting to order at 10 o'clock A. M.

On motion duly seconded and carried, Charles F. Jones was elected Secretary of the meeting and E. A. Hewett, Henry T. Jefferson, and R. F. Warfield previously appointed judges by the Board of Directors proceeded to conduct the election. Ben S. Washer was selected to act as Proxy. The roll of the shareholders was then called and the election was conducted between the hours of 10 o'clock A. M. and 12 O'Clock.

On motion duly seconded and carried it was resolved that the shareholders will now proceed to elect Thirty-eight(38) directors to serve during the ensuing year and until their successors shall be elected and qualify.

The undersigned Judges of the election respectfully report that there were present and voting 36,830 Shares by Proxy and No Shares in person or a total of 36,830 Shares and that 36,830 Shares were voted for each of the directors whose names are set out below and who had previously been placed in nomination and they were thereupon declared to be duly elected.

John S. Akers
Henry J. Angermeier
John M. Atherton
Oscar E. Bloch
Charles H. Bohmer
James B. Brown
R. Lee Callahan
Anthony J. Carroll
George M. Clark
Samuel W. Coons
Allen P. Dodd
Edwin M. Drummond
Stuart E. Duncan
Joseph H. Durham
George L. Everbach
James Garnett
Angerean Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
Clarence C. Hieatt
Saunders P. Jones
Walter I. Kohn
Milburn P. Kelly
Brainard Lemon
S. Clay Lyons
Charles C. Mengel
Thomas J. Minary
Edward J. O'Brien, Jr.
Henry D. Ormsby
John B. Pirtle
Huston Quin
Richard S. Reynolds
Arthur M. Rutledge
William Short
William S. Speed
John Stites
Henry Vogt

SECRETARY.

CHAIRMAN.

Judges of Election.

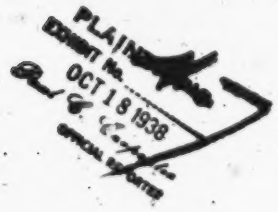


Exhibit 47

National Bank of Kentucky, Louisville, Ky.

Tuesday, January 8, 1929.

The regular annual meeting of the shareholders of the National Bank of Kentucky for the election of directors for the ensuing year and for the transaction of such other business as might properly come before the meeting was held this 8th day of January, 1929, at the Office of the Bank pursuant to notice legally given. Mr. E. A. Hewett was called to the Chair and called the Meeting to order at 10 o'clock A.M.

On motion duly seconded and carried, Charles F. Jones was elected Secretary of the meeting and E. A. Hewett, Hal T. Jefferson and Wm. E. Smith previously appointed judges by the Board of Directors proceeded to conduct the election. Ben S. Washer was selected to act as Proxy. The roll of the shareholders was then called and the election was conducted between the hours of 10 o'clock A. M. and 12 o'clock.

On motion duly seconded and carried it was resolved that the shareholders will now proceed to elect Thirty-five(35) directors to serve during the ensuing year and until their successors shall be elected and qualify.

The undersigned Judges of the election respectfully report that there were present and voting 39,884.8 Shares by Proxy and No shares in person or a total of 39,884.8 Shares and that 39,884.8 Shares were voted for each of the directors whose names are set out below and who had previously been placed in nomination and they were thereupon declared to be duly elected.

- John S. Akers
- Henry J. Angermeier
- Oscar B. Bloch
- Charles H. Bohmer
- James B. Brown
- R. Lee Callahan
- Anthony J. Carroll
- George M. Clark
- Samuel W. Coons
- Allen P. Dodd
- Stuart E. Duncan
- Joseph M. Durham
- James Garnett
- Angereau Gray
- James J. Hayes
- T. Kennedy Helm
- Richard S. Reynolds.
- Baylor O. Hickman
- Clarence C. Hiatt
- Saunders F. Jones
- Walter I. Kohn
- Milburn P. Kelly
- Brainard Lemon
- S. Clay Lyons
- Charles C. Mengel
- Thomas J. Minary
- Edward J. O'Brien,
- Henry D. Ormsby
- John B. Pirtle
- Huston Quin
- Arthur M. Rutledge
- William Short
- William S. Speed
- John Stites
- Henry Vogt

SECRETARY.

CHAIRMAN

Judges of Election.

Exhibit 47

MINUTES OF STOCKHOLDERS MEETING

NATIONAL BANK OF KENTUCKY

Louisville, Ky., October 7,1929.

A special meeting of the stockholders of the National Bank of Kentucky was this day held at the office of the Bank in Louisville Kentucky, the thirty(30) days notice having been unanimously waived by the holders of all of the outstanding stock.

Mr. James B. Brown was elected Chairman, and Mr. Charles F. Jones, Secretary of the meeting.

The following Resolution was moved and seconded:

RESOLVED: That the National Bank of Kentucky be placed in voluntary liquidation, under provisions of Sections 5220 and 5221 of the United States Revised Statutes, to take effect at the close of business on October 15, 1929, and that its Board of Directors be appointed liquidating agent or liquidation committee of said bank; that liquidation shall be conducted in accordance with law and under the supervision of the Board of Directors, who shall require a suitable bond to be given by the said agent or committee in an amount to be fixed by the Board of Directors;that the said liquidating agent or committee shall render semi-annual reports to the Comptroller of the Currency on the 1st of April and October of each year showing the progress of said liquidation until said liquidation is completed; that said liquidating agent or committee shall render an annual report to the shareholders on the date fixed in the articles of association for said annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint another in place thereof; that a special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank, and at said meeting the shareholders may, by a vote of the majority of the stock, remove the liquidating agent or committee; that the Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claim of all creditors have been satisfied, and that the National Bank Examiner will be compensated for his time and expense in making the examination in question.

The foregoing Resolution being put to a vote, was adopted by the owners of 38,726 shares, out of a total of 40,000 shares issued and outstanding as of this date, no director, officer or employee having acted as proxy, to with:

NAME OF STOCKHOLDER.	RESIDENCE	NAME OF PROXY	NO. of SHS
Trustees under the stockholders' agreement of the National Bank of Kentucky and The Louisville Trust Company,dated April 22nd, 1927.			
By Henry Vogt-Chairman.	Louisville,Ky.		38,408
John S. Akers	Louisville,Ky.		10
H. J. Angermeier	Louisville, Ky.		10
Dr. Oscar E. Bloch	Louisville, Ky.		10
Charles Bohner	Louisville, Ky.		10
James B. Brown	Louisville, Ky.		10
R. Lee Callahan	Louisville, Ky.		10
Anthony Carroll	Louisville, Ky.		10
George M. Clark	Louisville, Ky.		10
Samuel M. Coons	Louisville, Ky.		10
Allen P. Dodd	Louisville, Ky.		10
Stuart E. Duncan	Louisville, Ky.		10
Jos. H. Durham	Louisville, Ky.		10
James Garnett	Louisville, Ky.		10
Angereau Gray	Louisville, Ky.		10
James J. Hayes	Louisville, Ky.		10
T. Kennedy Helm	Louisville, Ky.		10
Baylor O. Hickman	Louisville, Ky.		10
C. C. Hieatt	Louisville, Ky.		10

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Milburn P. Kelly	Louisville, Ky.	10
Walter I. Kohn	Louisville, Ky.	10
S. Clay Lyons	Louisville, Ky.	10
Charles C. Mengel	Louisville, Ky.	10
T. J. Minary	Louisville, Ky.	10
E. J. O'Brien, Jr.	Louisville, Ky.	10
Henry D. Ormsby	Louisville, Ky.	10
John B. Pirtle	Louisville, Ky.	10
Arthur M. Rutledge	Louisville, Ky.	10
Wm. Short	Louisville, Ky.	10
William S. Speed	Louisville, Ky.	10
John Stites	Louisville, Ky.	10
Henry Vogt	Louisville, Ky.	10

No stock was voted aginst said Resolution. All of the stock of the bank issued and outstanding as of this date, was represented in person at said meeting, with the exception of 1274 shares. The holders of these 1274 shares waived the notice of the meeting, but were not represented thereat either in person or by proxy.

Total number of shares voted in favor of the Resolution were 38,726 and the Chairman thereupon declared the Resolution to be carried unanimously.

The foregoing individual stockholders being also the Board of Directors of the National Bank of Kentucky hereby authorize and request the President or Cashier to certify to the Comptroller of the Currency of the United States the foregoing minutes as being the action of the stockholders.

Exhibit 47

MINUTES OF STOCKHOLDERS MEETING

NATIONAL BANK OF KENTUCKY

Louisville, Ky., October 15, 1929.

A special meeting of the stockholders of the National Bank of Kentucky was this day held at the office of the Bank in Louisville, Kentucky, at the hour of 2:00 o'clock P. M., the thirty(30) days notice having been unanimously waived by the holders of all of the outstanding stock.

Mr. James B. Brown was elected Chairman, and Mr. Charles F. Jones, Secretary of the meeting.

The following Resolution was moved , seconded and unanimously carried:

RESOLVED : WHEREAS, a Resolution was heretofore adopted by the stockholders on October 7, 1929, authorizing the voluntary liquidation of this Bank,effective October 15, 1929. And,

WHEREAS, it appears that the time fixed in said Resolution was too short to permit an examination by the Federal Reserve Bank of St. Louis of the new State Bank to be known as The Bank of Kentucky, into which this Bank is to be converted at the time the liquidation becomes effective. And,

WHEREAS, it is desired to extend the period at which the liquidation will become effective, in order to permit this examination to be made.

NOW THEREFORE, BE IT RESOLVED, That the said Resolution of the stockholders made on October 7th, 1929, be, and the same is hereby rescinded. The following Resolution was then moved, seconded and unanimously carried;

RESOLVED: That the National Bank of Kentucky be placed in voluntary liquidation, under provisions of Sections 5220 and 5221 of the United States Revised Statutes, to take effect at the close of business on November 15, 1929, and that its Board of Directors be appointed liquidating agent or liquidation committee of said bank; that liquidation shall be conducted in accordance with law and under the supervision of the Board of Directors, who shall require a suitable bond to be given by the said agent or committee in an amount to be fixed by the Board of Directors; that the said liquidating agent or committee shall render semi-annual reports to the Comptroller of the Currency on the 1st of April and October of each year showing the progress of said liquidation until said liquidation is completed; that said liquidating agent or committee shall render an annual report to the shareholders on the date fixed in the articles of association for said annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint another in place thereof; that a special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank, and at said meeting the shareholders may, by a vote of the majority of the stock, remove the liquidating agent or committee; that the Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claims of all creditors have been satisfied, and that the National Bank Examiner will be compensated for his time and expense in making the examination in question.

The foregoing Resolution being put to a vote, was adopted by the owners of 39,995.2 shares, out of a total of 40,000 issued and outstanding as of this date, no director, officer or employee having acted as proxy, to wit:

Exhibit 47

NAME OF STOCKHOLDER	RESIDENCE	NAME OF PROXY	NO. OF SHARES.
Trustees under the stockholders' agreement of the National Bank of Kentucky and The Louisville Trust Company, dated April 22nd, 1927. By Henry Vogt-Chairman	Louisville, Ky.		39,675.2
John S. Akers	Louisville, Ky.		10
H. J. Angermeier	Louisville, Ky.		10
Dr. Oscar K. Bloch	Louisville, Ky.		10
Charles Bohner	Louisville, Ky.		10
James B. Brown	Louisville, Ky.		10
R. Lee Callahan	Louisville, Ky.		10
Anthony Carroll	Louisville, Ky.		10
George H. Clark	Louisville, Ky.		10
Samuel B. Coons	Louisville, Ky.		10
Allen P. Dodd	Louisville, Ky.		10
Stuart E. Duncan	Louisville, Ky.		10
Joseph H. Durham	Louisville, Ky.		10
James Garnett	Louisville, Ky.		10
Angereau Gray	Louisville, Ky.		10
James J. Hayes	Louisville, Ky.		10
T. Kennedy Helm	Louisville, Ky.		10
Baylor O. Hickman	Louisville, Ky.		10
C. C. Hiatt	Louisville, Ky.		10
Saunders F. Jones	Louisville, Ky.		10
Milburn P. Kelly	Louisville, Ky.		10
Walter I. Kohn	Louisville, Ky.		10
S. Clay Lyons	Louisville, Ky.		10
Charles C. Mengel	Louisville, Ky.		10
T. J. Minary	Louisville, Ky.		10
E. J. O'Brien, Jr.	Louisville, Ky.		10
Henry D. Ormsby	Louisville, Ky.		10
John B. Pirtle	Louisville, Ky.		10
Arthur M. Rutledge	Louisville, Ky.		10
Wm. Short	Louisville, Ky.		10
William S. Speed	Louisville, Ky.		10
John Stites	Louisville, Ky.		10
Henry Vogt	Louisville, Ky.		10

No stock was voted against said Resolution . All of the stock of the Bank issued and outstanding as of this date, was represented in person at said meeting, with the exception of 4.8 shares .The holder of these 4.8 shares waived the notice of the meeting, but was not represented thereat either in person or by proxy.

Total number of shares voted in favor of the Resolution were 39,995.2, and the Chairman thereupon declared the Resolution to be carried unanimously.

The foregoing individual stockholders being also the Board of Directors of the National Bank of Kentucky hereby authorize and request the President or Cashier to certify to the Comptroller of the Currency of the United States the foregoing minutes as being the action of the stockholders.

Exhibit 47.

MINUTES OF STOCKHOLDERS MEETING

NATIONAL BANK OF KENTUCKY.

Louisville, Kentucky

November 8th, 1929.

A special meeting of the stockholders of the National Bank of Kentucky was this day held at the offices of the Bank in Louisville, Kentucky, at the hour of 3.30 o'clock P. M., the thirty (30) days notice having been unanimously waived by the holders of all of the outstanding stock.

Mr. James B. Brown was elected Chairman, and Mr. Charles F. Jones, Secretary of the meeting.

The following resolution was moved, seconded, and unanimously carried:

> RESOLVED: WHEREAS, a resolution was heretofore adopted by the stockholders on October 15th, 1929, authorizing the voluntary liquidation of this Bank, effective at the close of business on November 15th, 1929. And,
>
> WHEREAS, the unusual general conditions prevailing at the present time have required the attention of the officers of this bank so as to make it impossible to carry forward the plans of dissolution at this time contemplated by said resolution, on account of which conditions it is desirable to extend the period in which the liquidation is to become effective.
>
> NOW THEREFORE, BE IT RESOLVED: that said resolution of the stockholders under date of October 15th, 1929, be, and the same is hereby rescinded.

The following resolution was then moved, seconded and Unanimously carried:

> RESOLVED: that the National Bank of Kentucky be placed in voluntary liquidation, under provisions of Sections 5220 and 5221 of the United States Revised Statutes, to take effect at the close of business on December 28th, 1929, and that its Board of Directors be appointed liquidating agent or liquidation committee of said bank; that liquidation shall be conducted in accordance with law and under the supervision of the Board of Directors; that the said liquidating agent or committee shall render semi-annual reports to the Comptroller of the Currency on the 1st of April and October of each year showing the progress of said liquidation until said liquidation is completed; that said liquidating agent or committee shall render and annual report to the shareholders on the date fixed in the articles of association for said annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint another in place thereof; that a special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank, and at said meeting the shareholders may, by a vote of the majority of the stock, remove the liquidating agent or committee; that the Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claims of all creditors have been satisfied, and that the National Bank Examiner will be compensated for his time and expense in making the examination in question.

The foregoing resolution being put to a vote, was adopted by the owners of 40,000 shares, out of a total of 40,000 shares issued and outstanding as of this date, no director, officer or employee having acted as proxy, to wit:

Exhibit 47

NAME OF STOCKHOLDER.	RESIDENCE	NAME OF PROXY	NO. OF SHS.
Trustees under the stockholders' agreement of the National Bank of Kentucky and The Louisville Trust Company, dated April 22nd, 1927.			
By: HENRY VOGT Chairman.	Louisville, Ky.		39,680
John S. Akers,	Louisville, Ky.		10
H. J. Angermeier	Louisville, Ky.		10
Dr. Oscar E. Bloch,	Louisville, Ky.		10
Charles Bonner,	Louisville, Ky.		10
James B. Brown,	Louisville, Ky.		10
R. Lee Callahan,	Louisville, Ky.		10
Anthony Carroll,	Louisville, Ky.		10
George M. Clark,	Louisville, Ky.		10
Samuel M. Coons,	Louisville, Ky.		10
Allen P. Dodd,	Louisville, Ky.		10
Stuart E. Dunban,	Louisville, Ky.		10
Jos. H. Durham,	Louisville, Ky.		10
Jas. Garnett	Louisville, Ky.		10
Algernon Gray,	Louisville, Ky.		10
Jas. J. Hayes,	Louisville, Ky.		10
T. Kennedy Helm,	Louisville, Ky.		10
Baylor O. Hickman,	Louisville, Ky.		10
C. C. Hieatt,	Louisville, Ky.		10
Saunders P. Jones,	Louisville, Ky.		10
Milburn P. Kelly,	Louisville, Ky.		10
Walter I. Kohn,	Louisville, Ky.		10
S. Clay Lyons,	Louisville, Ky.		10
Chas. C. Mengel,	Louisville, Ky.		10
T. J. Minary,	Louisville, Ky.		10
E. J. O'Brien, Jr.	Louisville, Ky.		10
Henry D. Ormsby,	Louisville, Ky.		10
John B. Pirtle,	Louisville, Ky.		10
Arthur M. Rutledge,	Louisville, Ky.		10
Wm. Short,	Louisville, Ky.		10
Wm. S. Speed,	Louisville, Ky.		10
John Stites,	Louisville, Ky.		10
Henry Vogt,	Louisville, Ky.		10

No stock was voted against said resolution. All of the stock of the Bank issued and outstanding as of this date, was represented in person at said meeting.

Total number of shares voted in favor of the resolution were 40,000 and the Chairman thereupon declared the resolution to be carried unanimously.

The foregoing individual stockholders being also the Board of Directors of the National Bank of Kentucky hereby authorize and request the President or Cashier to certify to the Comptroller of the Currency of the United States the foregoing minutes as being the action of the stockholders.

Exhibit 47

MINUTES OF STOCKHOLDERS MEETING

NATIONAL BANK OF KENTUCKY.

Louisville, Kentucky .
December 20, 1929.

A special meeting of the stockholders of the National Bank of Kentucky was held this day at the offices of the Bank in Louisville, Kentucky , at the hour of 3.30 o'clock P. M. the thirty(30) days notice having been unanimously waived by the holders of all of the outstanding stock.

Mr. James B. Brown was elected Chairman and Mr. Charles F. Jones, Secretary of the meeting.

The following resolution was moved, seconded, and unanimously carried:

RESOLVED: WHEREAS, a resolution was heretofore adopted by the stockholders on November 8, 1929, authorizing the voluntary liquidation of this Bank, effective at the close of business on December 28, 1929. And,

WHEREAS, it is to the best interest of the Bank and its stockholders that the time for the effective date of denationalisation of said bank be further extended.

NOW THEREFORE, BE IT RESOLVED: that said resolution of the stockholders under date of November 8, 1929, be, and the same is hereby rescinded.

The following resolution was then moved, seconded and unanimously carried:

RESOLVED: that the National Bank of Kentucky be placed in voluntary liquidation, under provisions of Sections 5220 and 5221 of the United States Revised Statutes, to take effect at the close of business on March 29, 1930, and that its Board of Directors be appointed liquidating agent or liquidation committee of said bank; that liquidation shall be conducted in accordance with law and under the supervision of the Board of Directors; that the said liquidating agent or committee shall render semi-annual reports to the Comptroller of the Currency on the 1st of April and October of each year showing the progress of said liquidation until said liquidation is completed; that said liquidating agent or committee shall render an annual report to the shareholders on the date fixed in the articles of association for said annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint another in place thereof; that a special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank, and at said meeting the shareholders may, by a vote of the majority of the stock, remove the liquidating agent or committee; that the Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claims of all creditors have been satisfied, and that the National Bank Examiner will be compensated for his time and expense in making the examination in question.

The foregoing resolution being put to a vote, was adopted by the owners of 40,000 shares , out of a total of 40,000 shares issued and outstanding as of this date, no director, officer or employee having acted as proxy, to-wit :

Exhibit 47

NAME OF STOCKHOLDER.	RESIDENCE	NAME OF PROXY	NO. OF SHS.
Trustees under the stockholders' agreement of the National Bank of Kentucky and the Louisville Trust Company, dated April 22nd, 1927.			
By Henry Vogt Chairman.	Louisville, Ky.		39,680
John S. Akers	Louisville, Ky.		10
H. J. Angermeier	Louisville, Ky.		10
Dr. Oscar K. Bloch	Louisville, Ky.		10
Charles Bohmer	Louisville, Ky.		10
James B. Brown	Louisville, Ky.		10
R. Lee Callahan	Louisville, Ky.		10
Anthony Carroll	Louisville, Ky.		10
George M. Clark	Louisville, Ky.		10
Samuel A. Coons	Louisville, Ky.		10
Allen P. Dodd	Louisville, Ky.		10
Stuart E. Duncan	Louisville, Ky.		10
Jos. H. Durham	Louisville, Ky.		10
Jas. Garnett	Louisville, Ky.		10
Angereau Gray	Louisville, Ky.		10
Jas. J. Hayes	Louisville, Ky.		10
T. Kennedy Helm	Louisville, Ky.		10
Baylor G. Hickman	Louisville, Ky.		10
C. C. Hiatt	Louisville, Ky.		10
Saunders P. Jones	Louisville, Ky.		10
Milburn P. Kelly	Louisville, Ky.		10
Walter I. Kohn	Louisville, Ky.		10
S. Clay Lyons	Louisville, Ky.		10
Chas. C. Mengel	Louisville, Ky.		10
T. J. Minary	Louisville, Ky.		10
E. J. O'Brien, Jr.	Louisville, Ky.		10
Henry D. Ormsby	Louisville, Ky.		10
John B. Pirtle	Louisville, Ky.		10
Arthur M. Rutledge	Louisville, Ky.		10
Wm. Short	Louisville, Ky.		10
William S. Speed	Louisville, Ky.		10
John Stites	Louisville, Ky.		10
Henry Vogt	Louisville, Ky.		10

No stock was voted against said resolution. All of the stock of the bank issued and outstanding as of this date, was represented in person at said meeting.

Total number of shares voted in favor of the resolution was 40,000 and the Chairman thereupon declared the resolution to be carried unanimously.

The foregoing individual stockholders being also the Board of Directors of the National Bank of Kentucky hereby authorize and request the President or Cashier to certify to the Comptroller of the Currency of the United States the foregoing minutes as being the action of the stockholders.

Exhibit 47

NATIONAL BANK OF KENTUCKY, LOUISVILLE, KY.

TUESDAY, JANUARY 14, 1930.

The regular annual meeting of the shareholders of the National Bank of Kentucky, for the election of directors for the ensuing year and for the transaction of such other business as might properly come before the meeting, was held this 14th day of January, 1930, at the office of the Bank pursuant to notice legally given. Mr. E. A. Hewett was called to the Chair and called the meeting to order at 10 o'clock A. M.

On motion duly seconded and carried, Charles F. Jones was elected Secretary of the meeting and E. A. Hewett, Hal. T. Jefferson and Wm. E. Smith previously appointed Judges by the Board of Directors proceeded to conduct the election. Ben S. Washer was selected to act as Proxy. The roll of the shareholders was then called and the election was conducted between the hours of 10 o'clock A. M. and 12 noon.

On motion duly seconded and carried it was resolved that the shareholders will now proceed to elect nineteen (19) directors to serve during the ensuing year and until their successors shall be elected and qualify.

The undersigned judges of the election respectfully report that there were present and voting 39,990 Shares by Proxy and No shares in person or a total of 39,990 Shares and that 39,990 Shares were voted for each of the directors whose names are set out below and who had previously been placed in nomination and they were thereupon declared to be duly elected,

John S. Akers
Henry J. Angermeier
James B. Brown
H. Lee Callahan
Anthony J. Carroll
George M. Clark
Samuel M. Coons
Stuart E. Duncan
Joseph H. Durham
Charles F. Jones.
James J. Hayes
Baylor O. Hickman
Saunders F. Jones
Charles C. Mengel
Thomas J. Minary
Edward J. O'Brien, Jr.
Henry D. Ormsby
William S. Speed
Henry Vogt.

Charles F. Jones
SECRETARY.

E. A. Hewett
CHAIRMAN

Hal T. Jefferson
W. E. Smith
Judges of Election.

Exhibit 47

MINUTES OF STOCKHOLDERS MEETING

NATIONAL BANK OF KENTUCKY.

Louisville, Ky.

March 21, 1930.

A special meeting of the stockholders of the National Bank of Kentucky was this day held at the office of the bank in Louisville, Kentucky, at the hour of 3:00 o'clock P. M., the thirty (30) days notice having been unanimously waived by the holders of all of the outstanding stock.

Mr. Chas. F. Jones was elected Chairman of the meeting and Mr. W. T. ZurSchmiede, Secretary.

On motion duly seconded and carried, the following resolution was unanimously adopted.

> WHEREAS, at a meeting of the stockholders of this bank on December 20, 1929, a resolution was adopted authorising the voluntary liquidation thereof under Sections 5220 and 5221 of the United States Revised Statutes, to take effect at the close of business on March 29, 1930. And,
>
> WHEREAS, it is the unanimous opinion of all the stockholders and directors of this banking association that the plan formerly agreed upon to surrender the national charter of this bank and convert same into a state bank, under the laws of the Commonwealth of Kentucky, shall be now abandoned, and that said banking association should remain and continue to be a member of the national system.
>
> NOW THEREFORE, BE IT RESOLVED: That said resolution of December 20, 1929, be, and the same is hereby reconsidered and rescinded in its entirety, to the end that the National Bank of Kentucky shall remain a member of the National Banking System.
>
> BE IT FURTHER RESOLVED: that W. T. ZurSchmiede, the Cashier of this bank, be, and he is hereby authorized to certify the action this day taken by the stockholders, to the Comptroller of the Currency at Washington, by transmitting to his office a duly certified copy of the minutes of this meeting.

The foregoing resolution being put to a vote, was adopted by the owners of 39,980 shares , out of a total of 40,000 shares issued and outstanding as of this date, no director, officer or employee having acted as proxy, to wit:

Name of Stockholder	Residence	Name of Proxy	No. of Shs
Trustees under the stockholders' agreement of the National Bank of Kentucky and the Louisville Trust Company, dated April 22nd, 1927.			
By: Henry Vogt Chairman.	Louisville, Ky.		39,810
John S. Akers,	Louisville, Ky.		10
H. J. Angermeier,	Louisville, Ky.		10
James B. Brown,	Louisville, Ky.		10
R. Lee Callahan,	Louisville, Ky.		10
Anthony Carroll,	Louisville, Ky.		10
George M. Clark,	Louisville, Ky.		10
Samuel M. Coons,	Louisville, Ky.		10
Stuart E. Duncan,	Louisville, Ky.		10
Jas. J. Hayes,	Louisville, Ky.		10
Bayler O. Hickman,	Louisville, Ky.		10
Saunders P. Jones,	Louisville, Ky.		10
Charles F. Jones,	Louisville, Ky.		10
Chas. C. Mengel,	Louisville, Ky.		10
T. J. Minary,	Louisville, Ky.		10

Exhibit 47

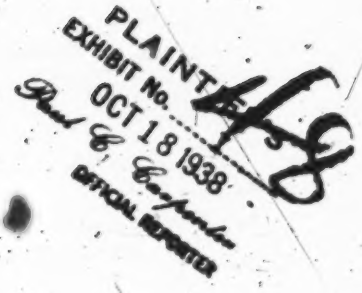
Name of Stockholder	Residence	Name of Proxy	No. of Shs
E. J. O'Brien, Jr.	Louisville, Ky.		10
Wm. S. Speed,	Louisville, Ky.		10
Henry Vogt	Louisville, Ky.		10

No stock was voted against said resolution.

Total number of shares voted in favor of the resolution were 39,980 and the Chairman thereupon declared the resolution to be carried.

The foregoing individual stockholders being also the Board of Directors of the National Bank of Kentucky, excepting Jos. H. Durham and Henry D. Ormsby(absent from city), hereby authorise and request the President or Cashier to certify to the Comptroller of the Currency of the United States the foregoing minutes as being the action of the stockholders.

Exhibit 48



October 7, 1933

Office of the Comptroller of the Currency
Treasury Building
Washington, D. C.

Re: Application of The National Bank of Kentucky
to dissolve pursuant Secs. 5220 - 5221 R.S.

ATTENTION: MR. QUIN

Gentlemen: -

Confirming some recent correspondence between our Mr. Jones with your Mr. Proctor, I transmit herewith a resolution adopted by the holders of thirty-eight thousand seven hundred twenty-six (38,726) shares of the stock of the National Bank of Kentucky out of a total of forty thousand (40,000) shares issued and outstanding as of this date.

This resolution was prepared under the direction of counsel who recently appeared before you in connection with the consolidation of the Louisville National Bank & Trust Company with The Louisville Trust Company and it is, therefore, hoped that you will find it in proper form.

As soon as your department has approved and lodged for record this resolution, the Directors of this Bank will incorporate a State Bank under the Laws of Kentucky, to be known as the Bank of Kentucky; and this Bank will acquire and succeed to all of the assets, rights and franchises of the National Bank.

In accordance with your regulations, a certified copy of the contract between the State Bank and the National Bank, in liquidation, will be sent to you for record. The remaining details, such as a resolution authorizing the Comptroller to withdraw from the Treasury the bonds securing circulation, the formal notices in New York, and all matters relating to our status with the Reserve Bank will be attended to later under the guidance of your department. Copies of all notices, resolutions, etc., will be sent to your office as required.

Kindly acknowledge receipt of the enclosed application for liquidation and advise us if everything is in proper form at your earliest convenience.

With kindest regards, I remain,

Very truly yours,

PRESIDENT

JBB-D

J 35 8.45 - 48

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Exhibit 49

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OFFICE OF
COMPTROLLER OF THE CURRENCY
ADDRESS REPLY TO
COMPTROLLER OF THE CURRENCY

TREASURY DEPARTMENT

WASHINGTON

October 9, 1929.

President,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

The receipt is acknowledged of your letter of October 7 enclosing resolution of shareholders placing the National Bank of Kentucky of Louisville in voluntary liquidation.

The resolution is in proper form, and the National Bank Bank of Kentucky of Louisville will be formally reported in voluntary liquidation on October 16, effective as of close of business October 15, 1929.

Respectfully,

E. H. Gough,
Deputy Comptroller.

CLARENCE E. WALKER
SHORTHAND REPORTER.

PLAINTIFF'S
EXHIBIT
OCT 18
OFFICIAL REPORTER

Plaintiff's Ex. 49

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Exhibit 50

ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

October 10th, 1929.

Mr. Charles F. Jones,
c/o National Bank of Kentucky.
Louisville, Kentucky.

50

Dear Mr. Jones:

I am glad to report that on yesterday I talked to the Comptroller of the Currency by long distance telephone and received his assurance that the papers had been filed and were in proper form, and that we were authorized to proceed with the other details in connection with the conversion of the National Bank of Kentucky into a State Bank. I have prepared all the necessary papers and after the Directors and Trustees have approved same at tomorrow's meeting, we will be able to close this transaction on Saturday by filing Articles of Incorporation at Frankfort.

I am submitting herewith a number of things that must be done tomorrow, so that you can advise Mr. Brown in advance of the meeting and get the details over with before the Directors begin to leave the meeting.

1. The Articles of Incorporation of The Bank of Kentucky must be signed in duplicate by all the Directors present and acknowledged before a Notary Public. I suggest that this be done during the interval between the meeting of the Boards, as I desire to record the original in the Office of the Jefferson County Court Clerk tomorrow afternoon; the duplicate will be sent forward to Frankfort Saturday morning for filing, and I have arranged with Miss Elle Lewis to meet me there around 10:00 o'clock by special appointment since the State Capitol will be closed on account of the legal holiday. Will you please have a Notary Public - not an employee of the Bank, present to take the acknowledgments of the Directors?

2. I have prepared a contract between the old bank and the new bank, in which the Trustees join, the effect of which is to transfer the assets of the latter to the former, and direct the issue of stock of the new bank to the Trustees and other persons entitled thereto, in the same proportion as they now hold the old stock. The present Board can authorize the execution of this contract for the National Bank of Kentucky; when we meet next week as the Board of the New bank, similar action can be taken on its behalf.

Kem 37 & 50

Exhibit 50

#2.
C. F. J.

3. I will desire a short meeting of the Trustees for the purpose of authorizing Henry Vogt as Chairman and John Akers as Secretary to sign and authenticate this contract.

4. I have prepared a resolution for the Directors, authorizing Mr. Brown as President and yourself as Cashier to execute this contract on behalf of the Bank.

5. I have also prepared a resolution authorizing the Comptroller of the Currency to withdraw from the Treasury of the United States, bonds deposited against the circulation of the Bank, and authorizing your Eastern correspondent to endorse these securities whenever they are sold for the purpose of redeeming the circulation.

You will remember that the old Louisville National Bank arranged to sell its bonds to Childs, and I believe the authority was given to him to act for the Bank in these matters. You and Mr. Brown might be thinking of the proper agencies to handle this for the National Bank of Kentucky.

Yours sincerely,

Robert Vaughan

RFV/BO'B

Exhibit 50

C
O
A
Y

A G R E E M E N T

AGREEMENT made and entered into this 7 day of October, 1929, between NATIONAL BANK OF KENTUCKY, a banking association organized under the laws of the United States, party of the first part; THE BANK OF KENTUCKY, a corporation organized under the laws of the State of Kentucky, party of the second part; and HENRY VOGT, STUART E. DUNCAN, T. J. MINARY, ALLEN DODD, CHARLES H. ROBBER, and BEN J. METCALFE, Trustees under the Agreement between the stockholders of the National Bank of Kentucky and The Louisville Trust Company, dated April 22, 1927, parties of the third part,

W I T N E S S E T H :

WHEREAS, by resolution, concurred in by more than two-thirds of its outstanding stock, at a meeting held at Louisville, Kentucky, on October 7, 1929, first party has been authorized to dissolve under Sections 5220 and 5221 of the United States Revised Statutes, and

WHEREAS, second party has been organized under the laws of the Commonwealth of Kentucky (Section 589, Carroll's Kentucky Statutes), for the purpose of acquiring all the assets and assuming all the liabilities (except circulation) of the first party to the end that first party may be converted into a State Bank, pursuant to the provisions of said laws, and

WHEREAS, third parties are the owners and holders of [illegible] shares, out of 40,000 shares issued and outstanding, of first party's capital stock, holding same as Trustees under the Agreement aforesaid, and having been duly authorized under the terms of said Agreement to enter into this contract for the purposes hereinafter set forth,

NOW, THEREFORE, the premises considered, and for other good and valuable considerations, the first party hereby bargains, sells, conveys and transfers to the second party all of its assets of every kind, character and description, and agrees to execute and deliver to second party, upon demand, proper deeds, conveyances, bills of sale, assignments and/or other instruments evidencing such transfer and sale as may be appropriate or necessary to vest

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Exhibit 50

COPY

second party with legal title thereto.

IN CONSIDERATION WHEREOF, second party hereby assumes and agrees to discharge and satisfy all obligations and liabilities of first party, whatsoever, excepting that second party does not assume or agree to discharge the outstanding circulation of first party, but it is agreed that first party shall, as provided by the Acts of Congress, deposit within six months from date of liquidation with the Comptroller of Currency, lawful money of the United States sufficient in amount to retire and discharge said circulation.

2. First party now has outstanding 40,000 shares of its capital stock, par value $100.00 each, of which [illegible] shares are held by third parties as Trustees under said Trust Agreement, 320 shares are held by the present Directors of the Bank as required by law (thirty-two Directors holding 10 shares each), and the remaining [illegible] shares are held by five individual stockholders. It is agreed that all of said outstanding shares shall be called in for cancelation and retirement, and, in lieu thereof, second party shall issue its entire capital stock, consisting of 40,000 shares, to the above-named holders of first party's shares, ratably, upon surrender of the old certificates for cancelation.

3. Third parties shall substitute the certificates, evidencing second party's stock, for the certificates of first party, in the indivisible trust estate created under said Agreement, and, thereafter, the said certificates of second party's stock shall be held by third parties subject to the terms and conditions of said Trust Agreement, and for the uses and purposes therein set forth, with full powers in relation to the management and control thereof, as in the first instance given in said Agreement in respect of the shares of the National Bank of Kentucky.

IN TESTIMONY WHEREOF, first party has caused this agreement to be executed by James B. Brown, President, attested by C. F. Jones, Cashier, thereunto duly authorized by the Board of Directors of first party by resolution dated October 11, 1929; and second party has caused this agreement to be executed by [illegible], attested by [illegible] thereunto duly authorized by the Board of Directors of second party by resolution dated October [illegible], 1929; and third parties have caused this

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Exhibit 50

COPY

instrument to be executed by Henry Vogt, Chairman of the Trustees, and attested by John Akers, Secretary, thereunto duly authorized at a meeting of the Trustees held on October 11, 1929, pursuant to consent given by the Advisory Committee under date of October 4, 1929 - all done at Louisville, Jefferson County, Kentucky, this 11 day of October, 1929.

NATIONAL BANK OF KENTUCKY

By _____
PRESIDENT

Attest:

_____
CASHIER

THE BANK OF KENTUCKY

By _____

Attest:

_____

THE TRUSTEES UNDER TRUST AGREEMENT
DATED APRIL 22, 1927

By _____
CHAIRMAN

Attest:

_____
SECRETARY

I hereby certify, under the authority of the Board of Directors of National Bank of Kentucky, that the foregoing is a true and correct copy of the contract entered into between National Bank of Kentucky, The Bank of Kentucky, and the Trustees under Trust Agreement of April 22, 1927, on the day of October, 1929.

_____
CASHIER

Subscribed and sworn to before me by C. F. Jones, this day of October, 1929.

My commission expires:

_____
NOTARY PUBLIC, JEFFERSON CO., KY.

Exhibit 50

RESOLUTION AUTHORIZING APPLICATION TO FEDERAL RESERVE BANK OF ST. LOUIS FOR CANCELATION OF SHARES HELD BY NATIONAL BANK OF KENTUCKY ADOPTED BY THE BOARD OF DIRECTORS - OCTOBER 11, 1929

On motion duly seconded and carried the following resolution was adopted:

"WHEREAS, after due and legal notice, the shareholders of this association owning two-thirds of capital stock have voted to place the association in voluntary liquidation, and

WHEREAS, this vote has been duly certified to the Comptroller of the Currency, and

WHEREAS, under the provisions of Section 5 of the Act approved December 23, 1913, and known as the Federal Reserve Act, this association is required to surrender for cancelation all of its holdings of the capital stock of the Federal Reserve Bank of St. Louis, and to terminate its membership in said Bank,

NOW, THEREFORE, BE IT RESOLVED, That C.J. ✓, the duly elected liquidating agent; be, and he is hereby, authorized, empowered, and directed to apply to the said Federal Reserve Bank for the cancelation of _____ shares of stock allotted to and held by this association, and to receive and receipt for any balance due this association by said Federal Reserve Bank on account of cash paid subscriptions, or otherwise, and any securities or other valuables belonging to this association, and to do such acts as may be necessary to adjust and settle the accounts between this association and the said Federal Reserve Bank."

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Exhibit 50

RESOLUTION TO BE ADOPTED BY DIRECTORS OF NATIONAL BANK OF KENTUCKY AT THEIR MEETING ON FRIDAY, OCTOBER 11, 1929

Mr. Jones reported that by resolution of the stockholders at the meeting held on October 7, 1929, National Bank of Kentucky had been authorized to dissolve and a certified copy of the resolution had been sent forward to the Comptroller of Currency. He also reported that Articles of Incorporation of the State Bank, to be known as The Bank of Kentucky, had been prepared and were ready for execution by the Directors; and that the Articles would be filed as soon as possible following their execution. As part of the program for converting the National Bank into a State Bank, it was necessary that a contract be executed between the two banks and the Trustees, a copy of which was then read to the meeting in detail, as follows:

(Here insert contract)

On motion made by Mr._____ and seconded by Mr._____ _____, and unanimously carried, a resolution was then adopted authorizing the officers of National Bank of Kentucky to execute this contract on behalf of this Bank.

Exhibit 50

RESOLUTION AUTHORIZING WITHDRAWAL OF BONDS SECURING CIRCULATION

ADOPTED BY THE BOARD OF DIRECTORS - NATIONAL BANK OF KENTUCKY

OCTOBER 11, 1929

On motion duly seconded and carried the following resolution was adopted:

"RESOLVED: that the Comptroller of Currency be, and he hereby is, authorized to withdraw $2,500,000.00 of United States bonds, deposited with the Treasurer of the United States by this Bank to secure circulation, and described as follows:

$2,500,000.00 2% Consols

and that V be, and he (they) is (are) hereby, authorized to sell, assign, and transfer the same, and to appoint one or more attorneys for that purpose."

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Exhibit 51

TREASURY DEPARTMENT

WASHINGTON

OFFICE OF
COMPTROLLER OF THE CURRENCY

October 17, 1939.

CLARENCE E. WALKER
SHORTHAND REPORTER

Mr. Robert F. Vaughan,
Marion E. Taylor Building,
Louisville, Ky.

In re: Voluntary liquidation of National Bank of Kentucky of Louisville.

Dear Sir:

The receipt is acknowledged of your letter of October 16, enclosing resolution of shareholders placing the National Bank of Kentucky of Louisville in voluntary liquidation effective at close of business on Nov. 15, 1939.

The resolution is in proper form and has been placed on file and you are advised that The National Bank of Kentucky of Louisville will be formally reported in voluntary liquidation on Nov. 15, 1939, effective as of close of business Nov. 15, 1939.

Respectfully,

E. H. GOUDY,
Deputy Comptroller

1476

Exhibit 52

DIVISION OF DEPOSITS

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

WASHINGTON

October 18, 1929.

CLARENCE E. WALKER
SHORTHAND REPORTER.

Cashier,
National Bank of Kentucky,
Louisville, Ky.

Dear Sir:

The office of the Comptroller of the Currency advises that the National Bank of Kentucky, Louisville, Ky., contemplates going into voluntary liquidation, to be succeeded by a new State bank.

As your bank holds designation as a limited depositary of public moneys, you are requested to advise this office promptly the date upon which the liquidation is to be effected. You are also requested to advise the name of the new State bank which will succeed the National Bank of Kentucky.

By direction of the Secretary:

Very truly yours,

D. M. Mulvihill

D. M. Mulvihill,
Acting Chief, Division of Deposits.

PLAINTIFF'S EXHIBIT No. 52
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Exhibit 53

CLARENCE F. WALKER
SHORTHAND REPORTER.

October 21, 1929.

Mr. S. M. Mulvihill,
Acting Chief, Division of Deposits,
Treasury Department,
Washington, D. C.

In re: Voluntary Liquidation of National Bank of Kentucky of Louisville, Louisville, Ky.

Dear Sir:

Replying to your office letter under date of October 18,1929, The National Bank of Kentucky of Louisville will be formally reported in voluntary liquidation on November 16, 1929, effective as of close of business November 15, 1929.

You are also advised that the name of the new State bank will be

THE BANK OF KENTUCKY .

Respectfully yours,

CFJ/M

Cashier.

PLAINTIFF'S EXHIBIT No. 53
OCT 18 1938
Clarence E. Walker
OFFICIAL REPORTER

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Exhibit 54

Ex 29.

FEDERAL RESERVE BANK
OF
ST. LOUIS

PLAINTIFF'S EXHIBIT No. 54
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

October 22, 1929.

Mr. Chas. F. Jones, Cashier,
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Jones:

Your attorney, Mr. Robert F. Vaughan, advises us that another stockholders' meeting was held on October 15, at which it was voted to make the liquidation of the National Bank of Kentucky effective close of business November 15 instead of October 15. He suggested that we make an examination of the bank within the extended period so that when the transfers are made to the new State bank it will be immediately admitted to membership without interruption of the rediscounting privilege.

We prefer to defer the examination until the new State bank has received its charter and has taken over such assets and liabilities of the national bank as it is going to have. This will give the management ample opportunity to correct the criticisms contained in the last examination of the national bank as of May 25, 1929. In this connection, I attach a list of the sub-standard assets which we feel should not be taken over by the new State bank.

In the meantime, I suggest that the National Bank of Kentucky make application in behalf of the Bank of Kentucky for membership in the Federal Reserve System if and when the conversion takes place. This could be passed upon by the Federal Reserve Board before November 15, so that if approved there would be no interruption in the membership of the institution.

I enclose a copy of Form 83a, changed so that application could be made by the National Bank of Kentucky in behalf of the proposed State bank. The resolution embodied therein could be adopted by the Executive Committee provided it has full powers between board meetings. The application should be accompanied by a copy of the articles of incorporation of the State bank. When it receives its charter a copy of it should also be furnished us.

Of course, if the application is approved it would be done subject to the conditions contained in Regulation H issued by the Federal Reserve Board, Series of 1928, and also upon condition that certain objectionable assets are not taken over by the new institution and other criticisms corrected. Shortly after the new bank opens for business our examiners would make an examination to see that the conditions have been complied with.

In case you would like to call to discuss the situation in person, we shall be glad to see you at any time.

54 113

Yours very truly,

C. N. Stewart
Asst. Federal Reserve Agent.

Exhibit 54

P. S. The foregoing suggestions are made in order to comply with that part of Section 9 of the Federal Reserve Act which specifies that in acting upon applications of State banks for membership in the Federal Reserve System, "the Federal Reserve Board shall consider the financial condition of the applying bank, the general character of its management, and whether or not the corporate powers exercised are consistent with the purposes of this Act."

CMS

EP2

Exhibit 54

SUB-STANDARD ASSETS THAT APPARENTLY SHOULD BE REMOVED FROM NATIONAL BANK OF KENTUCKY, LOUISVILLE, KENTUCKY - BASED ON EXAMINATION OF MAY 28, 1929, BY CHIEF NATIONAL BANK EXAMINER.

NAME	PAGE NO.	AMOUNT
Badger Aluminum Co.	4-1	$ 6,000.00
Bailey-Howe Co.	4-1	29.89
Chas. H. Boden	4-1	1,058.97
Annie L. Bostic	4-1	100.00
Ben L. Bruner	4-1	50.00
Cadet Knitting Co.	4-2	45,000.00
(Campbell Heath & Co.	4-2	95,605.82
(White and Associates	4-3	224,471.50
Carter Guaranty Co.	4-3	114,042.49
Hilarbe W. Carter	4-4	2,598.58
Wm. C. Carthon	4-4	75.00
Central Paint & Roofing Co.	4-4	2,323.45
John H. Chandler	4-5	4,510.00
Clay County Coal Co.	4-5	6,491.00
Columbia Phosphate Mining Co.	4-6	15,227.50
" " " "	7-1	15,000.00 Claim
H. A. Cook	4-6	100.00
Color Cinema Production Co.	4-6	1,208.46
(Consolidated Realty Co.	4-6-7	318,550.00
(H. J. Scheirich & C. C. Heiatt	4-8	9,595.00
(Garden Communities Corpn.	4-8	12,877.08
(C. C. Heiatt	4-8	23,530.00
(General Realty Corpn.	4-8	130,650.00
(H. J. Scheirich	4-9	12,000.00
Lily W. & E. W. Dehoney	4-9	2,120.00
L. J. Dittmar	4-10	11,346.00
Eureka Products Co.	4-11	10,00 .00
Geo. H. Fisher & Co.	4-11	8,452.94
H. L. Grooms, et al	4-15	2,333.00
Day Coal & Mining Co.	4-14	5,600.00
Harland Coal Co.	4-13	39,405.08
F. E. Hodapp	4-14	100.00
Geo. Horn	4-14	46.30
L. C. Humphrey	4-15	29,500.00
(Hyman Pickle Co.	4-15	84,400.00
(H. D. Ormsby, Agent	4-15	1,206.20
Thomas Jefferson Mem. Foundation	4-16	500.00
Kaster Whitman Co., Inc.	4-16	2,350.00
Kentucky Plumbing & Heating Co.	4-17	848.13
Kentucky Bacon Mfg. Co.	4-17 to 20	1,340,474.38
Kentucky Refrigerating Co.	4-17	83,000.00
Knead[illegible] Lucas	4-21	50,000.00
Louisville Drye Auto Co.	4-21	976.84
Louisville Provision Co.	4-23	26,950.00
F. O. Mahan	4-23	150.00
Chas. J. Meriweather	4-24	25,805.75
Sam B. Metcalfe	4-24	176.46
Ky. P. Bertrum	4-24	45.45
W. T. Nicou - Rediscounts	4-24	[illegible]23.39
Geo. D. Morrison, et al	4-25	5,[illegible].00
Murray Rubber Co.	4-25	125,0[illegible].00
Albert Nesbit	4-26	4,075.00
E. B. Norman & Co.	4-27	552,[illegible].75
G. W. Orrill & W. H. Dillon	4-29	230.00
Premier Mfg. Co.	4-30	195.00
James H. & H. C. T. Richmond	4-30	150.00
D. A. Bates	4-31	1,020.00
Leon L. Solomon	4-31	7,000.00
Temple Theatre Corpn.	4-31	1,000.00
Lewis L. Willinger	4-31	807.50
J. E. Dunne	4-32	1,758.75
G. J. Steinberg & Chas. A. Litchfield	4-34	30.85
Sean C[illegible]ler & I. R. Patch	4-35	80.00
(Trumbo-Schupp & Schmidt		
(Giles B. Van Cleve		
[illegible]elfinger & Co.	4-[illegible]	313,274.14

Exhibit 54

SUB-STANDARD ASSETS THAT APPARENTLY SHOULD BE REMOVED FROM NATIONAL BANK OF KENTUCKY, LOUISVILLE, KENTUCKY - BASED ON EXAMINATION OF MAY 25, 1929, BY CHIEF NATIONAL BANK EXAMINER (CONTINUED)

NAME	PAGE NO.	AMOUNT	
H. Verhoff & Co.	4-36	$ 29,000.00	
W. H. Woods	4-35	90,327.97	
Planters Bank, Clarksdale, Miss.	4-36	12,000.00	
John M. Carson Banking Co., Morgantown, Kentucky	4-36	7,093.65	
Peoples Bank, Springfield, Tenn.	7-1	12,433.25	Claim
C. S. Walesby	4-35	176.00	
Sundry stocks	7-2	115,000.00	
Cash Items	8-2	348.97	
		$ 4,023,171.41	

If there is any undue concentration of loans on stock of the new holding company, corporations in which officers and directors are interested, or any other corporations, same should be reduced to within reasonable limits.

Exhibit 54

F. R. B.—Form 9.

This application must be sent to the Federal Reserve Agent of your district.

District No. 8 *No. of Shares* _____

APPLICATION FOR STOCK

IN THE

FEDERAL RESERVE BANK OF ST. LOUIS

(For use by State Banks and Trust Companies.)

At a meeting of the Board of Directors of the National Bank of Kentucky
(Name of bank or trust company.)
of Louisville, Ky., (City or town, and State.) duly called and held on the _____ day of October 1929,
the following resolution was offered, seconded, and adopted:

"WHEREAS, it is the sense of this meeting that application should be made on behalf of proposed The Bank of Kentucky, a conversion of this institution, for stock in the Federal Reserve Bank of St. Louis, in accordance with the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board made in pursuance thereof; said will

"AND WHEREAS, six per cent of the paid-up capital and surplus of ~~this~~ corporation amounts to $_____;

"NOW, THEREFORE, BE IT RESOLVED, That the president or vice president and the cashier or secretary of this corporation be on behalf of said converted corporation

and they are hereby authorized, empowered, and directed to make application for and to subscribe to _____ shares, of a par value of $100 each, of the capital stock of the Federal Reserve Bank of St. Louis, to pay for such stock in accordance with the provisions of the Federal Reserve Act, and to agree for and in behalf of ~~this~~ corporation to comply, upon receipt of the approval of this application by the Federal Reserve Board and its acceptance by this corporation, with all the requirements of the Federal Reserve Act and the regulations of the Federal Reserve Board made in pursuance thereof which are applicable to State banks and trust companies which become members of a Federal Reserve Bank, effective if and when said converted corporation is authorized to commence business."

I hereby certify that the foregoing is a true and correct copy of a resolution passed by the Board of Directors of this corporation on the date specified.

_____, *Secretary or Cashier.*

NATIONAL BANK OF KENTUCKY of Louisville, Ky.
(Name of bank or trust company.) (City or town.)

Pursuant to the foregoing resolution the National Bank of Kentucky,
(Name of bank or trust company.)
on behalf of said converted corporation,
of Louisville, Ky., on (City or town, and State.), hereby makes application for _____ shares of the capital stock of the Federal Reserve Bank of St. Louis of a par value of $100 each, amounting to $_____, and agrees to pay for same in accordance with the provisions of the Federal Reserve Act, and, upon receipt of the approval of this application by the Federal Reserve Board and its acceptance by this corporation, to comply with all the requirements of the Federal Reserve Act and the regulations of the Federal Reserve Board made in pursuance thereof which are applicable to State banks and trust companies which become members of a Federal Reserve Bank.

THE FOLLOWING EXHIBITS ARE ATTACHED TO AND MADE A PART OF THIS APPLICATION:

EXHIBIT I.—An approximate proposed statement of the condition of ~~the~~ corporation as of the 16th day of November, 1929, duly certified. (See pages 2 and 3 of this application.)

EXHIBIT II.—A copy of the ~~charter and~~ articles of incorporation of proposed ~~the~~ corporation, with amendments.

~~Remarks (if any, containing the information required on the supplement to this application for supplement FOR FOREIGN BRANCHES)~~

NATIONAL BANK OF KENTUCKY of LOUISVILLE, KY.

(SEAL.) By _____, *President.*
on behalf of The Bank of Kentucky, its proposed successor.

Attest:

_____, *Secretary or Cashier.*

To the FEDERAL RESERVE BOARD, *Washington, D. C.*

NOTE.—If 6 per cent of the capital and surplus amounts to a sum not divisible by 100, any excess or fractional part of $100 will entitle the applying bank to one additional share of stock. The sum representing 6 per cent of the capital and surplus should be divided by 100 in order to obtain the number of shares to be applied for, and if an excess of less than $100 remains, one additional share should be added to the application and included in the subscription of stock to be paid for at par in accordance with the provisions of the Federal Reserve Act.

Exhibit 55

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

DIVISION OF DEPOSITS

WASHINGTON

October 28, 1929.

CLARENCE E. WALKER
SHORTHAND REPORTER.

Cashier,
National Bank of Kentucky,
Louisville, Ky.

Dear Sir:

Receipt is acknowledged of your letter of October 21, 1929, and it is noted that the formal liquidation of the National Bank of Kentucky, Louisville, Ky., will be effected at the close of business November 15, 1929.

It will, of course, become necessary for the Treasury to discontinue the bank at that time as a limited depositary of public moneys. You are requested to advise this office if the Bank of Kentucky, the new State bank which will succeed the National Bank of Kentucky, is to become a member of the Federal reserve system. If the Bank of Kentucky becomes a member bank, it will be possible to designate it a limited depositary of public moneys, in order to continue performing the Government business now transacted by the National Bank of Kentucky.

By direction of the Secretary:

Very truly yours,

B. M. Mulvihill

B. M. Mulvihill,
Acting Chief, Division of Deposits.

PLAINTIFF'S
EXHIBIT No. 55
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

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Exhibit 56

November 7, 1928.

Mr. B. M. Mulvihill,
Acting Chief, Division of Deposits.
Treasury Department,
Washington, D. C.

CLARENCE E. WALKER
SHORTHAND REPORTER.

Dear Sir:

Answering your office letter under date of October 28,1928, wish to advise that when the National Bank of Kentucky is denationalized and succeeded by The Bank of Kentucky, the new State bank will become a member of the Federal Reserve System.

Very respectfully,

Cashier.

CJJ/H

PLAINTIFF
EXHIBIT No. 56
OCT 18 1938
Official Reporter

Exhibit 57

TREASURY DEPARTMENT

WASHINGTON

OFFICE OF
COMPTROLLER OF THE CURRENCY

November 14, 1939.

CLARENCE E. WALKER
SHORTHAND REPORTER.

Mr. Robert P. Vaughan,
Marion E. Taylor Building,
Louisville, Ky.

Dear Sir:

In re: Voluntary liquidation of National Bank of Kentucky of Louisville.

The receipt is acknowledged of your letter of November 13, enclosing resolution of shareholders rescinding prior resolution providing for the liquidation of The National Bank of Kentucky of Louisville effective at close of business on Nov. 15, 1939, and providing for the liquidation of that bank effective as of close of business on December 28, 1939.

The resolution is in proper form and has been placed on file and you are advised that The National Bank of Kentucky of Louisville will be formally reported in voluntary liquidation on December 30, 1939, effective as of close of business Dec. 28, 1939.

Respectfully,

PLAINTIFF'S
EXHIBIT NO. 57
OCT 18 1938
Official Reporter

Deputy Comptroller.

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Exhibit 58

LAW OFFICES

ROBERT F. VAUGHAN

MARION E. TAYLOR BUILDING

LOUISVILLE KENTUCKY

November 18, 1929.

Mr. Charles F. Jones, Cashier,
National Bank of Kentucky,
Fifth and Main Sts.,
Louisville, Kentucky.

CLARENCE E. WALKER
SHORTHAND REPORTER

Dear Mr. Jones:

I hand you herewith a letter from the Office of the Comptroller of the Currency which you can show to any representative of the Federal Reserve System who may in the future question our status.

Yours sincerely,

Robert F. Vaughan

RFV/BO'B
(Encl.)

PLAINTIFF'S EXHIBIT 58
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Exhibit 59

PLAINTIFF'S EXHIBIT No. ____
OCT 18 193_
Paul C. Graves
OFFICIAL REPORTER

FEDERAL RESERVE BANK
OF
ST. LOUIS

November 18, 1929.

Mr. James B. Brown, President,
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Brown:

When I was in Louisville on February 28th I was disappointed in not getting to see you, but did have a conference with Messrs. Ormsby, Angermeier and Akers. At that time I called attention to the fact that your bank had been a continuous borrower and expressed the hope that there would be some liquidation.

On August 20th I again visited Louisville but did not get to see you this time, my conference being with Messrs. Angermeier, Akers and Fontaine. The continuous borrowing of your bank was again called to the attention of these gentlemen and I tried to make it plain that liquidation was highly desirable. I was hoping that I would get the cooperation of your bank, but instead both the loans and investments of your bank have increased and also your borrowings from us. Yours is the only exception to the splendid cooperation we have received from all of the other banks in this district. Our Executive Committee feels that some definite action should be taken in this matter immediately.

I believe it will be helpful if you personally would come to St. Louis so we can talk this matter over, bringing with you, of course, any of your officers that you would like to have with you. I would be glad to see you any time Thursday or Friday of this week that suits your convenience or some day early next week. Please wire when you expect to be here.

Yours very truly,

R. H. Williams

Governor.

DISTRICT COURT OF THE UNITED STATES
EASTERN DISTRICT OF KENTUCKY
PAUL C. KAVES, RECEIVER, ETC., PLAINTIFF
vs. CITY
DEFENDANTS
No. EP3
DATE
CLARENCE E. WALKER, REPORTER

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Exhibit 65

CAPITAL STOCK

DATE		FOLIO	DEBIT	CREDIT	DR BALANCE	CR BALANCE
	Balance Fwd					155140900
Mar	9 40 shares The Bancorkentucky Company at 10" per share	156		400		155179900
	24 4070 shares The Bancorkentucky Company at 10" per share issued for Trustees Redemption Shares National Bank of Kentucky Louisville Trust Co	157		40700		155779000
May	7 1600 shares The Bancorkentucky Company at 10" per share issued for Trustees Redemption Shares National Bank of Kentucky The Louisville Trust Co	158		16000		157419000
June	19 220 shares The Bancorkentucky Company at 10" per share issued for Trustees Redemption Shares National Bank of Kentucky The Louisville Trust Co	160		2200		157639000
	30 20930 shares The Bancorkentucky Company at 10" per share issued in exchange for stock of the First National Bank Ashland Ky	160		209300		159568900
	58701 shares The Bancorkentucky Company at 10" per share issued in exchange for stock of Ashland National Bank Ashland Ky	160		587010		164273900
	1176 shares The Bancorkentucky Company at 10" per share issued in exchange for stock of Ashland National Bank Ashland Ky	160		11760		164449900
	28134 shares The Bancorkentucky Company at 10" per share issued in exchange for stock of the Security Bank Louisville Ky	161		281340		166983900
	90 900,000 shares The Bancorkentucky Company issued to Caldwell Ky in exchange for 10000 shares Caldwell Ky capital stock par 100	161		9000000000		25698390000
	90 95700 shares The Bancorkentucky Company at 10" per share cancelled	161	957000			24739830000
Sept	8 100 shares The Bancorkentucky Company at 10" per share issued in exchange for stock of the Ashland National Bank Ashland Ky	162		1000		24740830000
	150 shares The Bancorkentucky Company at 10" per share issued in exchange for stock of the Security Bank Louisville Ky	162		1500		24742330000
	2500 shares 10" par each The Bancorkentucky Company cancelled	162	25000			24742330000
		Balance Forward				24742330000

Exhibit 60

LOUISVILLE BRANCH

FEDERAL RESERVE BANK
OF ST. LOUIS

LOUISVILLE, KY.

November 26-1929.

Mr. J. J. Hayes, Vice President,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Mr. Hayes:

At our officers' meeting today attention was called to the item appearing in the liabilities of your Condensed Report of Condition furnished us - "Bonds Borrowed - $950,000.00".

As you have pledged with us Government obligations in the said amount securing your bills payable, the question has arisen as to whether the bonds borrowed are the ones pledged by you as collateral.

According to our regulations, it is required that in cases where bonds borrowed are pledged as collateral with us, a certified copy of the authorization of the owner to use the borrowed bonds for collateral purposes be furnished.

In the event that the bonds in the amount of $950,000.00 pledged by you as collateral are borrowed bonds, we will thank you to furnish us promptly the required certified copy of authorization of the owner referred to above.

Yours very truly,

Jno. T. Moore,
C a s h i e r.

Exhibit 65

CAPITAL STOCK

DATE 1850		FOLIO	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
		Balance Forward				$2,464,570.00
Sept	21	330 shares the Bank Kentucky Company at $10.00 per share issued for Capitals Contemplation Shares National Bank of Kentucky Louisville Ky.	262	$3,300.00		$2,467,870.00
Oct	5	90 shares the Bank Kentucky Company at $10.00 per share issued for stock of Murray Bank	263	900.00		$2,468,770.00
	21	120 shares the Bank Kentucky Company at $10.00 per share issued for stock of Murray Bank	264	1,200.00		$2,469,970.00
Sept	29	5,175 shares the Bank Kentucky Company at $10.00 per share issued for stock of the Mechanics Trust and Savings Bank National Ky.	265	51,750.00		$2,521,720.00

Exhibit 61

PLAINTIFF'S EXHIBIT No. 61
OCT 18 1938
Official Reporter

December 5, 1929.

Mr. John T. Moore, Cashier,
Federal Reserve Bank,
Louisville, Ky.

Dear Sir:

We are enclosing herewith a letter from the Standard Oil Company of Kentucky authorizing us to use $950,000.00 Par Value Government Securities mentioned in the letter as collateral with the Federal Reserve Bank.

Respectfully yours,

Cashier.

Enc. (Letter)

CFJ/E

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Exhibit 61

December 4, 1929.

Mr. C. F. Jones, Cashier,
National Bank of Kentucky,
Fifth & Main Sts.
Louisville, Ky.

COPY

Dear Sir:

We have loaned to the National Bank of Kentucky, subject to be returned to us on our demand, the following securities:

$100,000 Fourth Liberty 4¼% Bonds
$400,000 U. S. Treasury Cert. of Indebtedness Series TD 2-1929 - 4 5/4%
$450,000 U. S. Treasury Notes, 5½% - Series B 1950-52

It is agreeable to us, and you are hereby authorized to use these securities as collateral for any loans that you might desire to make from the Federal Reserve Bank.

Yours very truly,
STANDARD OIL COMPANY (KENTUCKY)
By Jos. C. Steidle
Vice Pres. & Treas.

JCS

I hereby certify that the foregoing is a true and correct copy of a letter received from the Standard Oil Company of Kentucky.

NATIONAL BANK OF KENTUCKY,

By_____

Cashier.

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Exhibit 62

LOUISVILLE BRANCH

FEDERAL RESERVE BANK
OF ST LOUIS

LOUISVILLE, KY.

November 26-1929.

PLAINTIFF'S
EXHIBIT No. 62
OCT 18 1933
OFFICIAL REPORTER

Mr. C. P. Jones, Cashier,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Mr. Jones:

We this morning received copy of a letter addressed to you by Mr. S. P. Gilmore, Controller of our head office, bearing date of November 25th, in which it is requested that you deposit and maintain with us collateral amounting to not less than 25% of your borrowings exclusive of the amount secured by Government obligations.

Agreeable to advice given in the said letter, we are delivering to you herewith Collateral Pledge forms to be used when submitting the collateral to us for the purpose mentioned.

Yours very truly,

Jno. T. Moore,
Cashier.

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Exhibit 63

FEDERAL RESERVE BANK
OF
ST. LOUIS

December 20, 1929.

Mr. Chas. F. Jones, Cashier,
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Jones:

On November 15, 1929, we received a telegram from the Manager of our Louisville Branch stating that the stockholders of the National Bank of Kentucky had voted to make the liquidation effective close of business December 28, 1929.

On October 24, 1929, in an effort to avoid interruption in membership, I sent you a copy of Form 83a, changed so that application could be made by the National Bank of Kentucky in behalf of the proposed State bank for membership in the Federal Reserve System. Herewith I send you three copies of Form 86 for use by the Liquidating Agent of the National Bank of Kentucky in applying for surrender of the stock which it holds in the Federal Reserve Bank.

If the National Bank of Kentucky expects to be succeeded by a new State bank at close of business December 28, I suggest that both of the above mentioned applications be forwarded to me as soon as possible.

Yours very truly,

C. M. Stewart

Asst. Federal Reserve Agent.

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Exhibit 63

Form 88.

NOTE.—This application should be sent to the Federal Reserve Bank of your District.

APPLICATION BY LIQUIDATING NATIONAL BANK FOR SURRENDER OF STOCK IN THE FEDERAL RESERVE BANK OF .....

At a meeting of the Board of Directors of .....

of ..... (Charter No. .....), called pursuant to the requirements of the charter and by-laws of said association, and held on the ..... day of ....., 19....., the following resolution was offered, seconded, and duly adopted:

"WHEREAS, after due and legal notice, the stockholders of this association owning two-thirds of capital stock have voted to place the association in voluntary liquidation, and

"WHEREAS, this vote has been duly certified to the Comptroller of the Currency, and

"WHEREAS, under the provisions of section 5 of the act approved December 23, 1913, and known as the Federal Reserve Act, this association is required to surrender for cancellation all of its holdings of the capital stock of the Federal Reserve Bank of ....., and to terminate its membership in said bank,

"NOW, THEREFORE, BE IT RESOLVED, that ....., the duly elected Liquidating Agent, be, and he is hereby authorized, empowered, and directed to apply to the said Federal Reserve Bank for the cancellation of ..... shares of stock allotted to and held by this association, and to receive and receipt for any balance due this association by said Federal Reserve Bank on account of cash paid subscriptions, or otherwise, and any securities or other valuables belonging to this association, and to do such acts as may be necessary to adjust and settle the accounts between this association and the said Federal Reserve Bank."

I hereby certify that the foregoing is a true and correct copy of a resolution adopted and spread upon the minutes of the Board of Directors of this association held on the date specified.

.....

President or Cashier.

In pursuance of the foregoing resolution I hereby make application on behalf of the ..... for the cancellation of ..... shares of stock heretofore allotted to it and for the refund of all moneys, securities, or other valuables due to it by the Federal Reserve Bank of ..... on account of cash paid subscriptions, or otherwise.

.....

Liquidating Agent.

To the FEDERAL RESERVE BANK OF .....

PATRONS ARE REQUESTED ; Exhibit 64 ISTION CONCERNING ITS SERVICE

1261B

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

WESTERN UNION

NEWCOMB CARLTON, PRESIDENT J. C. WILLEVER, FIRST VICE-PRESIDENT

SIGNS
DL = Day Letter
NM = Night Message
NL = Night Letter
LCO = Deferred Cable
NLT = Cable Letter
WLT = Week-End Letter

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at 405-407-409 West Market St. (Near 4th Ave.), Louisville

678

26 AM 10 17

PLAINTIFF'S
EXHIBIT NO. 64
OCT 18 1938
OFFICIAL REPORTER

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THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE

Exhibit 65

Ex yesterday 2101

PLAINTIFF
EXHIBIT No. 65
OCT 18 1938
OFFICIAL REPORTER

JEFFERSON CIRCUIT COURT
CHANCERY BRANCH, FIRST DIVISION

JOSEPH S. LAURENT, RECEIVER ETC. PLAINTIFF

VS. No. 206,688

JOHN AKERS ET AL. DEFENDANTS

DATE ..... PLAINTIFF'S DEFENDANT'S EXHIBIT NO. 46

CLARENCE E. WALKER, REPORTER

Exhibit Laurent No. B

FILED IN COURT
ATTEST Nov 24, 1933
LOUIS VISSMAN, CLERK
By ..... Deputy Clerk

1.65

Exhibit 65

CAPITAL STOCK

DATE 1924				DEBIT	CREDIT	CR. BALANCE	CR. BALANCE
		Stockholders subscription 394786 shares The Cincinnati - Kentucky Co at $10.00 per share			3947860.00		
Oct	11	50406 shares The Cincinnati Kentucky Co at $10.00 per share issued in payment for stock The First National Bank Trust Co			504060.00		4497220.00
	16	1033788 shares The Cincinnati Ky Co at $10.00 per share issued for Trustees Certificates shares National Bank of Kentucky The Louisville Trust Co			10337880.00		14835100.00
	28	31269 shares The Cincinnati Ky Co at $10.00 per share issued in payment for stock The Citizens Bank Trust Co			312690.00		15167790.00
Nov	8	3600 shares The Cincinnati Ky Co at $10.00 per share issued for Trustees Certificates shares National Bank of Kentucky The Louisville Trust Co			36000.00		15183690.00
	16	12400 shares The Cincinnati Ky Co at $10.00 per share issued for Trustees Certificates shares National Bank of Kentucky The Louisville Trust Co			124000.00		15307690.00
Dec	9	580 shares The Cincinnati Ky Co at $10.00 per share issued for Trustees Certificates shares National Bank of Kentucky The Louisville Trust Co			5800.00		15313490.00
	10	200 shares The Cincinnati Kentucky Company issued to Trustee M. Morton as final payment Brighton Bank and Trust Co			2000.00		15315490.00
	17	860 shares The Cincinnati Kentucky Company at $10.00 per share issued for Trustees Certificates shares National Bank of Kentucky The Louisville Trust Co			8600.00		15324090.00
	26	220 shares The Cincinnati Kentucky Company at $10.00 per share issued for Trustees Certificates shares National Bank of Kentucky The Louisville Trust Co			2200.00		15326690.00
Jan	6	400 shares The Cincinnati Kentucky Company at $10.00 per share issued for Trustees Certificates Shares National Bank of Kentucky The Louisville Trust Co			4000.00		15330690.00
	22	340 shares The Cincinnati Kentucky Company at $10.00 per share issued for Trustees Certificates Shares National Bank of Kentucky The Louisville Trust Co			3400.00		15334090.00
Mar	18	18000 shares The Cincinnati Kentucky Company at $10.00 per share issued for Trustees Certificates Shares National Bank of Kentucky The Louisville Trust Co			180000.00		15514090.00
		Balance Sheet					15514090.00

Exhibit 65

SURPLUS

DATE 1900				DEBIT	CREDIT	CR. BALANCE	CR. BALANCE
		Stockholders subscription 599,786 shares The Commercial Co. of Kentucky Inc at 15% per share	2		5921790.00		
Oct	11	59936 shares The Commercial Co. of Kentucky Inc at 15% per share issued in payment for stock The Peoples Market Bank & Trust Co	2		824040.00		6745830.00
	26	1,033,788 shares The Commercial Co. of Kentucky Inc at 15% per share issued for Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		15506820.00		22252650.00
	28	31159 shares The Commercial Co. of Kentucky Inc at 15% per share issued in payment for stock of The Anglo American Bank & Trust Co	2		467385.00		22721535.00
Nov	1	3600 shares The Commercial Co. of Kentucky Inc at 15% per share issued in payment for stock of Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		54000.00		22775535.00
	16	12440 shares The Commercial Co. of Kentucky Inc at 15% per share issued for Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		186600.00		22962135.00
Dec	9	580 shares The Commercial Co. of Kentucky Inc at 15% per share issued for Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		8700.00		22970835.00
	10	200 shares The Commercial Co. of Kentucky Inc to Messrs M Nathan for final payment The Anglo American Bank & Trust Co	2		3000.00		22973835.00
	17	860 shares The Commercial Co. of Kentucky Inc at 15% per share invited Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		12900.00		22986735.00
	21	220 shares The Commercial Co. of Kentucky Inc at 15% per share issued for Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		3300.00		22990035.00
1901 Jan	16	400 shares The Commercial Co. of Kentucky Company at 15% per share issued for Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		6000.00		22996035.00
	23	340 shares The Commercial Co. of Kentucky Company at 15% per share issued for Trustees Participation shares National Bank of Kentucky The Louisville Trust Co	2		5100.00		23001135.00
Mar	13	15000 shares The Commercial Co. at 15% per share issued for Trustees Participation National Bank of Kentucky The Louisville Trust Co	2		225000.00		23271135.00
					Book 2 Page 1500		23271135.00

SURPLUS

Exhibit 65

DATE 1920		FOLIO	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance Sheet					23291 13500
May 13	1290 shares The Bancokentucky Company at $15.20 per share issued for Trustees Contingent Shares National Bank of Kentucky - The Louisville Trust Co			19350 00		23310 63500
24	4080 shares The Bancokentucky Company at $15 per share issued for Trustees Contingent Shares National Bank of Kentucky - The Louisville Trust Co			61200 00		23371 83500
May 27	2640 shares The Bancokentucky Company at $15 per share issued for Trustees Contingent Shares National Bank of Kentucky - The Louisville Trust Co			39600 00		23411 43500
June 19	220 shares The Bancokentucky Company at $15 per share issued for Trustees Contingent Shares National Bank of Kentucky - The Louisville Trust Co			3300 00		23414 73500
" 30	24930 shares The Bancokentucky Company at $15 per share issued in exchange for stock of The First National Bank, Carlisle Ky			373950 00		23788 68500
	22504 shares The Bancokentucky Company at $15 per share issued in exchange for stock of the Ashland National Bank, Ashland Ky			337560 00		24126 24500
	1176 shares The Bancokentucky Company at $15 per share issued in exchange for stock of the Ashland National Bank, Ashland Ky			17640 00		24143 88500
	21234 shares The Bancokentucky Company at $15 per share issued in exchange for stock of the Security Bank, Lawrenceburg Ky			318510 00		24462 39500
30	909,000 shares The Bancokentucky Company issued to Caldwell Co in exchange for 12000 shares Caldwell Co stock, par $100			13500000 00		38046 24500
30	98700 shares The Bancokentucky Company at $15 per share cancelled		1480500 00			36565 74500
Sept 16	40 shares @ $15 per share The Bancokentucky Company issued in exchange for stock of the Ashland National Bank, Ashland Ky			600 00		36566 34500
	830 shares The Bancokentucky Company at $15 per share issued in exchange for stock of the Security Bank, Lawrenceburg Ky			12450 00		36578 79500
	9200 shares of The Bancokentucky Co cancelled		138000 00			36440 79500

1501

SURPLUS

Exhibit 65

DATE 1928			DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
						36968595 00
Sept	13	2310 shares The Bancokentucky Company		3465000		37003545 00
		- at $15.00 per share issued for Trustees Participation				
		- Shares National Bank of Kentucky - Louisville Trust Co				
Oct	6	90 shares The Bancokentucky Company at $15.00		135000		37004595 00
		- per share issued in exchange for stock				
		- of the Security Bank Louisville Ky				
	21	120 shares The Bancokentucky Company at $15.00		180000		37006395 00
		- per share issued in exchange for stock of				
		- the Security Bank Louisville Ky				
Sept	29	5175 shares The Bancokentucky Company at		7762500		37084020 00
		- $15.00 per share issued in exchange for stock of the				
		- Mechanics Trust and Saving Bank, Paducah Ky				

Exhibit 65

ASHLAND NATIONAL BANK
Ashland, Ky

DATE		FOLIO	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
May 16	One-half share The Bank of Kentucky stock at $250 per - 3rd share from Armistead M Rowland	158	1250.			
	One-half share The Bank of Kentucky stock at $250 per - full share from Lydia L Martin	158	1250.		3750	
	One-half share The Bank of Kentucky stock at $250 per - full share from Mary A Hurley	158	1250.			
June 30	By stock - 6960 shares Ashland National - Bank, Ashland, Ky. par value $100 per share - received to date at $200 per share	160	1392600.00			1392 6375.0
	By stock - 187 shares Ashland National - Bank, Ashland Ky. par value $100 per share - received to date at $187.50 per share (less purchase - 12½ cash for fractional shares amounting to $37.50	160	2940.00			1422 0375.0
Sept 18	By stock - 5 shares Ashland National Bank - Ashland Ky. par value $100 per share - received at $200 per share	162	1000.00			1423 0375.0

Exhibit 65

THE BRIGHTON BANK & TRUST CO 4427
Cincinnati, Ohio

DATE 1929			Fol.	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Oct	28	First Payment - By cash 4377 sh.	150	150000000			
	28	Payment - By Stock 31.1/8	151	7811875 00		2281 47500	
	29	Second Payment - By Cash	150	75000000		3031 47500	
	31	Third Payment - By Cash	150	40000000		3431 47500	
Nov.	1	Second Payment - By Cash	150	20000000		3631 47500	
	6	Sixth Payment - By Cash	150	10000000		3731 47500	
	8	Sixth Payment - By cash	150	10000000		3831 47500	
		By cash - for 32 shares at $875.00 per share	150	2187500		3860 33000	
		By cash - Paid to Kunstand/M. Mosler 118½ @ 100	150	11850000		3978 83000	
		By cash - for 7 shares at $850.00 per share	150	595000		3984 78000	
	18	Seventh Payment - By cash	150	7500000		4059 28000	
Dec	7	Final Payment - By cash	151	3282500		4092 62500	
		By cash - 50 shares at $85.00 per share	151	425000		4096 87500	
	10	By stock - Final payment shown/remainder 200 shares - the Kunstenbuhy loss to Kunstand/M. Mosler	151	500000		4101 87500	
	31	Examiners and Accountants Fees	194	170990		4103 58490	
1930 Mar	29	By cash - 7 shares at $900.00 per share	153	630000		4109 88490	

Exhibit 65

CALDWELL & COMPANY
Nashville, Tennessee

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
June 30	10,000 shares Caldwell & Co capital stock par value $100 ea - Cafe # 20 dated 6-22-30		2500000 00			

1505

Exhibit 65

CERTIFICATES OF DEPOSIT - NATIONAL BANK OF KENTUCKY

Louisville, Ky.

DATE 1929			DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Nov.	4	Certificate of Deposit A66466 - 6%	10000000			
	12	Certificate of Deposit A66514 - 6%	3500000		3500000	
		A66515 - 6%	500000		4000000	
		A66516 - 6%	500000		4500000	
		A66517 - 6%	500000		5000000	
		A66518 - 6%	100000		5100000	
		A66519 - 6%	69650		5169650	
	12	Ctf of Deposit #A66519 Cashed		69650	5100000	
	13	Ctf of Deposit #A66514 Cashed		3500000	1600000	
	18	Certificate of Deposit A 66584 - 6%	500000		2100000	
	18	Ctf of Deposit #A 66518 Cashed		100000	2000000	
	21	Ctf of Deposit #A66584 Cashed		500000	1500000	
	21	Certificate of Deposit A 66589 - 6%	100000		1600000	
		A66590 - 6%	100000		1700000	
		A66591 - 6%	100000		1800000	
		A66592 - 6%	100000		1900000	
Dec	11	Ctf of Deposit A 66589 Cashed		100000	1800000	
		A66590 Cashed		100000	1700000	
		A66591 Cashed		100000	1600000	
		A66592 Cashed		100000	1500000	
	31	Ctf of Deposit A 66517 Cashed		500000	1000000	
	31	Certificate of Deposit A 66517 - 6%	100000		2100000	
1930 Jan	22	Certificate of Deposit A 66916 at 6%	550000		2650000	
	31	Ctf of Deposit A66466 at 6% dated Nov 4 1929 Cashed		1000000	1650000	
Mar	24	Ctf of Deposit A66592 at 6% dated Jan 2 1930 Cashed		100000	1550000	
	31	Ctf of Deposit A 66515 at 6% dated Nov 12 1929 cashed		500000	1050000	
	31	Certificate of Deposit A 67180 dated April 1 1930 at 6%	400000		1450000	
May	2	Certificate of Deposit A67180 dated 4-1-30 Cashed		400000	1050000	
	2	Certificate of Deposit A 67344 dated 5-2-30 at 6%	200000		1250000	
	6	Certificate of Deposit A 67344 dated May 2 1930 Cashed		200000	1050000	
	14	Certificate of Deposit A66515 dated Nov 12 1929 Cashed		500000	550000	
	14	Certificate of Deposit A67387 dated May 14 1930 at 6%	300000		850000	
	23	Certificate of Deposit A66916 at 6% dated Jan 23 1930 cashed		550000	300000	
	23	Certificate of Deposit A67433 at 6% dated May 23 1930	400000		700000	
	26	Certificate of Deposit A67387 at 6% dated May 14 1930 Cashed		300000	400000	
	26	Certificate of Deposit A67467 at 6% dated May 26 1930	200000		600000	
June	6	Certificate of Deposit A67433 Cashed		200000	400000	
		Ord Files			400000	

1933

Exhibit RR

CERTIFICATES OF DEPOSIT - NATIONAL BANK OF KENTUCKY

DATE 1952		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance forward				400 000 00	
June 6	Certificate of Deposit #67496 at 6%	259	100 000 00		500 000 00	
" 11	Certificate of Deposit #67433 at 6% cashed	259		400000 00	100000 00	
July 2	Certificate of Deposit #67496 at 6% cashed	25[illegible]	[illegible]		0	

Exhibit 65

FIRST NATIONAL BANK

Paducah, Ky

DATE 1920			FOL'O	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
June	30	By stock - 1925 shares First National Bank, Paducah, Ky, par value $20.00 per share, at 90.00 per share received to date	1510	623250 00			
1925							

Exhibit 65

INVESTMENTS (STOCK PURCHASES)

DATE			Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Mar	24	5000 shares	158	1250000			
Apr	9	3000 shares	158	7500000		8750000	
May	2	1200 shares	159	3000000		11750000	
	5	3100 shares	159	7750000		19500000	
	6	4500 shares	159	11250000		30750000	
	9	1300 shares	159	3250000		34000000	
	14	4500 shares	158	11250000		45250000	
	20	3000 shares	159	7500000		52750000	
	23	4000 shares	159	10000000		62750000	
	26	3400 shares	159	8500000		71250000	
	31	1100 shares	159	2750000		74000000	
June	4	1000 shares	160	2500000		76500000	
	6	4000 shares	160	10000000		86500000	
	10	12800 shares	160	32000000		118500000	
	12	4100 shares	160	10250000		128750000	
	17	1300 shares	160	3250000		132000000	
		10500 shares	160	26250000		158250000	
		10800 shares	160	27000000		185250000	
		4200 shares	161	10750000		196000000	
	18	600 shares	161	1500000		197500000	
	19	300 shares	161	750000		198250000	
	20	4700 shares	161	11750000		210000000	
	23	600 shares	161	1500000		211500000	
	24	2400 shares	162	6000000		217500000	
	26	2200 shares	162	5500000		223000000	
	28	6200 shares	162	15500000		238500000	
	30	95700 shares cancelled	162		239250000	10500000	
July	1	1900 shares	162	4750000		15250000	
	15	1000 shares	164	2500000		17750000	
	25	1000 shares	164	2500000		20250000	
Aug	6	1700 shares	164	4250000		24500000	
Sept	18	500 shares	165	1250000		25750000	
	18	10,300 shares cancelled	165		25750000	0	

Exhibit 65

MECHANICS TRUST AND SAVINGS BANK
Paducah, Kentucky

DATE		✓	DEBIT	CREDIT	BR. BALANCE	GR. BALANCE
Sept 29	By stock – 575 shares Mechanics Trust and Savings Bank, Paducah, Ky. par value $100 per share, at 175% per share (paid to date)		1 0 0 6 2 5 00			

Exhibit 65

MURRAY RUBBER COMPANY, TRENTON, N. J.

(NOTE, SECURED BY MURRAY RUBBER COMPANY DEBENTURES)

DATE 1930				DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Oct	21	$510,000.00 note of Murray Rubber Co., Trenton N.J.		510,000.00			
		- secured by $510,000.00 Murray Rubber Co.					
		- Debentures (Purchased from the National					
		- Bank of Kentucky) By check 9-2					

PARTICIPATION IN LEWIS C. HUMPHREY NOTE

Exhibit 65

DATE 1934		✓	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Oct	4 Participation in note of Lewis C. Humphrey Est - collateraled by stock of the Herald-Post Company stock and held by The National Bank of Kentucky		2000000.			

Exhibit 65

THE PEARL-MARKET BANK & TRUST CO
Cincinnati, Ohio

47854

DATE 1923			FOLIO	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Oct	11	First Payment - By cash 4647.6sh		3000000			
	11	Payment - By stock		13734000		16734000	
	14	Second Payment - By cash		5500000		22234000	
	18	Third Payment - By cash		12500000		34734000	
Nov	8	By cash - 19 shares at $725.22 per share		137750		34871750	
		By cash - 85 shares at $725.22 per share		881250		35053000	
		By cash - 30 shares at $712.22 per share		213750		35266750	
Dec	10	By cash - Final payment		1230000		35389750	
	31	Examiners and Accountants Fees		22480		35412180	
1924 June	24	By cash - 100 shares @ $50.25 per share		502500		35461430	
		By cash - 200 shares @ $53.25 per share		1065000		35561930	
		By cash - 100 shares @ $56.25 per share		567500		35629430	
July	1	By cash - 100 shares @ $45.25 per share		452500		35674930	
	8	By cash - 90 shares @ $50.25 per shr		452250		35717180	
Sept	18	By cash - 48 shares @ $45.25 per shr cy #337		217200		35737880	

Exhibit 65

CENTRAL SAVINGS BANK & TRUST CO
Covington, Ky

DATE 1964			DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Dec	9	Paycash - 526 shares at $600.00 per share	315600.00			
	19	Paycash - 22 shares at 600.00	13200.00		328800.00	
	31	Cummins Bank Accountants Fees	57.51		328857.51	

1506

Exhibit 65

CERTIFICATES OF DEPOSIT - THE LOUISVILLE TRUST CO

Louisville, Ky

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
1929						
Oct	5 By Cash – Ctf of Deposit #386 at 6%	220	250 000 00			
	14 By Cash – Ctf of Deposit #399 at 6%	221	300 000 00		550 000 00	
1930						
June	23 Ctf of Deposit #386 at 6% cashed	250		250 000 00	300 000 00	
June	23 Ctf of Deposit #399 at 6% cashed	250		300 000 00		

THE PEOPLES-LIBERTY BANK AND TRUST CO
Covington, Ky

Exhibit 65

DATE 1929			FOLIO	DEBIT	CREDIT	DR. BALANCE	DR. BALANCE
Dec	30	By cash - 1428 shares	501	95100000			
1930							
Feb	5	By cash - 71 shares	504	1420400		3713040 00	
Feb	6	By cash - 100 shares @ 201 per share	504	2010000		3914040 00	
Mar	5	By cash - 47 shares (30 @ 200; 17 @ 201)	512	941700		4008210 00	
Mar	11	By Cash - 15 shares @ 201 per share	513	301500		4038360 00	
Mar	13	By cash - 10 shares @ 200 per share	515	200000		4058360 00	
Mar	28	By cash - 6 shares @ 201 per share	522	120600		4070420 00	
Apr	7	By cash - 21 shares (13 @ 195; 8 @ 200)	525	398608		4109381 00	
May	13	By cash - 11 shares @ 200 per share	551	220000		4131381 00	
May	16	By cash - 32 shares @ 200 per share	552	640000		4195381 00	
June	24	By cash - 3 shares @ 200 per share	562	60000		4201381 00	
July	8	By cash - 3 shares @ 200 per sh	563	60000		4207381 00	
	9	By cash - 6 shares @ 200 per sh	565	120000		4219381 00	
	11	By cash - 10 shares @ 200 per sh	566	200000		4239381 00	
	17	By cash - 3 shares @ 200 per sh	569	60000		4245381 00	
Sept	18	By cash - 7 shares @ 200 per sh upon	581	140000			
		By Cash - 3 shares @ 200 per sh on 513	582	60000			
		By Cash - 3 shares @ 200 per sh on 513	584	60000			
		By cash - 4 shares @ 199.50 per sh on 514	585	79850		4279236 50	
Oct	21	By cash - 15 shares @ 200 per sh on 521	616	3000000		4892365 0	
		By cash - 9 shares @ 200 per sh on 522	616	1800000		4372365 0	
		By cash - 40 shares @ 200 per sh on 524	616	8000000		4402365 0	
		By cash - 100 shares @ 200 per sh on 525	616	20000000		4602365 0	
		By cash - 2 shares @ 200 per sh on 526	616	400000		4611365 0	
1169 Nov	3	By cash - 10 shares @ 200 per sh on 527	616	2000000		4631365 0	

Exhibit 65

SECURITY BANK
Louisville, Ky

DATE				DEBIT	CREDIT	BAL. BALANCE	BAL. BALANCE
Apr	24	Milburn A. Kelley	27 shares	2700.00			
	28	Frank L. Spangler	18 shares	1800.00			
		Henry Bohmer	15 shares	1500.00			
		J. M. Perkins and Bro	25 shares	2500.00			
		Lizzie M. Farrell	21 shares	2100.00			
		William O. Hall	1 shares	100.00			
		Richard W. Hardesty	5 shares	500.00			
		John M. Beattie	15 shares	1500.00			
		Mrs Elizabeth A. Badger	1 shares	100.00			
		Mrs Edna Oliver	5 shares	500.00			
		Mrs Mary Nagel	30 shares	3000.00			
		William Koppmeier	15 shares	1500.00			
		Henry Clifton Rodes	75 shares	7500.00			
		Miss Anna M. Stinnett	10 shares	1000.00			
		Jacob Lamb	27 shares	2700.00			
		A. M. Marret	21 shares	2100.00			
		Edward Kennett	3 shares	300.00			
		Miss Nettie Dahlem	6 shares	600.00			
		Miss Lottie Ehrmann	11 shares	1100.00			
		Mrs Lucie Barret	15 shares	1500.00			
		Mrs Anny Kohlhepp Johnson	1 shares	100.00			
		Chas. H. Bohmer	150 shares	15000.00			
		Robert P. Kraft	5 shares	500.00			
		Mrs Louise M. Genting	10 shares	1000.00			
		Charles Genting	22 shares	2200.00			
		Miss Lillian Bloemer	3 shares	300.00			
		Miss Agnes Bloemer	3 shares	300.00			
		Miss Maigne Bloemer	2 shares	200.00			
		Miss Matilda Bloemer	5 shares	500.00			
		Miss Lula M. Bloemer	2 shares	200.00			
		Miss Annie Steller	1 shares	100.00			
		George Genting	25 shares	2500.00			
		Mrs Ida E. Johnson	1 shares	100.00			
		Otto J. Bader	25 shares	2500.00			
		Mrs Caroline Gastel Beck	22 shares	2200.00			
		H. Nellis Kraft	18 shares	1800.00			
		Andrew L. Pearson	10 shares	1000.00		67 [illegible] 00	
			Amount Fwd.			67 [illegible] 00	

SECURITY BANK

Louisville, Ky

Exhibit 65

DATE 1910				DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance Forward						67 40000
Apr. 21	Benjamin Rosenbaum	73 shares	155	730000			
	Edward Belle	5 shares	155	50000			
	Miss Elizabeth Belle	4 shares	155	40000			
	Julian N. Van Hueffel	45 shares	155	450000			
	Miss Mary Louise Klingman	1 shares	155	10000			
	Mrs Jennie R. Brown	25 shares	155	250000			
	James L. Bright	15 shares	155	150000			
	Samuel Rosenbaum	17 shares	155	170000			
	Edwin Kern	14 shares	155	140000			
	Herman Platz	8 shares	155	80000			
	Mrs Elise M. Baker	20 shares	155	200000			
	Edwin D. Schwab	6 shares	155	60000			
	James R. Burkholder	10 shares	155	100000			
	Louisville Trust Co. Trustee	26 shares	155	260000			
	-u/w Leo W. Latchen for Minnie Latchen						
	Louisville Trust Co. Trustee	36 shares	155	3600000			
	-of Minnie Latchen						
	Louisville Trust Co. Trustee	12 shares	155	120000			
	-u/w Louise S. Latchen for Minnie Latchen						
	Mrs Alice A Rich	8 shares	156	80000			
	Mrs Lucy A. Doll	8 shares	156	80000			
	Miss Addie L. Baker	10 shares	156	100000			
	Harry J. Klingman	1 shares	156	10000			
	Charles R. Long Jr.	78 shares	156	780000			
	Joseph Schill	75 shares	156	750000			
	Philip Weinberg	7 shares	156	70000			
	Mrs. Agnes R. Messenger	15 shares	156	150000			
	Frank M. Perkins Jr.	25 shares	156	250000			
	Matt N. Crawford	25 shares	156	250000			
	Miss Theodora Schmidt	8 shares	156	80000			
	Mrs. Cornelia Kern	10 shares	156	100000			
	Mrs. Louise Girard	9 shares	156	90000			
	Mrs. Marie E. Read	2 shares	156	20000			
	Miss Sophie G. Coste	11 shares	156	110000			
	Jesse Rosenbaum	42 shares	156	420000			
	James R. Burkholder	10 shares	156	100000		133 50000	
	Balance Fwd						133 50000

Exhibit 65

SECURITY BANK

Louisville, Ky

DATE 1920			Value	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance forward						178 50000
Apr 28	Mrs. Belle M. Neal	7 shares	100	70000			
	Mrs. Rosa Kreger	25 shares	100	250000			
	Louis P. Bung	10 shares	100	100000			
	Miss Alma Bung	10 shares	100	100000			
	Mrs Alvina Bung Stocker	11 shares	100	110000			
	Miss Alice J Letts	9 shares	100	90000			
	Harry Rosenbaum	17 shares	100	170000			
	Leslie Dunty	1 shares	100	10000			
	Eugene Schwab	6 shares	100	60000			
	Joseph Schwab	5 shares	100	50000			
	Henry L Pfingst	4 shares	100	40000			
	Mrs. Amelia Scheblin	4 shares	100	40000			
	Miss Laura B. Scheffer	15 shares	100	150000			
	William A. Reisert	9 shares	100	90000			
	William A. Reisert, Executor	18 shares	100	180000			
	of est Henry Reisert Deceased						
	Mrs. Annie M. Viseman	15 shares	100	150000			1960000
May 1	Fred Albright, Jr.	7 shares	100	70000			
	Leon S. Rosenbaum	17 shares	100	170000			
	The First Harlan National	15 shares	100	150000			
	Bank, Trustee under will of Conrad Holopp						
	Mrs Lorena Schlachter	10 shares	100	100000			
	C. F. Petchen	20 shares	100	200000			
	Louisa H. Petchen	2 shares	100	20000			
	John F. Cartel Estate	15 shares	100	150000			
	Mrs Bessie L Higginton	5 shares	100	50000			
	Max Michel	5 shares	100	50000			
	Gertrude Taibb Hall	15 shares	100	150000			
	Mrs Clara V Dunty	6 shares	100	60000			
	Miss Lucie M Babcock	2 shares	100	20000			
	Almstedt Bros	30 shares	100	300000			
	Mrs Marie Baumgarten	4 shares	100	40000			
	Alice Schamlin	7 shares	100	70000			
	Mrs Louise M Carter	10 shares	100	100000			15 6
12	John Mason Morris	37 shares	100	370000			1603 5
	Mrs Amelia M Rehkopf	6 shares	100	60000			1860000
	Balance Fwd						1860000

Exhibit 65

SECURITY BANK

Louisville, Ky

DATE 1961				DEBIT	CREDIT	BAL. BALANCES	BAL. BALANCES
		Balance Forward				160 90 00	
May	12	William Mehler	15 shares	150000			
		Janet L. Sinnes	15 shares	150000			
		Joseph Lang	45 shares	450000			
		Miss Eleanora Shanlie	5 shares	50000			
		Mrs Bessie Le Rippington	10 shares	100000			
		Edwin J Reaman	10 shares	100000		170 90 00	
	16	Mrs. Katherine E. Dohrmann	5 shares	50000			
		Mrs. Emma Schwert	1 shares	10000			
		William Krankel	2 shares	20000			
		Mrs Minnie Krankel	4 shares	40000			
		Mrs Mary Gore	6 shares	60000			
		Miss Lenice Kenners	4 shares	40000			
		Miss Ida Lampe	3 shares	30000			
		J. J. B. Hilliard and Son	4 shares	40000		173 80000	
	26	Mrs. Josephine Cook	3 shares	30000			
		Miss Jenny L. Robbins	128 shares	1280000			
		Albert A. Dietz	1 shares	10000		1870000	
June	2	Fidelity & Columbia Trust Co. - Executor A. H. Barret	52 shares	520000			
		Virginia Barrett Bridges	60 shares	600000			
		Fidelity & Columbia Trust Co. - Trustee Virginia & Palmer Ball	1 share	10000	C		
		Fidelity & Columbia Trust Co. - Agent Walter K. Beckmeyer	3 shares	30000			
		Fidelity & Columbia Trust Co. - Trustee Mrs. Alfa Fritton	13 shares	130000			
		Fidelity & Columbia Trust Co. - Trustee Edward Hess & Anna Carr Hess	3 shares	30000			
		Fidelity & Columbia Trust Co. - Trustee Gertrude Virgil Lemon	2 shares	20000			
		Fidelity & Columbia Trust Co. - Trustee Mary F. Love	1 share	10000			
		Fidelity & Columbia Trust Co. - Agent Alfa Archfield Martin	1 share	10000			
		Fidelity & Columbia Trust Co. - Agent Edna Hampe Hoyt	1 share	10000		700 70000	
		Balance Sheet				2287 0000	
				1520			

Exhibit 65

SECURITY BANK
Louisville, Ky

DATE 1929		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance Forward					200 70000
June 21	Fidelity & Columbia Trust Co. 2 shares	107	20000			
	- Trustee Edna L. Vogt					
	Fidelity & Columbia Trust Co. 1 shares	107	10000			
	- Trustee Edna Louise Vogt					
	Fidelity & Columbia Trust Co. 2 shares	107	20000			
	- Trustee John F. Vogt					
	Fidelity & Columbia Trust Co. 2 shares	107	20000			
	- Trustee Mary F. Vogt					
	Fidelity & Columbia Trust Co. 1 shares	107	10000			
	- Trustee Minnie M. Vogt					
	Fidelity & Columbia Trust Co. 6 shares	107	60000			
	- Trustee J. J. Wakefield					
	Fidelity & Columbia Trust Co. 2 shares	107	20000			
	- Trustee Virginia Vogt					
	Fidelity & Columbia Trust Co. 14 shares	107	140000		203 70000	
	- Trustee Mrs Kate Reynolds					
5	Mrs. Matilda Schlegel 9 shares	106	90000			
	Liberty Bank & Trust Co. 5 shares	106	50000		205 10000	
	- Administrator Estate Alice Schlegel deceased					
June 27	Louisville Trust Co. Trustee John F. Tellon 15 shares	102	150000		206 60000	
30	By stock - 2823 4 shares The Bancokentucky	108	705 85000		912 45000	
	- Company at $25.00 per share - being balance of					
	- purchase price of 2807 shares Security Bank					
	- Louisville, Ky. stock at $350.00 per share, or					
	- total cost price of $982,450.00 - (2807 shares of					
	- Security Bank, par value $100.00 received to date)					
July 10	George Kuntz 7 shares	103	70000			
	H. Nellis Kraft 7 shares	103	70000			
	Miss Margaret Sherry 11 shares	104	110000		914 95000	
29	John Marshall & Adm. Estate Middleton Carrel 60 shares	104	600000		920 95000	
Sept 18	By stock - 150 shares The Bancokentucky Co.					
	- at $25.00 per share - being balance purchase price					
	- 15 shares Security Bank Louisville Ky stock					
	- at $350.00 per share, or total cost price 29,750 (85 shares					
	- Security Bank stock received to date)	108	2125 00		942 20000	
	Balance Forward					942 20000
						1521 20000

Exhibit 65

SECURITY BANK

Louisville, Ky.

DATE 1928				DEBIT	CREDIT	BR. BALANCE	BR. BALANCE
		Balance Fwd				9421.0000	
Oct	6	Mrs. Lobschilds/ Meyer/ Klein 9 shares	1161	900.00		9431.0000	
	6	By stock - 90 shares The Bank of Kentucky at $25.00 per share, being balance purchase price - 9 shares Security Bank, Louisville, Ky - stock at - $350. per share, a total cost price $3150.00 (9 shares Security Bank stock - Certificate 4471)	2113	2250.00		9405.8000	
	21	Miss Ida Shorty 12 shares	1162	1200.00		9405.5000	
		By stock - 120 shares The Bank of Kentucky at $25.00 per share, being balance purchase price - 12 shares Security Bank, Louisville, Ky stock - at $350.00 per share, a total cost price $4200.00 (12 - shares Security Bank stock - Certificate 4474)	2114	3000.00		9405.5000	

Exhibit 66

TRUSTEES' PARTICIPATION SHARES NATIONAL BANK OF KENTUCKY - THE LOUISVILLE TRUST CO
Louisville, Ky

Legal	Date		Folio	Debit	Credit	Dr. Balance	Cr. Balance
Oct	26	By stock - 516894 shares at $50.00 per share - Cfs 1891 - 1899 - 1900 - 1901 - 1902 - 1903 - 1904 - 1905 - 1906 - 1907 - 1908	246	25844700.00			
Nov	8	By stock - 1800 shares at $50.00 per share Cfs 1909 - 1911	252	900000.00		25934700.00	
	16	By stock - 6220 shares at $50.00 per share Cfs 1912 -	253	3110000.00		26245700.00	
Dec	9	By stock - 290 shares at $50.00 per share Cfs 1913	254	145000.00		26260900.00	
	17	By stock - 430 shares at $50.00 per share Cfs 1915	255	215000.00		26281 70000	
	21	By stock - 110 shares at $50.00 per share Cfs 1916	256	55000.00		26287 20000	
1920 Jan	16	By stock - 200 shares at $50.00 per share Cfs 1918	257	100000.00		26297 20000	
	28	By stock - 170 shares at $50.00 per share Cfs 1920	258	85000.00		26305 70000	
Mar	13	By stock - 9000 shares at $50.00 per share Cfs 1949	259	450000.00		26755 70000	
	13	By stock - 645 shares at $50.00 per share Cfs 1950	259	32250.00		26787 95000	
	24	By stock - 2040 shares at $50.00 per share Cfs 1955	261	102000.00		26889 95000	
May	~	By stock - 1320 shares at $50.00 per share Cfs 1959	263	66000.00		26955 95000	
June	19	By stock - 110 shares at $50.00 per share Cfs 1960	264	5500.00		26961 45000	
Sept	23	By stock - 1155 shares at $50.00 per share Cfs 1964	266	57750.00		27019 20000	

Exhibit 65

THE UNION CENTRAL LIFE INSURANCE CO
Cincinnati, Ohio

DATE			DEBIT	CREDIT	BAL. BALANCE	BAL. BALANCE
Dec	17	By cash - for 625 shares at 800 per share		500000		

Exhibit 65

UNDIVIDED PROFITS

DATE 1928		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Dec	31	Interest on Certificates of Deposit		19638 23		
		Interest on Stock Subscriptions		2707 40		
		Dividend - Brighton Bank and Trust Co.		42 00 00		
		Dividend - The Cent. Market Bk & Trust Co.		34 45 2 00		
		Dividend - National Bank of Kentucky The		210 29 760		369 10 4 23
		Interest Paid Louisville Trust Company	950000			
		Federal Tax on Original Issue	52669 1			
		Legal Expense	5156 0			
		Listing Fee (Chicago and Louisville Stock Exchanges)	10100 00			
		Supplies and Printing	24318 2			
		Telegraph Expense	32606			
		Traveling Expense	46067			
		Accountants	1361 2			
		Organization Tax and Registration Fee	123800			
		Reserved for Taxes	707960			
		Dividend #1 - payable January 2, 1930	306 53380		343 588 28	36 51595
June	30	Examiners and Agents Fee - Second Nat'l Bk Ashland Ky	40663			25 09 42 2
		Interest on Certificates of Deposit		42 27 283		
		Dividend - Brighton Bank & Trust Co.		2664050		
		Dividend - Central Savings Bk & Tr. Co.		65760 0		
		Dividend - First National Bank of Edmonton Ky		10670 0		
		Dividend - The Cent. Market Bk & Tr. Co.		28 82960		
		Dividend - The Peoples Liberty Bk & Trust Co.		6708 00		
		Dividend - National Bank of Ky. The		215 11960		
		Dividend - Union Central Life Insurance Co Louisville Trust Co		18 37500		358 19995
	30	Interest Paid	4833 33			
		Insurance and Postage	500			
		Legal Expense	1788 510			
		Listing Fee (Louisville and Chicago Exchanges)	5000 00			
		Miscellaneous	11729			
		Organization Tax	64000			
		Supplies and Printing	9894 8			
		Franchise Tax - State of Delaware	2347			
		Transfer Agent and Registrar Services	1690 91			
		Traveling	9230			326 80137
	30	Appreciation - Cumberland Stock Purchases		206 18950		533 61887
		Dividend No 2 - Payable April 2, 1929	314 19700			219 41 187
		Balance Forward				219 41 187

UNDIVIDED PROFITS

DATE		DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance Fwd				159491 87

Exhibit 65

CASH

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	DR. BALANCE
	Bankholders subscription 39487/6 shares at $25.00 per share	2	9869/6500			
Oct 5	Certificate of Deposit 386 at 6% The Lawrenceville Trust Co.	251		2500000	9619/6500	
11	Payment - The Pearl Market Bank & Trust Co.	252		3000000	9319/6500	
14	Payment - The Pearl Market Bank & Trust Co.	253		5500000	8769/6500	
	Certificate of Deposit 399 at 6% The Lawrenceville Trust Co.	251		3000000	8469/6500	
18	Payment - The Pearl Market Bank & Trust Co.	254		12500000	7219/6500	
28	Payment - The Brighton Bank & Trust Co.	255		15000000	5719/6500	
29	Payment - The Brighton Bank & Trust Co.	256		7500000	4969/6500	
31	Payment - The Brighton Bank & Trust Co.	257		4000000	4569/6500	
Nov 1	Payment - The Brighton Bank & Trust Co.	258		2000000	4369/6500	
6	Payment - The Brighton Bank & Trust Co.	259		1000000	4269/6500	
7	By check 61	100		1000000	4259/6500	
8	Payment - The Brighton Bank & Trust Co.	260		10000000	4159/6500	
	By check 1	100		40898	4155/5618	
	By check 3	100		123800	4154/3218	
	By check 4	100		86500	4153/4518	
	By check 5	100		3650	4153/4868	
	By check 6	100		16900	4153/3368	
	By check 7	100		2820	4153/3148	
	By check 8	100		8800	4153/1348	
	By check 9	100		2627	4153/1121	
	By check 10	100		74230	4152/3891	
	By check 11	100		2887500	4123/4391	
	By check 13	100		1377500	4109/7891	
	By check 14	100		1812500	4091/5391	
	By check 15	100		10000	4091/4391	
	By check 16	100		3375	4091/4016	
	By check 17	100		15780	4091/3036	
	By check 18	100		21788	4091/0848	
	By check 19	100		2137500	4069/7048	
	By check 20	100		32606	4069/3834	
	By check 21	100		21180	4069/1716	
	By check 22	100		2000000000	2069/1716	
	By check 23	100		11850000	1950/6716	
	By check 24	100		51560	1950/1560	
	By check 25	100		595000	1944/2060	
17	Revenue - Interest paid on Certificate of Deposit	18	474769		1991/6811	
	Balance forward				1991/6811	

Exhibit 85

CASH

DATE 1932		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance forward				1991682 11	
Nov.	12 Interest paid on subscriptions to stock	3	270740		1994 389 51	
	Cashed - Ctf of Deposit a 66514 National Bank of Kentucky	3	6965000		2064 039 51	
	Certificates of Deposit a 66514 - 66515 - 66516 - 66517 - 66518 - 66519 at 6% National Bank of Kentucky	352		4169650 00		2105 610 49
	13 Cashed Ctf of Deposit a 66514 National Bank of Kentucky	352	2000 41666			105 193 83
	18 Cashed Ctf of Deposit a 66518 National Bank of Kentucky	352	1000 66666			5127 17
	21 Cashed Ctf of Deposit a 66534 National Bank of Kentucky	352	2566666		2053949	
Dec	7 By check 826	150		532871	1530078	
	By check 27	150		433333	1096745	
	By check 28	151		3282500		2185955
	By check 29	151		475000		2610955
	9 By check 30	151		3156000		34170955
	10 By check 31	151		1230000		8540095 5
	11 Ctf of Deposit a 66589 to a 66592 (inclusive) at 6% - Cashed	354	4013333 33		4732578	
	By check 34			7965	4724613	
	16 Dividend - Brighton Bank & Trust Co	4	2871050		7595663	
	Dividend - Brighton Bank & Trust Co (M & Gaines)	4	3250		7598913	
	17 By check 835	151		2500000	5098913	
	19 By check 36	151		57251	5041662	
	By check 37	151		5975	5041087	
	By check 38	151		3075	5038012	
	By check 39	151		1800	5036212	
	By check 40	151		7000	5029212	
	By check 41	151		4250	5024962	
	By check 42	151		4800	5020162	
	By check 43	151		1320000	3700162	
	By check 44	151		5124	3695038	
	30 By check 45	151		3570000		3200496 2
	31 Dividend Trustees' Participation Shares	4	21029960			10995202
	Revenue - Interest on Ctf of Deposit - The Louisville Trust Co	4	751217			10223982
	Revenue - Interest on Ctf of Deposit - National Bank of Kentucky	4	2216666			8007319
	31 Cashed - Ctf of Deposit a 66517 - 6% National Bank of Kentucky	351	40000000		3199 2681	
	31 Interest Payable By check 845	352		516667	3147 6014	
1932 Jan	1 Secretary of State By check 847	154		200	3147 5814	
	By check 846	154		3065338	81224 34	
	7 Quarterly Dividend Brighton Bank & Trust Co	4	1335000		2147534	
	Balance forward				2147534	

Exhibit 65

CASH

DATE 1932		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance forward				2147834	
Jan 2	Extra/Dividend - Pearl - Market Bank & Trust Co.	4	2064870		4212704	
	Dividend (Reg) - Pearl - Market Bank & Trust Co.	4	1376580		5588984	
	Extra/Dividend - Pearl - Market Bk & Tr Co (M L Healey)	4	2250		5591234	
	Dividend (Reg - Pearl - Market Bk & Tr Co (M L Healey)	4	1500		5592734	
	Dividend - Brighton Bank & Trust Co (M L Healey)	4	1500		5594234	
6	By check	#-	152	1250000	4344234	
10	By check	#50	154	63800	4280434	
15	Dividend - Central Savings Bank & Trust Co.	4	328800		4609234	
20	By check	#51	152	6800	4602734	
	By check	#52	152	7550	4595184	
29	Revenue - Interest on Cof of Deposit Lawrence Trust Co 338	4	116667		4711851	
	Revenue - Interest on Cof of Deposit Lawrence Trust Co 399	4	140000		4851851	
31	Cof of Deposit 66466 Natl Bk of Ky cashed	156	10041333 3		10533538 4	
	Bills Payable - Clement Bank & Trust Co of Maryville	152		100000000	533538 4	
Feb 3	By check	#53	152	413333	485205 1	
6	By check	#57	154	1430400	342165 1	
14	By check	#58	152	20100000	14116 51	
	By check	#59	152	4000	1407651	
	By check	#60	152	52975	1354676	
	By check	#61	152	600	1354076	
	By check	#62	153	3375	1350701	
	By check	#63	153	17000	1333699	
Mar 5	By check	#64	153	941700	391999	
11	By check	#65	153	301500	90499	
13	By check	#66	153	200000		109501
14	By check	#67	153	100000		209501
15	Revenue Interest Cof of Dep Natl Bk of Ky #66315-12466777	4	1776665		1566964	
24	Dividend (Extra) Brighton Bank & Trust Co.	4	1322100		2889064	
24	Appreciation on stock purchased	4	2375000		5264064	
24	By check	#68	153	12500000		7235936
	Dividend (Extra) Brighton Bk & Tr Co (James B Brown)	5	1500			
	Dividend (Extra) Brighton Bk & Tr Co (Ernest A Helmer)	5	1500			7232936
	Cof of Deposit 46677 - Natl Bk of Ky cashed	156	10013333		2780397	
26	Dividend (Extra) Brighton Bk & Tr Co (M L Healey)	5	1500		2781897	
28	By check	#69	153	120600	2661297	
29	By check	#70	153	630000	2031297	
	Balance Forward				2031297	

Exhibit 65

CASH

DATE 1933		Folio	DEBIT	CREDIT	BAL. BALANCE	BAL. BALANCE
	Balance Fwd				2031497	
Mar 29	Dividend Brighton Bk & Trust Co (Jakes & Hay)	5	8750		2040247	
	Peoples Liberty Bk & Tr Co., Covington Ky check 871	5		75000000		72959753
31	Certificate of Deposit 166516 Natl Bk of Ky cashed	5	104 13333			62546420
Apr 1	Dividend on Banco Shares By check 72	5		31419700		93966120
	Dividend (Reg) Pearl-Market Bank & Trust Co	5	1405980			
	Dividend (Extra) Pearl-Market Bank & Trust Co	5	1405980			
	Dividend (Reg) Brighton Bank & Trust Co	5	1322100			
	Dividend (Reg) Peoples-Liberty Bank & Trust Co	5	503100			
	Dividend (Extra) Peoples-Liberty Bank & Trust Co	5	1677100			
	Dividend - Trustees' Certificates Shares	5	215 11960			
	Dividend - (Reg) Brighton Bank & Trust Co (M L Hay)	5	2100			
2	Dividend - (Reg) Pearl-Market Bk & Tr Co (H M Moseley)	5	1500			
	Dividend - (Extra) Pearl-Market Bk & Tr Co (H M Moseley)	5	1500			
	Dividend - (Reg) Pearl Market Bk & Tr Co (J J Hildebrandt)	5	1500			
	Dividend - (Extra) Pearl-Market Bk & Tr Co (J J Hildebrandt)	5	1500			
	Dividend - (Reg) Pearl-Market Bk & Tr Co (M L Hahn)	5	1500			
	Dividend - (Extra) Pearl-Market Bk & Tr Co (M L Hahn)	5	1500			
	Dividend - (Reg) Brighton Bk & Tr Co (Jno A Helmers)	5	1500			
	Dividend - (Reg) Brighton Bk & Tr Co (M L Hahn)	5	1500			
	Dividend - (Reg) Brighton Bk & Tr Co (James B Brown)	6	1500			
	Dividend - (Extra) Pearl-Market Bk & Tr Co (James B Brown)	6	1500			
	Dividend - (Reg) Pearl-Market Bk & Tr Co (James B Brown)	6	1500			
	Dividend - (Reg) First National Bank Cadiz Ky	6	105700			
	Dividend - First National Bank, Cadiz (J B Brown)	6	1000			
	Peoples-Liberty Bank & Trust Co., Covington Ky	6	750 00000		94 76000	
3	Revenue - Interest Lehman Stock Pearl Market Bk & Tr Co	6	11322		956322	
	Dividend - Reg Pearl Market Bk & Tr Co (Ruth Lafferty)	6	1500		956822	
	Dividend - Ex - Pearl Market Bk & Tr Co (Ruth Lafferty)	6	1500		957322	
	Appreciation on stock purchased	6	87 1250		843572	
7	By check 873	104		389600	804972	
9	By check 874	104		7500000	54972	
12	Dividend - Pearl-Market Bk & Tr Co (Lynda Mitchell)	6	1500		55072	
	Dividend - Extra Pearl-Market Bk & Tr Co (Lynda Mitchell)	6	1500		55197	
15	Dividend - Reg Pearl Market Bk & Tr Co (John W Lewis)	6	1500		55347	
	Dividend - Ex Pearl Market Bk & Tr Co (John W Lewis)	6	1500		55497	
	Dividend - Central Savings Bk & Tr Co Covington Ky	6	122500		177997	
	Balance Fwd				177997	

Exhibit 65

CASH

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	DR. BALANCE
	Balance Forward				$77272	
Apr 15	Dividend - Central Ins. Ck & Tr. Co (James B. Brown)	6	3000			
	Dividend - Central Ins. Bk & Tr. Co (M. L. Keating)	6	3000			
	Dividend - Union Central Life Insurance Co	6	37500		921272	
17	By check	$75		100666	820606	
	By check	$76		15750	804856	
	By check	$77		6000	798856	
	By check	$78		14000	784856	
	By check	$79		10000	774856	
19	By check	$80		8000	766856	
	By check	$81		500000	266856	
21	By check	$83		4850	262006	
	By check	$84		4380	257626	
24	By check	$85		220000	37626	
26	By check	$86		265	37361	
28	By check	$87		180000		
	By check	$88		150000		
	By check	$89		250000		
	By check	$90		210000		
	By check	$91		80000		
	By check	$92		50000		
	By check	$93		150000		
	By check	$94		80000		1098831
	By check	$95		50000		
	By check	$96		300000		
	By check	$97		150000		
	By check	$98		750000		
	By check	$99		100000		
	By check	$101		270000		
	By check	$102		210000		
	By check	$103		30000		
	By check	$104		60000		
	By check	$105		110000		
	By check	$106		150000		
	By check	$174		80000		
	By check	$107		1500000		
	By check	$109		50000		4901831
	Balance Fwd					4901831

Exhibit 65

CASH

DATE		FOLIO	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance 1st					4908831
Apr 18	By check # 110			100000		
	By check # 111			220000		
	By check # 112			30000		
	By check # 113			30000		
	By check # 114			20000		
	By check # 115			50000		
	By check # 116			20000		
	By check # 117			10000		
	By check # 118			250000		
	By check # 119			10000		
	By check # 120			250000		
	By check # 121			220000		
	By check # 122			180000		
	By check # 123			100000		
	By check # 124			230000		
	By check # 125			50000		
	By check # 126			40000		
	By check # 127			450000		
	By check # 128			10000		
	By check # 129			250000		
	By check # 130			150000		
	By check # 131			170000		
	By check # 132			140000		
	By check # 133			80000		
	By check # 134			200000		
	By check # 135			60000		
	By check # 136			100000		
	By check # 137			360000		
	By check # 138			260000		
	By check # 139			120000		9131831
	By check # 140			10000		
	By check # 141			80000		
	By check # 142			100000		
	By check # 143			10000		
	By check # 144			780000		
	By check # 145			250000		10431831
	Balance 2d					

Exhibit 65

CASH

DATE		POST. REF.	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
1960						
	Balance Fwd					1043889
Apr 28	By check # 146	150		70000		
	By check # 175	150		150000		
	By check # 148	150		250000		
	By check # 149	150		250000		
	By Check # 150	150		80000		
	By Check # 151	150		100000		
	By Check # 152	150		90000		
	By Check # 153	150		20000		
	By check # 154	150		110000		
	By check # 155	150		120000		
	By Check # 156	150		100000		
	By check # 157	150		20000		
	By Check # 158	150		250000		
	By check # 159	150		100000		
	By Check # 160	150		100000		
	By check # 161	150		110000		
	By Check # 162	150		90000		
	By Check # 163	150		170000		
	By check # 164	150		10000		
	By Check # 165	150		60000		
	By Check # 167	150		50000		
	By Check # 168	150		40000		
	By Check # 169	150		40000		
	By check # 170	150		150000		
	By check # 171	150		90000		
	By Check # 172	150		140000		1363591
May 1	By Check # 173	150	Apr 30	150000		1368591
	By Check # 176	150		70000		
	By Check # 175	150		170000		
	By Check # 178	150		150000		
	By Check # 179	150		100000		
	By Check # 180	150		200000		
	By check # 181	150		20000		
	By Check # 182	150		150000		
	By Check # 183	150		50000		
	By Ch. # 184	150		50000		1464859 1
	Balance Fd					1464859 1

Exhibit 65

CASH

1951 DATE			DEBIT	CREDIT	BR. BALANCE	GR. BALANCE
May 1	Balance Bro't					14648831
"	By check $185	156		150000		
"	By check $186	157		60000		
"	By check $187	157		20000		
"	By check $188	157		300000		
"	By check $189	157		40000		
"	By check $190	157		70000		
"	By check $191	157		100000		15388831
"	By check $192	157		1000		
"	By check $193	157		20000		
"	By check $194	157		15000		15206903
2	Certificate of Deposit #67180 Nat'l Bk of Ky cashed	208	20206666		4799763	
	By check $195	157		3000000	1799763	
	Appreciation on purchase of stock	T	210000		2089763	
5	By check $196	157		7750000		5740237
	Appreciation on purchase of stock	T	542500			5197737
6	Certificate of Deposit #67344 Nat'l Bk of Ky cashed	208	20013333		14815596	
	By check $197	157		11250000	3565596	
	Appreciation on purchase of stock	T	787500		4353096	
8	By check $198	157		4291	4348805	
	By check $199	157		1000	4347805	
	By check $201	157		3250000	1097805	
9	Appreciation on purchase of stock	T	227500		1325305	
12	By check $202	157		370000	955305	
	By check $203	157		60000	895305	
	By check $204	157		150000	745305	
	By check $205	157		150000	595305	
	By check $206	157		450000	145305	
	By check $207	157		50000	95305	
	By check $208	157		100000		4695
	By check $209	157		100000		104695
13	By check $210	157		220000		324695
14	Certificate of Deposit #66518 Nat'l Bk of Ky cashed	208	20366666		20041991	
	By check $211	157		11250000	8791991	
	Appreciation on purchase of stock	T	787500		9579491	
16	By check $212	157		1250	9578241	
	By check $213	157		1250	9576991	
	Balance Fwd.	T			9576991	

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CASH

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance Fwd				9576991	
May 16	By check	#214		1250	9575741	
	By check	#217		50000	9525741	
	By check	#218		10000	9515741	
	By check	#219		20000	9495741	
	By check	#220		40000	9455741	
	By check	#221		60000	9395741	
	By check	#222		40000	9355741	
	By check	#223		30000	9325741	
	By check	#224		40000	9285741	
	By check	#225		640000	8645741	
	By check	#226		7500000	1145741	
20	Appreciation on purchase of stock	7	525000		1670741	
23	Certificate of Deposit #66916 Nat'l Bk of Ky cashed	209	15485833		17156574	
	By check	#227		10000000	7156574	
	Appreciation on purchase of stock	7	700000		7856574	
26	Certificate of Deposit #67387 Nat'l Bk of Ky cashed	209	10060000		17916574	
	By check	#228		8500000	9416574	
	Appreciation on purchase of stock	7	595000		10011574	
	By check	#229		30000	9981574	
	By check	#230		1780000	8201574	
	By check	#231		10000	8191574	
	By check	#232		2750000	5441574	
31	Appreciation on purchase of stock	7	192500		6134074	
June 2	By check	#233		520000		
	By check	#234		600000		
	By check	#235		10000		
	By check	#236		30000		
	By check	#237		130000		
	By check	#238		30000		
	By check	#239		20000		
	By check	#240		10000		
	By check	#241		10000		
11	By check	#242		10000		
	By check	#243		20000		
	By check	#244		10000		
	By check	#245		20000	4714074	
	Balance Fwd				4714074	

Exhibit 65

CASH

DATE 1930		No.	DEBIT	CREDIT	DR. BALANCE	DR. BALANCE
	Balance Fwd				47 14 074	
June 2	By check #246	159		20000		
	By check #247	159		10000		
	By check #248	159		20000		
	By check #249	159		60000		
	By check #250	159		1400000	44 64 074	
4	Appreciation on purchase of stock	7	175000		46 39 074	
	By check #251	160		2800000		
5	By check #252	160		50000		
	By check #253	160		900000	19 99 074	
6	Certificate of Deposit #67407 Nat'l Bk of Ky cashed	259	10036666		120 35 740	
	By check #254	160		10000000	20 35 740	
	Appreciation on stock purchased	7	700000		27 35 740	
	By check #255	160		40653	26 95 087	
10	By check #256	160		32000000		293 04 913
	Appreciation on stock purchased	7	2240000			270 64 913
11	Certificate of Deposit #67433 Nat'l Bk of Ky cashed	259	40126666		130 61 583	
12	By check #257	160		10250000	28 11 753	
	Appreciation on stock purchased	8	717500			
14	Bills Payable Chemical Bk & Tr Co New York	259	100000000		1035 29 253	
16	By check #258	160		188039		
17	By check #259	160		3750000		
	By check #260	160		26250000		
	By check #261	160		27000000		
	By check #262	160		10750000		
18	By check #263	161		1500000	345 91 214	
18	Appreciation on stock purchased	8	1837500			
	Appreciation on stock purchased	8	1890000			
	Appreciation on stock purchased	8	752500			
	Appreciation on stock purchased	8	487500			
	Appreciation on stock purchased	8	285000		398 43 714	
	By check #264	161		9850		
	By check #265	161		1000		
	By check #266	161		23917		
	By check #267	161		3010		
	By check #268	161		7500		
	By check #269	161		4000	397 66 437	
	Balance Fwd				397 66 437	

Exhibit 65

CASH

DATE				DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
		Balance Fwd				397 66 437	
June	19	By check #270	161		750000	390 16 437	
		appreciation on stock purchased	8	142500		391 58 937	
	20	By check #271	161		11750000	774 08 937	
		Appreciation on stock purchased	8	2273500		796 41 437	
	23	By check #272	162		1500000	781 41 437	
		Appreciation on stock purchased	8	785000		789 26 437	
	24	By check #274	162		6000000	729 26 437	
		Appreciation on stock purchased	8	1140000		735 66 437	
		By check #275	162		502500		
		By check #276	162		60000		
		By check #277	162		1065000		
		By check #278	162		567000		
	26	By check #279	162		5500000	158 71 437	
		Appreciation on stock purchased	8	1045000		169 16 437	
	27	By check #280	162		150000		
	28	By check #281	162		15500000	1766437	
		Appreciation on stock purchased	8	2945000		471437	
July	1	By check #282	162		315 09660		
	1	Dividend on 5392 sq Indiana Limestone Subscription Shares	9	2156916 0			
		Dividend - The Brighton Bank & Trust Co (regular)	9	132 4200			
		Dividend - The Brighton Bank & Trust Co (extra)	9	132 4200			
		Dividend - The Peoples Liberty Bank & Trust Co	9	34780 0			
		Dividend - The Pearl Market Bank & Trust Co (reg)	9	140598 0			
		Dividend - The Pearl Market Bank & Trust Co (extra)	9	140598 0			
		Appreciation on stock purchased	9	902500		91 15 97	
		By check #283	162		4750000		
		By check #284	162		452800		
	2	Ctfs of Deposit #67 & 91 Nat'l Bk of Ky cashed	266	19933333		5822430	
		Dividend - Brighton Bank & Trust Co (Ex Mrs Kalin) reg	9	1500			
		Dividend - Brighton Bank & Trust Co (Ex Mrs Kalin) extra	9	1500			
		Dividend - Brighton Bank & Trust Co (Ex A. Helmers) reg	9	1500			
		Dividend - Brighton Bank & Trust Co (Ex A. Helmers) extra	9	1500			
		Dividend - Kennedy Bank Lawrenceburg Ky	9	78210 0			
		Dividend - Ashland National Bank Ashland Ky	9	256320 0			
		Dividend - The Pearl Market Bk & Trust Co (Kalmus) reg	9	1500			
		Dividend - The Pearl Market Bk & Trust Co (Kalmus) reg	9	1500		91 34730	
		Balance Fwd				91 367 30	

CASH

Exhibit 65

DATE 1930		FOLIO	DEBIT	CREDIT	BAL. BALANCE	BAL. BALANCE
	Balance Fwd				91764 30	
July	Dividend - The Pearl Market Bk & Tr Co (W.M. Mosley) req	9	1500			
	Dividend - The Pearl - Market Bk & Tr Co (W.M. Mosley) extra	9	1500			
	Dividend - The Pearl - Market Bk & Tr Co. (G.G. Alexander) req	9	1500			
	Dividend with Pearl - Market Bk & Tr Co (G.G. Alexander) extra	9	1500		91829 30	
3	By check #285	163		660	91820 70	
	Dividend - Peoples - Literary Bk & Tr Co (James B. Brown)	9	1000			
	Dividend - Brighton Bank & Tr Co (James B. Brown) req	9	1500			
	Dividend - Brighton Bank & Tr Co (James B. Brown) extra	9	1500			
	Dividend - The First National Bank, Ludwick, Ky (req)	10	41250 00			
	Dividend - The First National Bank, Ludwick Ky (extra)	10	41250 00			
	Dividend - The Pearl - Market Bk & Tr Co (J.C. Brown) req	10	1500			
	Dividend - The Pearl - Market Bk & Tr Co (J.C. Brown) extra	10	1500			
	Dividend - The Pearl - Market Bk & Tr Co (Robt Leffler) req	10	1500			
	Dividend - The Pearl - Market Bk & Tr Co (Robt Leffler) extra	10	1500		100170 70	
8	By check #286	163		60000		
	By check #287	163		482250		
	By check #288	163		1750		
	By check #289	163		3157		
	By check #290	163		6500		
	By check #291	163		180556		
	By check #292	163		10000	93 02857	
9	By check #293	163		120000	91 82857	
10	By check #294	163		70000		
	By check #295	163		70000		
	By check #296	163		1100000	8932857	
11	By check #297	163		200000	8732857	
15	By check #298	164		2500000	6232857	
	Appreciation on stock purchased	10	475000			
	Dividend - Central Savings Bk & Tr Co. Covington, Ky	10	322500		7030657	
17	By check #299	164		60000	6970657	
17	Dividend: Pearl - Market Bk & Tr Co (John M Lewis) req	9	1500			
	Dividend - Pearl - Market Bk & Tr Co (John M Lewis) extra	9	1500		6973657	
18	Dividend - Central Savings Bk & Tr Co (M. L Gaines)	10	3000			
	Dividend - Pearl Market Bk & Tr Co (P.L Mitchell) req	10	1500			
	Dividend - Pearl Market Bk & Tr Co (P.L Mitchell) extra	10	1500			
21	Dividend - First Natl Bk Ludwick Ky (J.C Brown) req	10	3000		6982657	
	Bal f fwd				6982657	

Exhibit 65

CASH

DATE 1933			Fo	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
		Bal Fwd				498265	
July	21	Dividend - First Natl Bk. Paducah, Ky (J. S. Brown) extra	10	3000			
		Dividend - Central Savings Bk & Tr Co (J. S Brown)	10	3000		498865	
	25	By check #300	164		750000	448865	
		Appreciation on stock purchased	10	47500		496365	
	26	By check #301	164		653484	431073	
	29	By check #302	164		600000	371073	
Aug	5	Appreciation on stock purchased	10	80700		451773	
	6	By check #303	164		430856		
		By check #304	164		20393		
		By check #306	164		4250000		
	7	Appreciation on stock purchased	10	23700		54224	
Sept	5	By check #307	164		560000		
	15	By check #308	164		144020		649796
	18	Bills Payable National Bank of Kentucky	262	5000000		4350204	
		By check #309	165		15890		
		By check #310	165		430856		
		By check #311	165		1250000		
		By check #312	165		559050		
		By check #313	165		14756	2082252	
	23	By check #314	165		532	2081720	
		By check #315	165		752	2080968	
	29	By check #316	165		76576	2004392	
		By check #317	165		6500	1997892	
Oct	1	By check #319	165		3176560		
		Dividend - Pearl Market Bk & Tr Co (Wm. M. Mosley) reg	10	1500			
		Dividend - Pearl Market Bk & Tr Co (Wm. M. Mosley) extra	10	1500			
		Dividend - Pearl - Market Bk & Tr Co - Regular	10	142512			
		Dividend - Pearl - Market Bk & Tr Co - Extra	10	142512			
		Dividend - The Peoples - Liberty Bk & Tr Co (Regular)	11	35560			
		Dividend - National Bk of Ky - The Louisville Trust Co	11	216 1536			
		Dividend - Security Bank Louisville Ky	11	80760			
		Dividend - The Brighton Bank & Trust Co. Regular	11	132420			
		Dividend - The Brighton Bank & Trust Co (Extra)	11	132420			
		Dividend - Brighton Bank & Tr Co (Joseph A. Helmes) reg	11	1500			
		Dividend - Brighton Bk & Tr Co (Joseph A. Helmes) extra	11	1500			
		Dividend - First National Bank Paducah Ky (reg)	11	12500			1074968
		Balance Forward					1074968

Exhibit 65

CASH

DATE 1920		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
	Balance F. dd					1074968
Oct 3	Dividend - First Natl Bk. Cadwell Ky (James B Brown) req	11	3000			
	Dividend - Brighton Bk & Tr Co (Maurice L Galvin) Regular	11	1500			
	Dividend - Brighton Bk & Tr Co (Maurice L Galvin) Extra	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (Maurice L Galvin) Regular	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (Maurice L Galvin) Extra	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (James B. Brown) Regular	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (James B Brown) Extra	11	1500			
	Dividend - The Brighton Bk & Tr Co (James B Brown) Regular	11	1500			
	Dividend - The Brighton Bk & Tr Co (James B. Brown) Extra	11	1500			
	Dividend - The Peoples - Liberty Bk & Tr Co (James B Brown)	11	1000			
	Dividend - Pearl Market Bk & Tr Co (Polk Laffoon) Regular	11	1500			
	Dividend - Pearl Market Bk & Tr Co (Polk Laffoon) Extra	11	1500			
	Dividend - Pearl Market Bk & Tr Co (P Lincoln Mitchell) Reg	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (P Lincoln Mitchell) Extra	11	1500			1052968
	By check #320	165		416667		1469635
6	By check #321	165		90000		1559635
	Dividend - Pearl - Market Bk & Tr Co (J Q Alexander) req	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (J Q Alexander) Extra	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (John W Leavitt) req	11	1500			
	Dividend - Pearl - Market Bk & Tr Co (John W Leavitt) Extra	11	1500			1553635
13	Dividend - Central Savings Bank & Trust Co Covington Ky	12	322800			1230835
18	Dividend - Central Savings Bank & Tr Co (James B Brown)	12	3000			1227835
	Dividend - Central Savings Bank & Tr Co M. L Galvin	12	3000			1224835
	Dividend - Union Central Life Insurance Co	12	37500			1187335
21	By check #322	165		120000		1307335
22	Bills Payable - Chemical Bank & Trust Co. By Policy	264	60000000			58692665
24	By check #323	165		60000000		1307335
31	By check #324	166		320000		
Nov 3	By check #325	166		505856		
	By check #326	166		6824		513975
10	By check #327	166		200000		
	By check #328	166		14900		538715

Exhibit 65

CASH

(THE PEOPLES-LIBERTY BANK & TRUST CO)
Covington, Ky

DATE		✓	DEBIT	CREDIT	CR. BALANCE	CR. BALANCE
Mar 29	Buy cash		750,000.00			
Apr 1		6		750,000.00	0	

Exhibit 65

BILLS RECEIVABLE

DATE			DEBIT	CREDIT	DR. BALANCE	DR. BALANCE
Nov	18	Rockefeller & Co.				
		- Note Dated Nov 18 1929 signed by James B Brown,				
		- payable to and endorsed by Rockefeller & Co				
		- the following collateral deposited to secure same				
		- Nov 14 1929 - 40000 shs the Cumberland Ry & Co				
		- Feb 27, 1930 - 11000 shs the Cumberland Ry & Co				
		- Nov 14, 1929 - 15000 shs Standard Oil Co (Kentucky)				
		- Nov 16, 1929 - 7000 shs Standard Oil Co (Kentucky)				

66,000
22,500

1542

Exhibit 65

ASHLAND NATIONAL BANK
Ashland, Ky

DATE		POST	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
July	2 Dividend - 7120 shares Ltd Comm. 1.50	9		35 680 00		

1543

Exhibit 65

SECURITY BANK
Louisville, Ky

DATE			Folio	DEBIT	CREDIT	BAL. BALANCE	BAL. BALANCE
July	2	Dividend (Reg) on 2609 shares - 5%	9		782.00		
Oct	1	Dividend (Regular) on 2697 shares at 3%	11		809.10		5691.00

Exhibit 65

TRUSTEES' PARTICIPATION SHARES NATIONAL BANK OF KENTUCKY - THE LOUISVILLE TRUST CO

Louisville, Ky

DATE 1964		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Dec	31 Dividend 529744 shares at 40¢ per share	4		210 29760		
	31 To Undivided Profits	24	210 29760			0
Apr	1 Dividend on 537799 shares div Apr 1 1965 at 40¢ per share	5		215 11960		
June	30 To Undivided Profits	40	215 11960			0
July	1 Dividend on 539224 shares at 40¢ per share	9		215691 60		
Oct	1 Dividend on 540384 shares at 40¢ per share	11		216 15360		431 84520

Exhibit 65

THE UNION CENTRAL LIFE INSURANCE CO
Cincinnati, Ohio

DATE		FOLIO	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Apr 15	Dividend on 625 shares, due Apr 15, 1930	3		375 00		
June 30	To Undivided Profits	4	375 00			
Oct 15	Dividend - 625 shares due Oct 15, 1930	12	375 00	375		

Exhibit 65

CHEMICAL BANK & TRUST CO
New York, N. Y.

DATE			REF.	DEBIT	CREDIT	BR. BALANCE	GR. BALANCE
1934							
Nov	4	Demand Loan			100000000		
1935		By Cash		1000000000			
June	14	Demand Loan			100000000		
Oct	22	Demand Loan			600000000		1600000000

Exhibit 65

THE BRIGHTON BANK & TRUST CO
Cincinnati, Ohio

DATE			DEBIT	CREDIT	BAL.	BAL.
1929						
Dec	16	Dividend 400 shares 4% Extra payable Dec 16th	4		28 910 50	
	18	Dividend 50 shares - 4% Extra (M L Galvin)	4		3250	28 943 00
	31	Regular quarterly dividend, due Jan 2, 1930 on 1250 shares (charged to Accrued Dividends Payable)	2		12 500 00	41 443 00
		Regular quarterly dividend, due January 2, 1930 on 150 shares (M L Galvin) (charged to Accrued Dividends Payable)	2		1500	42 943 00
	31	To Undivided Profits	29	42 943 00		
1930						
May	24	Extra Dividend - 400 shares - 3% payable May 24th	4		13 221 00	
	24	Extra Dividend - 50 shares name James B Brown	5		1500	13 2350
		Extra Dividend - 50 shares name Joseph A Helmes	5		1500	3450
	26	Extra Dividend - 50 shares name M L Galvin	5		1500	13 766 00
	29	Dividend on 50 shares name Mary & May	5		875	13 358 50
Apr	1	Dividend 3% Regular due April 1, 1930 on 400 shares	5		13 221 00	26 579 50
	1	Dividend 3% Extra on 50 shares name Mary & May	5		2100	26 592 50
Apr	2	Dividend Regular 3% 50 shares name Joseph A Helmes	5		1500	26 610 50
	2	Dividend Regular 3% 50 shares name M L Galvin	5		1500	26 625 50
	2	Dividend Regular 3% 50 shares name James B Brown	6		1500	26 640 50
		To Undivided Profits	29	26 640 50		
June	30					
July	1	Dividend - 400 shares 3% regular	9		13 242 00	
	1	Dividend - 400 shares 3% extra	9		13 242 00	26 484 00
	2	Dividend - 50 shares (M L Galvin) reg	9		1500	
	2	Dividend - 50 shares (M L Galvin) Extra)	9		1500	
		Dividend - 50 shares (Joseph A Helmes) reg	9		1500	
		Dividend - 50 shares (Joseph A Helmes) extra	9		1500	26 544 00
	3	Dividend - 50 shares (James B Brown) reg	9		1500	
		Dividend - 50 shares (James B Brown) extra	9		1500	26 574 00
Oct	1	Dividend - Regular 3% on 400 shares	11		13 242 00	39 816 00
		Dividend - Extra 3% on 400 shares	11		13 242 00	53 058 00
	2	Dividend - Reg 3% - 50 shares Joseph A Helmes	11		1500	53 073 00
		Dividend - Extra 3% - 50 shares Joseph A Helmes	11		1500	53 088 00
	3	Dividend - Regular 3% - 50 shs Maurice L Galvin	11		1500	53 103 00
		Dividend - Extra 3% - 50 shs Maurice L Galvin	11		1500	53 118 00
		Dividend - Regular 3% - 50 shs James B Brown	11		1500	53 133 00
		Dividend - Extra 3% - 50 shs James B Brown	11		1500	53 148 00

Exhibit 65

CENTRAL SAVINGS BANK & TRUST CO
Covington, Ky

DATE 1930			POST.	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Jan	15	Dividend - due Jan 15, 1930 on 5 shares	4		3 78 00		
Apr	15	Dividend - due Apr 15, 1930 on 538 shares	6		3 228 00		651 600
Apr	15	Dividend - due Apr 15, 1930 on 5 shs James B Brown	6		30 00		654 600
Apr	15	Dividend - due Apr 15, 1930 on 5 shs Maurice L Galvin	6		30 00		657 600
June	30	To Undivided Profits	9	6576 00			
July	15	Dividend - 538 shares @ 6%	10		3228 00		
	18	Dividend - 5 shares @ 6% (M L Galvin)	10		30 00		
	21	Dividend - 5 shares @ 6% (James B Brown)	10		30 00		3288 00
Oct.	15	Dividend - 538 shares @ 6%	12		3228 00		6516 00
	18	Dividend - 5 shares James B Brown	12		30 00		6546 00
		Dividend - 5 shares Maurice L Galvin	12		30 00		6576 00

Exhibit 65

FIRST NATIONAL BANK

Paducah, Kentucky

DATE 1920		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
April	1	Dividend, April 1, 1920, on 5285 shares	6		1585 00	
	2	Dividend, due April 1, 1920, on 50 shares of James B. Brown	6		1500	1585 00
June	30	Undivided Profits	9	1585 00		0
July	3	Dividend (Reg.) on 6875 shares	10		12500	
		Dividend (Extra) on 6875 shares	10		12500	25000
	21	Dividend (Reg.) on 50 shares James B. Brown	10		3000	
		Dividend (Extra) on 50 shares James B. Brown	10		3000	31000
Oct	3	Dividend (Regular) on 6875 shares	11		12500	43500
		Dividend (Regular) on 50 shares James B. Brown	11		900	44400

Exhibit 65

THE PEARL-MARKET BANK & TRUST CO
Cincinnati, Ohio

DATE 1930			Ref.	DEBIT	CREDIT	BAL.	BAL.
Jan	31	Extra Dividend, due January 2, 1930 on 206487 shares (charged to accrued Dividends-Sundries)	2		2064870		
		Regular Dividend, due January 2, 1930 on 137658 shares (charged to accrued Dividends-Sundries)	2		1376580		3441450
		Extra Dividend, due January 2, 1930 on 50 shares (M. L. Galvin) (charged to accrued Dividends-Sundries)	2		2250		3443700
		Regular Dividend, due January 2, 1930 on 50 shares (M. L. Galvin) (charged to accrued Dividends-Sundries)	2		1500		3445200
	31	To Undivided Profits	4	3445200			
Apr	1	Dividend (Regular 3%) due Apr 1, 1930 on 46866 shares	5		1405980		
	1	Dividend (Extra 3%) due Apr 1, 1930 on 46866 shares	5		1405980		3811960
Apr	2	Dividend (Regular 3%) due Apr 1, 1930 - 50 shs H. M. Mosler	5		1500		
	2	Dividend (Extra 3%) due Apr 1, 1930 - 50 shs H. M. Mosler	5		1500		
	2	Dividend (Regular 3%) due Apr 1, 1930 - 50 shs J. J. Steinbacher	5		1500		
	2	Dividend (Extra 3%) due Apr 1, 1930 - 50 shs J. J. Steinbacher	5		1500		
	2	Dividend (Regular 3%) due Apr 1, 1930 - 50 shs M. L. Galvin	5		1500		
	2	Dividend (Extra 3%) due Apr 1, 1930 - 50 shs M. L. Galvin	5		1500		3820960
	2	Dividend (Regular 3%) due Apr 1, 1930 - 50 shs James B. Brown	6		1500		3822460
	2	Dividend (Extra 3%) due Apr 1, 1930 - 50 shs James B. Brown	6		1500		3823960
	3	Dividend (Regular) due Apr 1, 1930 - 50 shs Polk Laffoon	6		1500		
		Dividend (Extra) due Apr 1, 1930 - 50 shs Polk Laffoon	6		1500		
	10	Dividend (Regular) due Apr 1, 1930 - 50 shs P. Linda Mitchell	6		1500		
		Dividend (Extra) due Apr 1, 1930 - 50 shs P. Linda Mitchell	6		1500		
	15	Dividend - (Regular) due Apr 1, 1930 - 50 shs John W. Lewis	6		1500		
		Dividend - (Extra) due Apr 1, 1930 - 50 shs John W. Lewis	6		1500		3829460
Apr	30	To Undivided Profits	9	3829460			0
July	1	Dividend - (3% Reg) on 46866 shares	9		1405980		
		Dividend - (3% Extra) on 46866 shares	9		1405980		3811960
	2	Dividend - (3% Reg) 50 shs M. L. Galvin	9		1500		
		Dividend - (3% Extra) 50 shs M. L. Galvin	9		1500		
		Dividend - (3% Reg) 50 shs H. M. Mosler	9		1500		
		Dividend - (3% Extra) 50 shs H. M. Mosler	9		1500		
		Dividend - (3% Reg) 50 shs J. J. Steinbacher	9		1500		
		Dividend - (3% Extra) 50 shs J. J. Steinbacher	9		1500		3820960
	3	Dividend - (3% Reg) 50 shs James B. Brown	10		1500		
		Dividend - (3% Extra) 50 shs James B. Brown	10		1500		
		Dividend - (3% Reg) 50 shs Polk Laffoon	10		1500		3825460
		Bal Fwd					3825460

Exhibit 65

THE PEARL-MARKET BANK & TRUST CO

Cincinnati, Ohio

DATE 1930			Check No.	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
		Bal Fwd					2826460
July	3	Dividend (Extra) 50 shs Polk Laffoon	10		1500		2776960
	12	Dividend (Reg) 50 shs John W. Lewis	9		1500		
	12	Dividend (Extra) 50 shs John W. Lewis	9		1500		2829960
	21	Dividend (Reg) 50 shs P. Lincoln Mitchell	10		1500		
	21	Dividend (Extra) 50 shs P. Lincoln Mitchell	10		1500		2832960
Aug	1	Dividend (Konstant W. Mosler) 50 shares Regular	10		1500		
	"	Dividend (Konstant W. Mosler) 50 shares Extra	10		1500		2813460
		Dividend (3% Regular) on 47504 shares	10		142512 80		
		Dividend (3% Extra) on 47504 shares	10		142512 80		5686200
	8	Dividend (3% Regular) 50 shares Maurice L Salmon	11		1500		5687700
		Dividend (3% Extra) 50 shares Maurice L Salmon	11		1500		5689200
		Dividend (3% Regular) 50 shares James B. Brown	11		1500		5690700
		Dividend (3% Extra) 50 shares James B. Brown	11		1500		5692200
		Dividend (3% Regular) 50 shares Polk Laffoon	11		1500		5693700
		Dividend (3% Extra) 50 shares Polk Laffoon	11		1500		5695200
		Dividend (3% Regular) 50 shares P. Lincoln Mitchell	11		1500		5696700
		Dividend (3% Extra) 50 shares P. Lincoln Mitchell	11		1500		5698200
	6	Dividend (3% Regular) 50 shares J. J. Heidenheimer	11		1500		
		Dividend (3% Extra) 50 shares J. J. Heidenheimer	11		1500		
		Dividend (3% Regular) 50 shares John W. Lewis	11		1500		
		Dividend (3% Extra) 50 shares John W. Lewis	11		1500		5704200

Exhibit 65

THE PEOPLES-LIBERTY BANK & TRUST CO

Covington, Ky

DATE		Folio	DEBIT	CREDIT	CR. BALANCE	CR. BALANCE
Apr	1	Dividend (Regular) 3% due Apr. 1 on 1677 shares	5			
Apr	1	Dividend (Extra) 1% due Apr. 1 on 1677 shares	5			
June	30	To Undivided Profits	7	67100		0
July	1	Dividend (Reg Quar) on 173 shares	9		34780	
	3	Dividend (Reg Quar) on 5 shares in name James O Brown	9		1000	
Oct	1	Dividend (Regular) 3% on 1778 shares	11		35560	
	3	Dividend - (Regular) 5 shares James O Brown	11		1000	

NATIONAL BANK OF KENTUCKY

Louisville, Ky

Exhibit 65

DATE		DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Sept 18	Demand Loan		500000		

Exhibit 65

(DIVIDENDS PAID)

Limited only

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Dec	By check No 46 - Div on 1532669 shares	152	3065338			
31	To Undivided Profits	294		3065338		0
1933 Apr 1	By check No - Dividend on 1570895 shares	133	3141792			
June 30	To Undivided Profits	295		3141792		0
1933 July 1	By check No 282 - Dividend on 1575413 shares	162	3150966			
Oct 1	By check No 317 - Dividend on 1588428 shares	165	3176856			6357820

Exhibit 65

INTEREST (PAID)

DATE				DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
1929							
Dec	7	Interest on $1,000,000.00 with Chemical Bank & Trust Co. New York to December 1, 1929	180	4333 33			
	31	Interest on $1,000,000.00 with Chemical Bank & Trust Co. New York to January 1, 1930	184	5166 67			
						950000	
	31	To Undivided Profits	249		950000		0
1930							
Jan		Interest on $1,000,000.00 with Chemical Bank & Trust Co. of New York to Jan 29, 1930	184	4833 33			
June	30	To Undivided Profits	249		4833 33		0
July	1	Interest on $1,000,000.00 Chemical Bank & Trust Co to June 30 at	184	180556			
Aug	6	Interest on $1,000,000.00 Chemical Bk & Tr Co New York to Aug 31, 1930 at	184	430556		611112	
Sept	18	Interest on $1,000,000.00 Chemical Bk & Tr Co New York to Aug 31, 1930 at	184	430556		1041668	
Oct	3	Interest on $1,000,000.00 Chemical Bk & Tr Co New York to Sept 30, 1930 at	184	416667		1458335	
Nov	3	Interest on $1,000,000.00 Chemical Bk & Tr Co New York to Oct 31, 1930 at	184	505556		1963891	

Exhibit 65

EXPENSE (INSURANCE AND POSTAGE)

DATE		POST. REF.	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Apr	19	Insurance & Postage on 6 shares Common stock - received from Home Trust Savings Co. Chesapeake	104	6 00		
June	30	To Undivided Profits	330		6 00	0
Sept	29	The Louisville Trust Company for postage - as Transfer Agent from July 1, 1948 to June 1, 1949 inclusive	104	765 76		

Exhibit 65

EXPENSE (LISTING FEE ON CHICAGO AND LOUISVILLE STOCK EXCHANGE)

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
1929						
Nov.	1 Listing Stock Fee on Chicago Stock Exchange	120	100000			
	1 Listing Fee on Louisville Stock Exchange	120	1000		101000	
1930	31 To Undivided Profits	247		101000		0
1931						
April	19 Listing Additional Shares Chicago Stock Exchange	104	5000			
June	30 To Undivided Profits	245		5000	0	

EXPENSE (MISCELLANEOUS) **Exhibit 65**

DATE 1930		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Apr	26	Exec - typing and stenographers at stockholders meeting - 4-30	24 57			
May	1	Exec - Stenographer for listing additional shares Chicago Exchange	20 72		47 29	
	1	Floral Design - Director - William Black	10 00		57 29	
	1	United States Corporation, New York - for preparing - three certified copies of incorporation	10 00		67 29	
June	18	Floral Design - William P. Kelley	10 00		77 29	
		Royal Typewriter Co. - rent - Lawrence Trust Co.	40 00		117 29	
June 30 1930		To Undivided Profits	945	117 29		0
July	3	Interest on income tax payment	463	6 60		
	1	Robert J. Vaughan, Atty - Telephone + Telegraph expenses	463	9 94	16 54	
	1	United States Corp - Services as resident Agent Denver 7-31	463	100 00	116 54	

EXPENSE (SUPPLIES AND PRINTING) **Exhibit 65**

DATE 1909				DEBIT	CREDIT	BAL BALANCE	BAL BALANCE
Nov	5	American Bank Note Co. Chicago, for engraving stock certificates and making plates	55	8650			
		Brewers Printing House	55	3450		90150	
		Franklin Printing Co. Inc	55	16700		106850	
		Kentucky Lithographing Co	55	8800		115650	
		Modern Printing House	55	2627		118277	
		Standard Printing Co	55	7230		125507	
		Courier Journal Job Printing Co.	55	21180		213687	
Dec	11	Inventive & Century Press, Chicago Ill	55	7965		221652	
	19	Bickler Stamp and Steel Co	55	375		222027	
		Bank & Letter Co	55	3075		225102	
		Bank & Letter Co	55	1800		226902	
		American Bank Note Co., Chicago	55	7000		233902	
		Kentucky Lithographing Co	55	4250		238152	
		Kentucky Lithographing Co	55	4800	2432 52	243152	
1910 Jan	24	Kentucky Lithographing Co	55	6500			
	24	Standard Printing Co	55	7250		13850	
Feb	12	American Bank Note Co, Chicago	55	4000		17850	
		Bank & Letter Co	55	600		18450	
		John P. Morton & Co	55	3375		21825	
		Brewers Printing House	55	1700		23525	
April	17	Kentucky Lithographing Co	55	6400		29925	
		American Bank Note Co, Chicago (Engraving)	55	14000		43925	
		American Bank Note Co Chicago (Imp cert)	55	1000		44925	
May	1	American Bank Note Co., Chicago (Engraving)	55	15000		59925	
	8	The Inventive & Century Press	55	4271		64196	
June	18	Kentucky Lithographing Co	55	9850		74046	
Aug	30	Undivided Profits	51		18948	55098	
1910 July	8	Kentucky Lithographing Co. Printing	55	1750		56848	
	8	Kentucky Lithographing Co for dividend checks	53	6500		63348	
Sept	5	American Bank Note Co., Chicago	54	560000		623348	
	23	United States Corporation Co. for minute book paper	56	532		623880	
		Continental Clearing Bk & Tr Co for registration sheets	55	750		624630	
	29	Kentucky Lithographing Co, for Cks for Dividend Checks	55	6400		631034	

EXPENSE (TAXES)

Exhibit 65

(FRANCHISE - STATE OF DELAWARE)

DATE 1930		✓	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
June	18	Tax Department - State of Delaware - annual franchise tax - year 1929 - due Apr 1 1930	161	239 17		
June	30	To Undivided Profits	795		239 17	0

Exhibit 65

EXPENSE (TELEGRAPH)

DATE			Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
1929							
Nov.	6	Western Union Telegraph Co	160	32606.			
1931 Dec.	31	To Undivided Profits	295		32606.		0

Exhibit 65

EXPENSE. (TRANSFER AGENT AND REGISTRAR SERVICES)

DATE 1929				DEBIT	CREDIT	DR. BALANCE	DR. BALANCE
Feb	14	Continental Illinois Bank & Trust Co. Chicago Registrar services from 9-27-29 to 12-27-29	50	52975			
Apr	17	Harris Trust & Savings Bank, Chicago Transfer Agent - Services six months' period ending mar. 30	50	100666		153641	
		Continental Illinois Bank & Trust Co., Chicago Registrar services Dec 27, 1929 to Mar 27, 1930	50	15750		169391	
June 30		To Undivided Profits	340		169391		0
July 1930	6	Continental Illinois Bk & Tr Co. Chicago, Registrar Services from March 27 to June 27, 1930	50	20393			

Exhibit 65

EXPENSE (TRAVELING)

DATE			Folio	DEBIT	CREDIT	GAL. GALLONS	GAL. GALLONS
Nov.	8	W. J. Zurbehmede to Chicago		33 75			
		C. J. Jones to Chicago		15 80		191 55	
		C. J. Jones and W. D. Quinby to New York		21 78		109 40	
Dec	19	James B. Brown & L. L. Fontaine C. J. Jones to Cincinnati		5 24		160 67	
Dec	31	To Unclassified Profits			460 69		0
Apr	21	L. L. Fontaine to Cincinnati on Feb 6. 1900		44 50			
	21	W. J. Zurbehmede to Chicago on Mar 21. 1900		43 80		92 30	
June	30	To Unclassified Profits			92 30	0	
July	8	Robert S. Taughan Atty to Nashville Jan. May & June		21 63			
Sept	18	C. J. Jones and W. J. Zurbehmede to Chicago in April		15 90			
	18	James B. Brown & C. J. Jones to Cincinnati on Sept 14		14 56		325 09	
Nov	10	Robt S. Taughan Atty W. J. Zurbehmede to Nashville May		140 00		465 09	
	5	C. J. Jones		61 24		526 33	

Exhibit 65

EXPENSE (EXAMINERS AND ACCOUNTANTS FEES)

DATE 1934				DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Nov	8	Examination - The Pearl Market Bank & Trust Co and Burton Bank & Trust Co by Humphreys Robinson Co	150	408			
Dec	19	Examination - Central Savings Bank & Trust Co., Covington Ky by Humphreys Robinson Co	151	571 21		466 33	
Dec	31	Investment - Burton Bank & Trust Co - Pearl Market Bk & Tr Co and Central Savings Bk & Trust Co	199		1040 6546 21	136 12	
	31	To Undivided Profits	199		136 12	0	
June	6	Auditing Ashland Nat'l Bank Ashland Ky {Examination 337.50 Traveling Expense 69.03}	160	406 53			
	30	To Undivided Profits	199		406 53	0	

Exhibit 65

EXPENSE (FEDERAL TAX ON ORIGINAL ISSUE)

DATE			DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
1920						
Nov.	1	Harris Trust and Savings Bank, Chicago, Ill.	2820			
Dec.	7	Louisville Trust Co. Louisville, Ky.	5238 71		5766 91	
	31	To Undivided Profits		5766 91		0
1921						
July	26	Louisville Trust Co. Louisville, Ky.	653 44			

Exhibit 65

EXPENSE (LEGAL FEES)

DATE 1949			DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Nov.	16	Services - Chapman & Cutler (attorneys), Chicago Ill. - in connection listing stock on Chicago Stock Exchange	150	515 60		
Dec.	31	To Undivided Profits	294		515 60	0
Jan.	6	Services - Gen[illegible] - J Kennedy - Helmbold & Langley	157	1750 00		
June	11	Services - Chapman & Cutler, Attys., Chicago Ill. - listing additional shares Chicago Stock Exchange	161	310 10		
	18	Services - Chapman & Cutler, Attys., Chicago Ill. - preparing resolution and rendering opinion to Transfer Agent and Registrar at Chicago on additional shares	161	975 00		
					1788 50	
June	30	To Undivided Profits	295	1788 50	0	

Exhibit 65

ORGANIZATION TAX, REGISTRATION FEE, ET AL.

DATE				DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
1929							
Nov	8	United States Corporation, 120 Broadway, New York - for incorporating under Delaware laws	50	1238 00			
Dec	31	To Undivided Profits	49		1238 00	0	
1930							
Jan		Secretary of State - filing Annual Report - Ch 8 47	50	2 00			
Jan	14	United States Corporation	50	638 00		640 00	
June	30	To Undivided Profits	49		640 00	0	

Exhibit 65

TAXES (INCOME)

DATE 1920			DEBIT	CREDIT	BAL. BALANCE	BAL. BALANCE
Dec	31	To undivided profits	79			
1920 Mar	14	By cash - Income Tax Payment on Quarterly Return	83	1000 00	79 7960	
June	16	By cash - Balance due on 1st payment	86	1880 99		607960
Sept	15	By cash - Third installment on income tax due	88	1440 20		419921
						275901

Exhibit 65

THE BANCOKENTUCKY COMPANY - APPRECIATION ON PURCHASES OF STOCK

DATE		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Mar	25			39500		39500
Apr	3			871250		37462
May	1			210000		
	5			542500		
	6			787500		
	9			225000		
	14			787500		51 0175
	20			525000		
	23			700000		
	26			595000		
	31			192500		7 13750
June	4			175000		
	6			700000		
	10			224000		
	14			717500		11 0625
	18			1837500		
				1890000		
				752500		
				487500		
				285000		
				142500		
	19			2232500		
	20			285000		
	23			11 40000		
	24			1045000		
	26			2945000		24 88750
	28					
~~June~~	~~30~~	To Undivided Profits	24 88750			
July	1			902500		
	15			475000		13775
	26			478000		13675
Aug	5			807500		
				237500		28775

Exhibit 65

INTEREST (CERTIFICATES OF DEPOSIT)

DATE 1929							DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Nov.	12	Int. on Cty of Detroit	66243	for 1,007,193.[20]	dated 10-3-29	Cashed 10-4-29	3	167.84		
	12		66229	377320.[52]	10-11-29	10-16-29	3	8175.48		8343.32
	12		66300	2623300.[52]	10-14-29	10-18-29	3	1748.86		10092.18
	12		66225	1080525.[20]	9-20-29	10-28-29	3	5042.45		15134.63
	12		66235	1096725.[24]	10-2-29	10-29-29	3	4935.44		20070.07
	12		66334	1373300.[52]	10-15-29	10-31-29	3	2975.48		23045.55
	12		66200	281100.[20]	9-25-29	11-1-29	3	1780.30		24825.85
	12		66205	182000.[20]	9-27-29	11-6-29	3	1042.08		25867.93
	12		66255	176862.[52]	10-5-29	11-9-29	3	1031.69		26899.62
	12		12330	1003980.[22]	10-4-29	10-28-29	3	3780.74		30680.36
	12		66212	490825.[52]	9-27-29	11-12-29	3	2252.65		32933.01
	12		66217	203625.[20]	9-28-29	11-12-29	3	1527.18		34460.19
	12		66267	719.[52]	10-6-29	11-12-29	3	4.75		34506.94
	12		66260	241787.[52]	10-9-29	11-12-29	3	1571.61		36078.55
	12		66265	191269.[52]	10-7-29	11-12-29	3	1177.61		37256.16
	12		66278	183002.[52]	10-8-29	11-12-29	3	1067.51		38323.67
	12		66281	161071.[52]	10-9-29	11-12-29	3	912.73		39236.40
	12		66290	124128.[52]	10-10-29	11-12-29	3	685.50		39921.90
	12		66296	23095.[52]	10-11-29	11-12-29	3	149.82		41420.72
	12		66302	71977.[52]	10-14-29	11-12-29	3	347.88		41768.60
	12		66312	207750.[52]	10-16-29	11-12-29	3	969.50		42738.20
	12		66333	15250.[52]	10-17-29	11-12-29	3	66.08		42804.28
	12		66355	23022.[52]	10-19-29	11-12-29	3	182.08		42986.36
	12		66362	500.[52]	10-21-29	11-12-29	3	1.83		42988.19
	12		66370	5476.[52]	10-22-29	11-12-29	3	19.16		43007.35
	12		66377	3200.[52]	10-23-29	11-12-29	3	10.66		43018.01
	12		66410	25000.[52]	10-26-29	11-12-29	3	70.83		43088.84
	12		66418	620828.[52]	10-28-29	11-12-29	3	1451.31		44490.15
	12		66429	346725.[52]	10-29-29	11-12-29	3	809.09		45299.24
	12		66437	972300.[52]	10-31-29	11-12-29	3	1946.60		47245.84
	12		66449	81100.[52]	11-2-29	11-12-29	3	135.16		47381.00
	12		66481	52500.[52]	11-6-29	11-12-29	3	52.50		47433.50
	12		66496	5000.[52]	11-7-29	11-12-29	3	4.16		47437.66
	12		66513	76862.[52]	11-9-29	11-12-29	3	38.43		47476.09
	18		66514	2500000.[52]	11-12-29	11-13-29	3	416.66		47892.75
	18		66518	100000.[52]	11-12-29	11-18-29	3	66.66		47959.41
	21		66534	500000.[52]	11-12-29	11-21-29	3	666.66		48626.07
				Balance forward						48626.07

Exhibit 65

INTEREST (CERTIFICATES OF DEPOSIT)

DATE 1929						
		Balance forward				48 626 07
Jan	11	Int. on Ctf of Deposit 66589 - 66590 - 66591 - 66592 dated Jan 11-21-29 for 30000 each - matured Jan 11 1929		1333 33		49959 40
	31	Int. on Ctf of Deposit 386-399 The Lanierville Trust Co 6%		7512 17		57471 57
		Int. on C.D. 66666 - 66815 - 66516 - 66517 Nat'l Bank of Kentucky		22166 66		79638 23
	31	To Undivided Profits	79	79638 23		0
Feb	28	Int. on Ctf of Deposit 386 The Lanierville Trust Co		1166 67		
	28	Int. on Ctf of Deposit 399 The Lanierville Trust Co		1400 00		2566 67
	31	Int. on Ctf of Deposit 66666 - Nat'l Bank of Kentucky		4833 33		7400 00
Mar	15	Int. on Ctf of Deposits 666515 - 666516 - 666517 - 666516		17766 65		25166 65
	24	Interest on Ctf of Deposit 666772 Nat'l Bank of Kentucky		133 33		25299 98
	31	Int. on Ctf of Deposits 666516 - 666516 - 666515 Nat'l Bk of Ky		4133 33		29433 31
Apr	3	Int. from Trust - Merchts Bank & Trust Co (Lebanon Ky)		883 21		30316 52
May	2	Int. on Ctf of Deposit 667180 Nat'l Bank of Kentucky		2066 66		32383 19
	6	Int. on Ctf of Deposit 667204 Nat'l Bank of Kentucky		133 33		32516 52
	14	Int. on Ctf of Deposit 666515 Nat'l Bank of Kentucky		3666 66		36183 18
	23	Int. on Ctf of Deposit 666916 Nat'l Bank of Kentucky		4858 33		41041 51
	26	Int. on Ctf of Deposit 667087 Nat'l Bank of Kentucky		600 00		41641 51
June	6	Int. on Ctf of Deposit 667647 Nat'l Bank of Kentucky		366 66		42008 17
	11	Int. on Ctf of Deposit 667430 Nat'l Bank of Kentucky		1266 66		43274 83
June 30 1929	30	To Undivided Profits	79	43274 83		0
July	2	Int. on Ctf of Deposit 667696 Nat'l Bank of Kentucky		433 33		

Exhibit 65

INTEREST (STOCK SUBSCRIPTIONS)

DATE 1930			✓	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Nov	17	Interest received from the Louisville Trust Co on stock subscriptions from 10-23-29 to 10-23-29 inclusive	J		1034 39		
		Interest on subscriptions from Mrs Wehrling	J		27 25		105 64
		Int received from National Bank of Kentucky on stock subscriptions from 10-24-29 to 10-18-29 inclusive	J		139 39		244 03
		Int on outstanding subscriptions from National Bank of Kentucky Cash Mainland & Other Investments	J		266 37		510 40
Dec	31	To Undivided Profits		510 40			

Exhibit 65

ACCRUED DIVIDENDS RECEIVABLE

1929 DATE		Folio	DEBIT	CREDIT	DR. BALANCE	CR. BALANCE
Dec 31	The Brighton Bank & Trust Co - regular dividend on	200	1325100			
	- 4417 shares due January 2, 1930					
	The Brighton Bank & Trust Co - regular dividend on	200	1500		1326600	
	- 50 shares (M. L. Watkins) due January 2, 1930					
	The Pearl Market Bank & Trust Co - Extra dividend	200	206870		3391970	
	- on 45886 shares due January 2, 1930					
	The Pearl Market Bank & Trust Co - regular dividend	200	1376880		4768850	
	- on 45886 shares due January 2, 1930					
	The Pearl Market Bank & Trust Co - Extra dividend	200	2250		4771100	
	- on 50 shares (M. L. Watkins) due January 2, 1930					
	The Pearl Market Bank & Trust Co - Regular dividend	200	1500		4772600	
	- on 50 shares (M. L. Watkins) due January 2, 1930					
1930 Jan 2	Quarterly Dividend - Brighton Bank & Trust Co	4		1325100	3447500	
2	Dividend - Brighton Bank & Trust Co (Watkins)	4		1500	3445000	
2	Extra Dividend Pearl Market Bank & Trust Co	4		206870	3238130	
2	Regular Dividend Pearl Market Bank & Trust Co	4		1376880	361250	
2	Extra Div - Pearl Market Bank & Trust Co (M. L. Watkins)	4		2250	1500	
2	Reg Div - Pearl Market Bank & Tr Co (M. L. Watkins)	4		1500	0	

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EXHIBIT IV

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. 497

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

October Term, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

v. *Petitioner,*

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

EXHIBITS

VOLUME No. ----

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,

ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

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EXHIBITS Number	Volume	Page	Transcript of testimony Page	
65-A	4	1575		Cash book and journal of BancoKentucky Company
65-B	4	1621-A		Stock securities record of BancoKentucky Company
66	4	1676		Petition in Equity for appointment of Receiver of Banco
67	4	1685		Answer of BancoKentucky Company
68	4	1686		White, Bower & Prevo report on operations of BancoKentucky Company
69	4	1690		White, Bower & Prevo report on tracing dividends from Bank to Banco stockholders
69-A		1693		Affidavit of Chief Deputy of Secretary of State of Kentucky re: Reports not filed
69-B	4	1694		Affidavit of Supervisor of Filing Section of Department of Revenue, State of Kentucky re: Reports not filed
71	4	1695		Application filed with Louisville Stock Exchange by Banco
71-1	4	1697		Articles and bylaws and lists of officers and directors published by Banco
72	4	1711		Letter from Banco to Chicago Stock Exchange dated March 19, 1930 re: Holding company
73	4	1712		letter from Chicago Stock Exchange to Banco, November 15, 1929 re: Questionnaire and answer to Chicago Stock Exchange questionnaire filed by Banco
74	4	1717		Application of Banco to list stock on Chicago Stock Exchange
75	4	1734		Copy of letter from Chicago Stock Exchange to Banco, October 2, 1929 re: Listing
76	4	1735		Published statement of Banco dated March 10, 1930

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77	4	1753		White, Bower & Prevo report on interlocking directors of National Bank of Kentucky, Louisville Trust Company and BancoKentucky Company
78	4	1756		Letter from John S. Wood, Federal Reserve Agent to Mr. ZurSchmiede, July 22, 1930 re: Questionnaire on group and chain banking with questionnaire enclosed
79	4	1765		Correspondence and questionnaire forms on chain and group banking
80	4	1795		Letter from Caldwell & Company to Banco, October 21, 1930, re: Branch, group banking and bank holding company with list of Caldwell banks enclosed
81	4	1797		Letter from Maurice L. Galvin to Charles F. Jones, February 21, 1930 re: Directors' qualifying shares
82	4	1798		Copy of letter from Banco to Galvin, February 24, 1930 re: Directors' qualifying shares
83	4	1799		Letter from Galvin to ZurSchmiede, April 15, 1930, enclosing dividend on qualifying shares
84	4	1800		Copy of letter from ZurSchmiede to Galvin, April 16, 1930 re: Dividend on qualifying shares
85	4	1801		Letter from Galvin to ZurSchmiede, October 17, 1930 re: Dividend on qualifying shares
86	4	1802		Copy of letter from James B. Brown to Jesse Weil, First National Bank, Paducah, re: Banco's offer to buy bank
87	4	1803		Letter from John Buckingham to James B. Brown, March 31, 1930, with letter to stockholders of Ashland National Bank enclosed
88	4	1805		Letter from Buckingham to Brown, November 5, 1930, re: Slump in Banco market

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89	4	1806		Copy of proposed letter to stockholders of Security Bank re: Exchange for Banco
90-1	4	1808		Letter from Galvin to Jone . November 23, 1929 re: Director's qualifying shares in Brighton Bank and Trust Company
90-2	4	1809		Letter from Galvin to Jones, December 16, 1929, re: Dividend on qualifying shares
90-3	4	1810		Copy of letter from ZurSchmiede to Galvin, December 16, 1929, re: Director's qualifying shares
90-4	4	1811		Letter from Galvin to Jones, December 14, 1929, re: Director's qualifying shares
90-5	4	1812		Letter from Galvin to ZurSchmiede, January 2, 1930, re: Dividend on director's qualifying shares
90-6	4	1813		Copy of letter from ZurSchmiede to Galvin, April 2, 1930, re: Dividend on director's qualifying shares
90-7	4	1814		Letter from Galvin to ZurSchmiede, April 1, 1930, re: Dividend on director's qualifying shares
90-8	4	1815		Letter from Galvin to ZurSchmiede, March 25, 1930, re: Dividend on director's qualifying shares
90-9	4	1816		Letter from Galvin to ZurSchmiede, April 11, 1930, re: Dividend on director's qualifying shares
90-10	4	1817		Copy of letter from ZurSchmiede to Galvin, July 2, 1930, re: Dividend on director's qualifying shares
90-11	4	1818		Letter from Galvin to ZurSchmiede, July 1, 1930, re: Dividend on director's qualifying shares
90-12	4	1819		Letter from Galvin to ZurSchmiede October 1, 1930, re: Director's qualifying shares

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91	4	1820		Letter from Gustav N. Mosler, President, Brighton Bank and Trust Company to Banco, April 1, 1930, enclosing dividend on director's qualifying shares with copy of Banco's reply
92	4	1822		Copy of letter from ZurSchmiede to Joseph A. Helmers, Pearl Market Bank, January 14, 1930, re: Director's qualifying shares
93	4	1823		Copy of letter from ZurSchmiede to P. Lincoln Mitchell, Pearl Market Bank, April 11, 1930. re: Dividend on director's qualifying shares
94	4	1824		Copy of letter from ZurSchmiede to John W. Lewis, Pearl Market Bank, April 11, 1930, re: Dividend on director's qualifying shares
95	4	1825		Letter from Humbert Baer, Pearl Market Bank to Banco, January 17, 1930, re: Director's qualifying shares
96	4	1826		Letter from Richard Bean to Charles Jones, February 1, 1929, re: National Bank of Kentucky stock
97	4	1827		Clipping from market letter of E. W. Hoyst of October, 1929 re: Banco
98	4	1828		Letter from Chicago Statistics Company to Banco, November 5, 1929, re: Listing with copy of information furnished by Banco
99	4	1830		Clipping from Paris, France Edition of New York Herald newspaper re: Acquisition of Brighton and Pearl Market Banks
100	4	1832		Letter from Chicago Statistics Company to Banco, January 31, 1930, with copy of information to be published re: Banco
101	4	1834		"The Round-Up" bulletin

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102	4	1838		Copy of letter from ZurSchmiede to Barron's Financial Weekly, April 8, 1930 re: Total banking resources controlled by Banco
103	4	1840		Letter from Rogers Caldwell to James Brown, January 29, 1930, re: Banco stock
104	4	1841		Copy of letter from ZurSchmiede to Caldwell & Company, August 14, 1930 re: $180,000.00 dividend check to be cancelled
105	4	1842		Letter from Caldwell & Company to Banco, April 4, 1930, returning Banco dividend check
106	4	1843		Copy of letter from ZurSchmiede to Caldwell & Company, September 5, 1930, re: Dividend check
107	4	1844		Letter from Ralph Bullick to Banco, April 3, 1930, requesting balance sheet and statement of profit and loss of Banco
108	4	1845		Copy of letter from Banco to Ralph Bullick, April 7, 1930, furnishing information re: Operations of Banco and list of controlled banks
109	4	1846		Income tax return for year 1929 filed by Banco
110-1	4	1848		Copy of letter from ZurSchmiede to First National Corporation, Chicago, December 11, 1929 re: Banks owned by Banco
110-2	4	1849		Letter from First National Corporation to Banco, December 7, 1929, requesting information re: Banco
111-1	4	1850		Copy of letter from Banco to The Greenhall Company, December 9, 1929 re: Banks controlled by Banco

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111-2	4	1851		Letter from The Greenhall Company to Banco, December 2, 1929, re: Group, chain and branch banking
112-1	4	1852		Letter from J. Frank Hutcheson to Banco, December 6, 1929, requesting information re: Banco
112-2	4	1853		Copy of letter from Banco to Hutcheson, December 11, 1929, re: Banco
113-1	4	1854		Letter from Hugh Rodman to Banco, October 13, 1929, re: Banco stock and dividends
113-2	4	1855		Copy of letter from ZurSchmiede to Rodman, October 21, 1929, re: Banco
114-1	4	1856		Copy of letter from ZurSchmiede to Milton D. Reiner & Company, October 22, 1929, furnishing information re: Banco
114-2	4	1857		Letter from Reiner to Banco, October 14, 1929, requesting information re: Banco
115	4	1858		Copy of letter from Jones to T. A. Field, Ashland National Bank, August 25, 1930 re: Brown on Board of Ashland
116	4	1859		White, Bower & Prevo report of quarterly earnings, etc., of National Bank of Kentucky
117	4	1862		White, Bower & Prevo report on bills payable, etc., of National Bank of Kentucky
118	4	1865		White, Bower & Prevo report on deficiency in legal reserve and borrowings of National Bank of Kentucky
120	4	1869		White, Bower & Prevo report on method of computation of assessment on Banco stock
121	4	1872		Published statements of National Bank of Kentucky in Herald-Post, March 27, 1929 to October 31, 1930

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123	4	1896		Answer of Louisville Trust Company in case No. 205178, Jefferson Circuit Court
126	4	1912		White, Bower & Prevo report on assets acquired by Banco
127	4	1915		White, Bower & Prevo report on dividends declared by National Bank of Kentucky, Louisville Trust Company and Banco
128	4	1921		Banco report filed at Delaware, December 31, 1929
129	4	1924		Banco report filed in Delaware, December 31, 1930
134-1	4	1928		Letter from Vaughan, Chevalier and Barber to Brown and Bean, August 2, 1929 re: Income tax with enclosure
134-3	4	1931		Copy of letter from Louisville Trust Company to Thomas L. Barret, September 9, 1929, re: Exchange of bank stock for Banco stock
134-4	4	1933		Copy of memorandum from Richard Bean on The Banco Company, November 4, 1929
134-5	4	1934		Copy of memorandum from Richard Bean on The Banco Company, November 4, 1929
134-6	4	1935		Copy of letter from Louisville Trust Company to Banco, January 29, 1930, re: Stockholders' proxies
134-7	4	1936		Copy of letter from Louisville Trust Company to J. S. Akers, Secretary of the Trustees, August 3, 1929 re: Interim Receipts

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134-8	4	1938		Letter from Banco to its stockholders, December 31, 1929 with proxy
134-9	4	1940		Five letters re: Exchange of T.P.C.'s for Banco by Mrs. Emma Robbins
134-10	4	1945		Copy of letter from Louisville Trust Company to Banco, October 14, 1929 with copy of letter from T. K. Helm to Attorney General of Kentucky attached
134-11	4	1951		Letter from Robert F. Vaughan, Davin H. Cochran and T. K. Helm to Louisville Trust Company, July 24, 1929 re: "The Bancokentucky Company"
134-13	4	1956		Copy of letter from Vaughan to Brown, July 9, 1929, re: Banco with suggested preface to prospectus
134-14	4	1958		Copy of letter from Vaughan to Brown, July 6, 1929, re: Banco
146	4	1960		White, Bower & Prevo report on loans made by Louisville Trust Company to pay subscriptions for Banco stock
147	4	1974		White, Bower & Prevo report on bills payable of Louisville National Bank & Trust Company and Louisville Trust Company
150-1 to 150-12	4	1977		Receipts to Chief National Bank Examiner for Examiners' Reports of examination of National Bank of Kentucky
151	4	1983		Robert Neill's agenda for directors' meeting of October 9, 1930
153	4	1984		Subscription to Banco stock signed by William S. Speed
153-1	4	1984		Subscription to Banco stock signed by J. M. Wickcliff, Jr.

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153-2	4	1984		Subscription to Banco stock signed by J. M. Wickcliff, Jr.
154	4	1984		Subscription to Banco stock signed by Herbert Tashgian

The Bance Kentucky Co.

Incorporated July 16, 1929

Cash & Journal

2

EXHIBIT 65-A

			Credit	Debit
Nov	25	Payment of subscriptions (Ord Stock & Cumulative Pref)	781 100 00	
	26		152 50 00	
	27		793 825 00	
	28		208 625 00	
	30		1080 525 00	
Oct	1		772 300 00	
	2		1096 975 00	
	4		1007 600 00	
	4		491 700 00	
	5		176 525 00	
	7		196 175 00	
	8		182 900 00	
	9		160 750 00	
	10		124 525 00	
	11		280 775 00	
	14		71 875 00	
	15		200 775 00	
	17		152 750 00	
	19		38 000 00	
	21		5 000 00	
	22		5 475 00	
	23		3 200 00	
	26		25 000 00	
			5 000 00	
Nov	9			
		394,986 shs @ 10¢ per shr Credit Capital Stock	39 498 60	
		394,986 shs @ 15¢ per shr Credit Surplus	59 247 90	
		Debit Cash		98 746 50

EXHIBIT 65-A

1909			Credit	Debit
Nov 1	Revenue —			
	"	Interest C.A. 66240 - $1007.190[20] dated Oct 2, credited Oct 2 1909	16	7.84
	"	Interest C.A. 66249 - $2772.500[21] dated Oct 1, credited Oct 1 1909	5	175.48
	"	Interest C.A. 66300 - $1463.200[22] dated Oct 1, credited Oct 1 1909	1	74.86
	"	Interest C.A. 66225 - $1,000.375[23] dated Sept 30, credited Sept 30 1909		504.45
	"	Interest C.A. 66235 - $1094.925[24] dated Oct 1, credited Oct 1 1909		49.15
	"	Interest C.A. 66234 - $1,032.200[25] dated Oct 1, credited Oct 1 1909		975.48
	"	Interest C.A. 66200 - $ 781.100[26] dated Sept 30, credited Nov 1 1909	1	780.00
	"	Interest C.A. 66205 - $ 152.500[27] dated Sept 30, credited Nov 1 1909		104.08
	"	Interest C.A. 66255 - $ 174.812[28] dated Oct 1, credited Nov 1 1909	1	08.69
	"	Interest C.A. 17320 - $1,002.750[29] dated Oct 4, credited Oct 31 1909		978.94
	"	Interest C.A. 66217 - $ 292.825[30] dated Sept 27, credited Nov 1 1909		285.65
	"	Interest C.A. 66217 - $ 302.625[31] dated Sept 28, credited Nov 1 1909	1	52.18
	"	Interest C.A. 66249 - $ 3.190[32] dated Oct 2, credited Nov 1 1909		4.95
	"	Interest C.A. 66260 - $241.787[33] dated Oct 4, credited Nov 1 1909		71.61
	"	Interest C.A. 66265 - $196.269[34] dated Oct 7, credited Nov 1 1909		77.61
	"	Interest C.A. 66270 - $ 112.002[35] dated Oct 8, credited Nov 1 1909		67.51
	"	Interest C.A. 66281 - $ 91.091[36] dated Oct 9, credited Nov 1 1909		91.73
	"	Interest C.A. 66290 - $ 124.638[37] dated Oct 11, credited Nov 1 1909		85.50
	"	Interest C.A. 66296 - $ 201.048[38] dated Oct 11, credited Nov 1 1909	1	95.94
	"	Interest C.A. 66301 - $ 91.977[39] dated Oct 14, credited Nov 1 1909		47.88
	"	Interest C.A. 66311 - $209.750[40] dated Oct 15, credited Nov 1 1909		96.45
	"	Interest C.A. 66323 - $ 15.250[41] dated Oct 19, credited Nov 1 1909		6.08
	"	Interest C.A. 66355 - $ 28.022[42] dated Oct 21, credited Nov 1 1909		32.08
	"	Interest C.A. 66362 - $ 3.500[43] dated Oct 21, credited Nov 1 1909		1.83
	"	Interest C.A. 66370 - $ 25.476[44] dated Oct 22, credited Nov 1 1909		19.16
	"	Interest C.A. 66377 - $ 3.200[45] dated Oct 23, credited Nov 1 1909		10.66
	"	Interest C.A. 66410 - $ 25.000[46] dated Oct 26, credited Nov 1 1909		70.83
	"	Interest C.A. 66418 - $ 37.825[47] dated Oct 27, credited Nov 1 1909	1	4.51 31
	"	Interest C.A. 66469 - $ 2.016.750[48] dated Oct 29, credited Nov 1 1909		80.90 9
	"	Interest C.A. 66487 - $ 992.500[49] dated Oct 31, credited Nov 1 1909	1	46.60
	"	Interest C.A. 66469 - $ 81.100[50] dated Nov 2, credited Nov 2 1909		35.16
	"	Interest C.A. 66481 - $ 12.500[51] dated Nov 2, credited Nov 2 1909		5.50
	"	Interest C.A. 66496 - $ 1.000[52] dated Nov 3, credited Nov 3 1909		4.16
	"	Interest C.A. 66513 - $ 76.62[53] dated Nov 3, credited Nov 3 1909		38.49
	"	Interest Paid by the Louisville Trust Co on subscriptions from Oct 1 1909 to Oct 28, 1909 inclusive	1	03.39
	"	Interest Paid by National Bank of Kentucky on subscriptions from Oct 1 1909 to Oct 28 1909 inclusive by Cashier's Check # 67484 - $69.98	1	03.97
	"	Interest - Sundry subscriptions payments National Bank of Kentucky - total Main and 4th Chestnut as list on file		36.37
	"	Interest - on subscription to H. H. Wedding		27.45
1	12	Investment —		
1		Certificate $66,519 National Bank of Kentucky, Central	66	50.00
	Cash			11 9
		1577	118	523.44

EXHIBIT 65-A

1929			Credit	Debit
Dec.	16	Dividend — 4410 shares Brighton Bank & Trust Co. 6½% Extra dividend payable Dec. 20th to holders of record Dec. 16th	28 710 00	
	18	Dividend — 50 shares Brighton Bank & Trust Co. 6½% Extra dividend (M.F. Keeling)	3 250	
	31	Dividend — 535,704 Participating shares National Bank of Kentucky the Lawrenceburg Trust Company at 400 per share due Jan. 1, 1930	210 281 60	
		Revenue — Interest on L.B. #386 & #399 the Lawrenceburg Trust Company to Jan. 1, 1930	7512 17	
		Revenue: — Interest on L.B. 66466 dated Nov. 1929 L.B. 66515 - 66516 - 66517 dated Nov. 12, 1929	22 166 66	
1930 Jan.	2	Accrued Dividends Receivable :: —		
		Quarterly dividend Brighton Bank and Trust Co.	10 251 00	
		Extra Dividend Peoples-Market Bank & Trust Co.	20 648 00	
		Regular Dividend Peoples-Market Bank & Trust Co.	13 760 00	
	2	Accrued Dividend Receivable ::		
		Extra dividend Peoples-Market Bank & Trust Co (M.F. Keeling)	2250	
		Regular dividend Peoples Market Bank & Trust Co (M.F. Keeling)	1500	
		Regular dividend Brighton Bank & Trust Co (M.F. Keeling)	1500	
	15	Dividend — Central Savings Bank & Trust Co on 548 shares due January 15, 1930	3288 00	
	29	Revenue :. Interest on beneficiaries of Deposit 386 for $200,000.00 and 399 for $100,000.00 the Lawrenceburg Trust Co. booked January 1929		
		386 dated Oct. 5, 1929	1166 67	
		399 dated Oct 19, 1929	1400 00	
Mar.	15	Revenue :— Interest of beneficiaries of Deposit National Bank of Kentucky # 66515 - 66516 - 66772 - 66946	17 766 65	
	24	Dividend :— 4410 shares Brighton Bank and Trust Co. Extra Dividend payable 4-10-30 mail 3-24	13 221 00	
		Bakefield Co.	23 750 00	
			491 662 24	

EXHIBIT 65-A

1900			Credit	Debit
Mar 24	Dividend	3% Extra/ Brighton Bank and Trust Co Cincinnati, (stock in name Jno. A Simms)		1500.
	Dividend	3% Extra/ Brighton Bank and Trust Co Cincinnati (stock in name Joseph A Thelin)		1500.
26	Dividend	3% Extra/ Brighton Bank and Trust Co Cincinnati (stock in name M. L Hawkins)		1500
29	Dividend	7 shares/ Brighton Bank and Trust Co. Cincinnati (stock Mary G. Mary)		1750.
April 1	Dividend	The Pearl Market Bank & Trust Co 3% Regular/ payable April 1, 1900 on 46866 shares to holders of record		1405980.
		3% Extra/ payable April 1, 1900 on 46866 shares to holders of record		1405980.
	Dividend	The Brighton Bank & Trust Co 3% regular/ payable April 1, 1900 on 4070 shares to holders of record		122100.
	Dividend	The Peoples Liberty Bank & Trust Co., Covington, Ky		
		Regular/ Semi annual 3% on 1677 shares		50310 00
		Extra - 1% on 1677 shares due April 1, 1900		167700
	Dividend	Certificates/ Shares National Bank of Kentucky. The Lincoln Trust Co 537799 shares at 40¢ per share due 4-1-00		21511960
	Dividend	The Brighton Bank and Trust Co Regular 3% on 70 shares/ due April 1, 1900 (stock 70 shares/ from name Mary G. Thos)		2100.
	Dividend	The Pearl Market Bank & Trust Co. Cincinnati O.		
		3% Regular on 50 shares name Mr. and Mrs. Hawley		1500.
		3% Extra on 50 shares/ name Mr. and Mrs. Hawley		1500.
		3% Regular on 50 shares name J. J. Heidenreich		1500
		3% Extra on 50 shares/ name J. J. Heidenreich		1500
		3% Regular on 50 shares/ name Maurice L. Hahn		1500
		3% Extra on 50 shares/ name Maurice L. Hahn		1500
	Dividend	The Brighton Bank & Trust Co., Cincinnati O.		
		3% Regular on 50 shares name Joseph A. Thelin		1500
		3% Regular on 50 shares name Maurice L. Hahn		1500

EXHIBIT 65-A

1920					
Apr 1	Dividend:	The Bluefield Bank & Trust Co.			
		3% regular on 50 shares name James A. Brown		1500	
	Dividend:	The Pearl-Market Bank & Trust Co.			
1		3% regular on 50 shares name James A. Brown		1500	
		3% extra on 50 shares name James A. Brown		1500	
1	Dividend:	First National Bank, Pikeville, Ky.			
		5285 shares at 20¢ per share due April 1st		105700	
		50 shares at 20¢ per share name James A. Brown		1000	
1	Investment:	The Peoples-Liberty Bank & Trust Co. Compton, Ky.		7500000	
3	Revenue:	Interest from The Pearl-Market Bank & Trust Co. Account on deposit Lehman Stock (See Letter Pearl-Market 3-19-20)		8832	
	Dividend:	The Pearl-Market Bank & Trust Co.			913 ✓
1		50 shares name Polk Laffoon - 3% regular		1500	
		50 shares name Polk Laffoon - 3% extra		1500	
9	Pikefield Co:			89250	
12	Dividend:	The Pearl-Market Bank & Trust Co.			
1		50 shares name A. Linda Mitchell - 3% Reg		1500	
		50 shares name A. Linda Mitchell - 3% Ex		1500	
15	Dividend	The Pearl-Market Bank & Trust Co.			
1		50 shares name John A. Lewis - 3% Reg		1500	
		50 shares name John A. Lewis - 3% Ex		1500	
	Dividend:	Central Savings Bank & Trust Co. of Covington, Ky.			
1		508 shares due April 15th		32200	
		5 shares name James A. Brown		300	
1	Dividend	Central Savings Bank and Trust Co.			
		5 shares name Maurice L. Kalvin		3000	
1	Dividend	Union Central Life Insurance Co.			
		625 shares name John L. Bluff 6%		3750	
		1580		152216566	

EXHIBIT 65-A

1940 May 4		Wakefield & Co	$100000
	5	Wakefield & Co	42500
	6	Wakefield & Co	78750
	9	Wakefield & Co	27500
	12	Wakefield & Co	78750
	20	Wakefield & Co	525000
	23	Wakefield & Co	700000
	24	Wakefield & Co	95000
	31	Wakefield & Co	192500
June	4	Wakefield & Co	175000
	6	Wakefield & Co	700000
	16	Wakefield & Co	1225000

EXHIBIT 65-A

1922 June 17	Wakefield Co.	7 1 7 5 00
" 18	Wakefield Co.	18 3 7 5 00
" 18	Wakefield Co.	18 9 0 0 00
" 18	Wakefield Co.	7 5 2 5 00
" 18	Wakefield Co.	4 8 7 5 00
" 18	Wakefield Co.	2 8 5 0 00
" 19	Wakefield Co.	1 4 2 5 00
" 20	Wakefield Co.	22 8 2 5 00
" 20	Wakefield Co.	28 5 0 0 00
" 24	Wakefield Co.	11 4 0 0 00
" 26	Wakefield Co.	10 4 5 0 00
" 26	Wakefield Co.	29 4 5 0 00

EXHIBIT 65-A

1920				
July	1	Dividend on 539-09 Shares Participation Shares National Bank of Kentucky - The Louisville Trust Co		2:16916004
	17	Dividend The Canal-Market Bank & Trust Co.		
		50 shares John A. Lewis (regular)		1500.
		50 shares John A. Lewis (extra)		1500.
	1	Dividend The Brighton Bank & Trust Co. Cincinnati O		
		3% Regular on 44,140 shares		1324200.
		3% Extra on 44,140 shares		1324200.
		Dividend The Brighton Bank & Trust Co. Cincinnati O		
		50 shares Maurice L. Galvin (Regular)		1500
		50 shares Maurice L. Galvin (Extra)		1500
		50 shares James B Brown (Regular)		1500
		50 shares James B Brown (Extra)		1500
		50 shares Joseph A. Helmers (Regular)		1500
		50 shares Joseph A Helmers (Extra)		1500.
	1	Dividend: The Peoples-Liberty Bank & Trust Co. Covington Ky		
		1739 shares - 2% Regular Quarterly		347800.
	3	Dividend: The Peoples-Liberty Bank & Trust Co. Covington Ky		
		2% Quarterly - 5 shares James O. Brown		1000.
	1	Dividend The Canal-Market Bk & Tr Co. Cincinnati O.		
		3% Regular 46,866 shares		1405980.
		3% Extra - 46,866 shares		1405980.
	1	Wakefield & Co - Fee		9025001
		Dividend -		
		Security Bank, Lawrenceburg Ky		
		2607 shares - 3% Regular		782100
		Dividend - Ashland National Bank, Ashland Ky		
		7120 shares		2563200
		Dividend - The Canal-Market Bk & Tr Co. Cincinnati O		
		50 shares - 3% Reg. Maurice L. Galvin.		1500.
		50 shares - 3% Extra Maurice L. Galvin		1500
		50 shares - 3% Reg. Garland M. Mosler		1500
		50 shares - 3% Extra Garland M. Mosler		1500
		50 shares - 3% Regular G. G. Vandenbergh		1500
		50 shares - 3% Extra G. G. Vandenbergh		1500

EXHIBIT 65-A

1920				
July	3	Dividend		
		The First National Bank, Cadiz Ky		
		6875 shares (Regular) 6%	$1125.00	
		6875 shares (Extra) 6%	$1125.00	
		Dividend The Pearl-Market Bank & Trust Co. Cincinnati O		
		50 shares (Reg) James B. Brown	15.00	
		50 shares (Extra) James B Brown	15.00	
		50 shares (Regular) Polk Laffoon	15.00	
		50 shares (Extra) Polk Laffoon	15.00	
	15	Wakefield & Co. Inc	$7500.00	
		Dividend Central Saving Bank & Trust Co. Covington Ky 538 shares - 6%	$322.80	
	1	Dividend Central Saving Bk & Tr Co Covington Ky		
		5 shares Maurine L Galvin	30.00	
		Dividend The Pearl-Market Bk & Tr Co Cincinnati O		
		50 shares (Reg) P. Lincoln Mitchell	15.00	
		50 shares (Extra) P. Lincoln Mitchell	15.00	
	21	Dividend The First National Bank Cadiz Ky		
		50 shares James B. Brown (Reg)	30.00	
		50 shares James B. Brown (Extra)	30.00	
		Dividend Central Saving Bk & Tr Co Covington Ky		
		50 shares James B. Brown	30.00	
	26	Wakefield & Co	$7500.00	
Aug	5	Wakefield & Co	$6075.00	
	7	Wakefield Co - appreciation on stock purchased	$2925.00	
Oct	1	Dividend The Pearl-Market Bank & Trust Co		
		50 shares Hunstead M. Mosier (Regular)	15.00	
		50 shares Hunstead M. Mosier (Extra)	15.00	
		Dividend The Pearl Market Bank & Trust Co		
		2250 shares (Regular 6%)	$1125.00	
		2250 shares (Extra 6%)	$1125.00	

EXHIBIT 65-A.

Oct 5	Dividend	The Peoples Liberty Bank & Trust Co.	
		1778 shares (Regular) @ 2%	3556 00 ✓
5	Dividend	National Bank of Kentucky-Louisville Trust Co.	@16 153 60 ✓
		5+038+ Trustees' Participation shares @ 10¢ share	
5	Dividend	Security Bank, Louisville, Ky	
		1698 shares (Regular) at 3%	1096 00 ✓
5	Dividend	The Brighton Bank & Trust Co.	
		4+140 shares (Regular) at 3%	12+2+00 ✓
		4+140 shares (Extra) at 3%	12+2+00 ✓
5	Dividend	The Brighton Bank & Trust Co.	
		50 shares (Joseph A. Helmers) Regular	1500 ✓
		50 shares (Joseph A. Helmers) Extra	1500 ✓
5	Dividend	The First National Bank, Calumet, Ky	
		6875 shares (Regular 6%)	4125 00 ✓
		50 shares (James B. Brown)	30 00 ✓
5	Dividend	The Brighton Bank & Trust Co.	
		50 shares (Maurice L. Galvin) Regular	1500 ✓
		50 shares (Maurice L. Galvin) Extra	1500 ✓
5	Dividend	The Pearl-Market Bank & Trust Co.	
		50 shares (Maurice L. Galvin) Regular	1500 ✓
		50 shares (Maurice L. Galvin) Extra	1500 ✓
		50 shares (James B. Brown) Regular	1500 ✓
		50 shares (James B. Brown) Extra	1500 ✓
5	Dividend	The Brighton Bank & Trust Co.	
		50 shares (James B. Brown) Regular	1500 ✓
		50 shares (James B. Brown) Extra	1500 ✓
5	Dividend	The Peoples Liberty Bank & Trust Co.	
		5 shares (James B. Brown) 2% Regular	10.00 ✓
5	Dividend	The Pearl Market Bank & Trust Co.	
		50 shares (Col. Lafferd) regular	1500 ✓
		50 shares (Col. Lafferd) Extra	1500 ✓
		50 shares (T. Lincoln Mitchell) regular	1500 ✓
		50 shares (T. Lincoln Mitchell) Extra	1500 ✓
6	Dividend	The Pearl Market Bank & Trust Co.	
		50 shares (C. C. Applebaum) Regular	1500 ✓
		50 shares (C. C. Applebaum) Extra	1500 ✓

EXHIBIT 65-A

1920 Oct 16	Dividend	The Third-Market Bank & Trust Co. 50 shares John A. Lewis Jr. (Regular) 50 shares John A. Lewis Jr. (Extra)	1500 ; 1500 ;
" 18	Dividend	Central Saving Bank & Trust Co. 538 shares at 6%	3228 ;
" 11	Dividend	Central Saving Bank & Trust Co. 5 shares James B. Brown	300 ;
" 4	Dividend	Central Saving Bank & Trust Co. 5 shares Maurice L. Salmon	3000 ;
" 1	Dividend	Union Mentual Life Insurance Co. 625 shares in name John A. Sleeff	37500 ;

EXHIBIT 65-A

1909					
Nov. 7	Blyth & Co (See Chicago Listing Fee)	1.		10	00000 00
" 8	Humphrey Robinson Co (Examining Cadel-Market Bk. & TC) Brighton Bank & Trust Co. Special summary service and traveling expense	2.			40895 00
"	A J Carroll (See United States Corporation) 150 Broadway New York — See engraving Co. registration fee and order directed issued	3.			1538 00
"	American Bank Note Company, Chicago, Ill. (See engraving company stock certificates and furnishing corporate seal)	4.			165 00
"	Brewers Printing House (See printing envelopes)	5.			21 50
"	The Franklin Printing Co. Inc (See printing By-Laws book)	6.			107 00
"	The Harris Trust and Savings Bank Chicago (See Federal Transfer Tax on 6600 shares)	7.			1820 00
"	Kentucky Lithographing Company Inc (See engraving market stock Certificate)	8.			88 00
"	Modern Printing Company (See mimeograph letters to stockholders)	9.			2627 00
"	The Standard Printing Company (See Banks printing matter)	10.			74230 00
"	National Bank of Kentucky (See 33 shares Bayton Bank & Trust Co. Cincinnati stock at $875.00 per share)	11.		28	87500 00
	Spoiled - not issued	12.			0
"	National Bank of Kentucky (See 19 shares Cadel-Market Bank & Trust Co. Cincinnati stock at $725.00 per share	13.		13	77500 00
"	National Bank of Kentucky (See 25 shares Cadel Market Bank and Trust Co. Cincinnati stock at $725.00 per share)	14.		18	125 00 00
"	National Bank of Kentucky (See listing fee Louisville Stock Exchange)	15.			1000 00
"	National Bank of Kentucky (See expenses C J Jones Schmidt to Chicago Oct 1-4)	16.			3375 00
"	National Bank of Kentucky (See expenses C J Jones to Chicago Oct 28-Nov 1)	17.			15780 00
"	National Bank of Kentucky (See expenses Keen Ormsby & Jones & Newspaper Nov 3-5)	18.			21 11 00
"	National Bank of Kentucky (See cost of 30 shares Cadel Market Bank and Trust Co stock at 712.50 per share	19.		21	37500 00
"	The Western Union Telegraph Co (Telegraph charges)	20.			321 00
"	Courier Journal Job Printing Co (Ledger Sheets)	21.			2 00
"	Underfeed Co (Investment op)	22.		2000	000 00 —
"	Eustace M Moseley (Expenses auditing proxies Stafford Mo. & Chgo)	23.			118 50 —
Nov.	Chapman & Cutler (See listing $2,000,000 Bonds Balance & Engraver)	24.			51560 00
"	Dighton Bank & Trust Co. Cincinnati Oh (Salary Cashier)	25.			5950 00
Dec. 7	Louisville Trust Co (See 1% per share Federal Tax (003762) Balance Stock Exchange Co.)	26.		5	238 71
"	National Bank of Kentucky (See 1% Bidding Charges) Bank & Trust Co. 1% - Balance 2 Dec 1st on $2,000,000 - 00	27.			4333 33
				2245	01607

EXHIBIT 65-A

1929			Ck No			
Dec	17	National Bank of Kentucky - for final payment Crighton Bank & Trust Co. Covington, capital stock	178			87 825 00
	17	National Bank of Kentucky - for purchase & delivery Crighton Bank and Trust Co. stock at 85% per share	179			42 50
	19	National Bank of Kentucky - for purchase 576 shares capital stock Central Savings Bank and Trust Co. Covington Ky at 600% per share	180			3456 00
	20	The Pearl Market Bank & Trust Co. investment account - final payment of stock purchased	181			1300 00
		Check Spoiled	87			-
		Check Sp	88			-
	21	The Twentieth Century Press for printing circulars, letterheads, Change Envelops	184			79 65
	27	National Bank of Kentucky - for investment re purchase 625 shares Union Central Life Insurance Company stock at 8200% per share	185			75000 00
	29	Humphrey Robinson & Co - for Examination of Central Savings Bank & Trust Co. Covington Ky 5424.97 and traveling expenses 147.54	186			5571 51
		Lechler Stamp & Stencil Co - for Corporation Seal	187			9 75
		Geo B Fetter Co - Bookkeeping supplies	188			30 75
		Geo B Fetter Co - Stationery supplies	189			18 00
		American Bank Note Company, Chicago Ill - for Engraving 1000 Certificates of Stock - Change Lettering	190			70 00
		Kentucky Lithographing Co - Printing 5000 checks	191			42 50
		Kentucky Lithographing Co - Printing 5000 Letterheads	192			48 00
		National Bank of Kentucky - for purchase 2 shares Central Savings Bank and Trust Company stock at 610.00 per share	193			1220 00
		National Bank of Kentucky - for Banking expenses June 2 Board 22 Letters and C. & Gen & Continuation Clearings November 22-1929	194			5 [illegible]

EXHIBIT 65-A

1929					$ 629 109 42
Dec	30	Maurice L. Halow, Attorney 1448 shares Peoples Liberty Bank & Trust Company Lexington, Ky.	145		357 00000
	31	Chemical Bank & Trust Co. New York, for interest on 1000000 demand note to January 1, 1930 at 6%	148		5 11667
1930 Jan	1	Secretary of State (Filing Delaware Annual Report)	147		2 00
	1	The Lawrenceville Trust Co. for dividend on 1502669 shares The Pennsylvania Steel due Jan 1, 1930	146		30 05 33 80
	6	A. J. Carroll, J. Kennedy Helm and Robert F. Maupin For legal services to Jan 1, 1930	149		17 50000
	14	United States Compensation	150		638 00
	24	Kentucky Lithographing Co. For printing 600 Dividend Checks	151		65 00
		Standard Printing Co. For printing Cards and circular Letters	152		73 50
	31	Spoiled - Not issued	53		
		Spoiled - Not issued	54		
		National Bank of Kentucky (For credit to Chemical Bank & Trust Co. New York in payment demand loan	155		1000 00000
		National Bank of Kentucky (For credit Chemical Bank & Trust Co. New York interest on demand loan	156		4 833 33
Feb	5	National Bank of Kentucky - For payment of draft covering 71 shares capital stock Peoples Liberty Bank & Trust Company at Covington, Ky	157		14 30 400
	6	National Bank of Kentucky - For draft covering purchase 100 shares capital stock Peoples Liberty Bank & Trust Co. Covington, Ky at 201.00 per share	158		20 10000
Feb	14	American Bank Note Co. Chicago Ill - Engraving 500 Cap (Cancelled check)	159		60 00
		Continental Illinois Bank & Trust Co. Chicago, Ill - For Services as Registrar from Sept 30 to Dec 31, 1929	160		52 975

$ 2 62 19 54 92

EXHIBIT 65-A

1920 Feb 1	Geo B Fuller & Co	For Lumber ordered	161	260.895.20
	John O Morton & Co	For supplies	162	600
	Brewer Printing House	For supplies	163	33 75
				170 00
Mar 5	National Bank of Kentucky – for draft against purchase 30 shares Peoples Liberty Bank and Trust Company stock at 100 per share and 17 shares Peoples Liberty Bank and Trust Company stock at 201 per share		164	9417000
11	National Bank of Kentucky – for draft against purchase 15 shares Peoples Liberty Bank & Trust Company stock at 201 per share		165	3015000
13	National Bank of Kentucky – for draft against purchase 10 shares Peoples Liberty Bank & Trust Company stock at 201 per share		166	2000000
14	Collector of Internal Revenue Louisville Ky – Income Tax Payment on Tentative return		167	1000000
24	Wakefield & Co –		168	12500000
28	National Bank of Kentucky – purchase against draft 6 shares Peoples Liberty Bank and Trust Co, Covington, Ky at 201 per share		169	1206000
29	National Bank of Kentucky – purchase 7 shares Brighton Bank & Trust Co Capital stock Cincinnati, Ohio at 90 per share		170	630000
29	The Peoples Liberty Bank and Trust Co. Covington Ky		171	750 000 00
April 1	The Louisville Trust Co. Transfer Agent. for dividend on 1,570.985 shares the Commonwealth Ky one April 1920		172	31419700
7	Wakefield & Co purchase 13 shares Peoples Liberty Bank & Trust Co stock at 95 per share, plus 1 per share brokerage also 8 shares Peoples Liberty Bank & Trust Co stock at 200 per share plus 1 per share brokerage		173	381900
				677.13246

EXHIBIT 65-A

1930 Apr 5	Pakefield & Co - For purchase 3000 shares the Bank of Kentucky Company stock @ $225 per share	174		5577362
				7500000
7	Harris Trust & Savings Bank, Chicago Ill - For services as Transfer Agent for one months period ending March 30. 1930	175		100660
7	Continental Illinois Bank & Trust Co Chicago Ill - For services as Registrar from Dec 27. 1929 to March 27. 1930	176		15750
7	Kentucky Lithographing Co - For printing dividend Checks	177		60001
7	American Bank Note Company - For engraving 2000 temporary Stock certificates	178		1400
7	American Bank Note Company - For impressing seal on 2000 temporary stock certificates	179		1000
9	Harris Trust & Savings Bank, Chicago Ill - For insurance and postage on 5600 shares the Bank of Kentucky Company returned	180		800
7	Chicago Stock Exchange, Chicago, Ill - For	181		500000
	Check Spoiled			
21	National Bank of Kentucky - For expenses on	182		
	Dec 6. 1929 of Z Z Fontaine to Cincinnati, Ohio	183		4850
7	National Bank of Kentucky - For expenses on Mar 21. 1930 of W. J. Zimmerschmidt to Chicago	184		4380
24	Security Bank, Louisville, Ky - Milburn B Kelley - 22 shares @ $100.00	185		220000
26	National Bank of Kentucky - General Expense - Stenographer, Expense Account & stockholders meeting	186		2657
28	Security Bank, Louisville, Ky			
	Frank L Spurgin	18 shares @ 100.00	187	180000
	Henry Bohmer	15 shares @ 100.00	188	150000
	J McClerkins and Son	25 shares @ 100.00	189	250000
	Virgil M. Lorch	21 shares @ 100.00	190	210000
	W.C. Hall	8 shares @ 100.00	191	80000
	Richard W. Hardesty	5 shares @ 100.00	192	50000
	John M. Beattie	15 shares @ 100.00	193	150000
	Edgehill A Badger	8 shares @ 100.00	194	80000
				5693377

EXHIBIT 65-A

				$567,223.27
Apr. 1	Am. Security Bank, Louisville, Ky.			
1	Mrs. Clara Oliver	5 shares @ 100.00	195	500.00
1	Mary Nagely	30 shares @ 100.00	196	3000.00
1	William Wagmeier	15 shares @ 100.00	197	1500.00
1	H. C. Roder	75 shares @ 100.00	198	7500.00
1	Mrs. Anna M. Stinnett	10 shares @ 100.00	199	1000.00
1	Aunt Lydia	27 shares @ 100.00	1100	2700.00
1	Louis Lang	21 shares @ 100.00	1101	2100.00
1	W. M. Marret	3 shares @ 100.00	1102	300.00
1	Edward Kermert	6 shares @ 100.00	1103	600.00
1	Mrs. Nettie Dahlem	11 shares @ 100.00	1104	1100.00
1	Mrs. Lottie Ehrmann	15 shares @ 100.00	1105	1500.00
1	Mrs. Lena Barret	8 shares @ 100.00	1106	800.00
1	Mrs. Amy Rothlepp Ifsen	150 shares @ 100.00	1107	15000.00
1	Chas. H. Bohmer	5 shares @ 100.00	1108	500.00
1	Robert O. Kraft	10 shares @ 100.00	1109	1000.00
1	Mrs. Laura M. Lenting	22 shares @ 100.00	1110	2200.00
1	Charles Lenting	3 shares @ 100.00	1111	300.00
1	Miss Lillian Bloemer	3 shares @ 100.00	1112	300.00
1	Miss Agnes Bloemer	3 shares @ 100.00	1113	300.00
1	Miss Mayme Bloemer	5 shares @ 100.00	1114	500.00
1	Miss Matilda Bloemer	5 shares @ 100.00	1115	500.00
1	Miss Lula M. Bloemer	2 shares @ 100.00	1116	200.00
1	Miss Anna Baller	8 shares @ 100.00	1117	800.00
1	George Lenting	25 shares @ 100.00	1118	2500.00
1	Mrs. Ida S. Robinson	1 share @ 100.00	1119	100.00
1	Otto J. Bader	25 shares @ 100.00	1120	2500.00
1	Mrs. Caroline Mahler Falk	22 shares @ 100.00	1121	2200.00
1	H. Nellis Kraft	18 shares @ 100.00	1122	1800.00
1	Arthur L. Travers	10 shares @ 100.00	1123	1000.00
1	Benjamin Rosenbaum	28 shares @ 100.00	1124	2800.00
1	Edward Wille	5 shares @ 100.00	1125	500.00
1	Miss Elizabeth Wille	4 shares @ 100.00	1126	400.00
1	Julian O. Tay Hinkle	45 shares @ 100.00	1127	4500.00
1	Mrs. Mary Louise Klingman	1 share @ 100.00	1128	100.00
1	Mrs. Jennie R. Brown	25 shares @ 100.00	1129	2500.00
1	James C. Bright	15 shares @ 100.00	1130	1500.00
1	Samuel Rosenbaum	17 shares @ 100.00	1131	1700.00
1	Edwin Karp	14 shares @ 100.00	1132	1400.00
1	Herman Black	8 shares @ 100.00	1133	800.00
1	Mrs. Elise M. Bader	20 shares @ 100.00	1134	2000.00
1	Edwin J. Schwab	6 shares @ 100.00	1135	600.00
1	James R. Burkholder	10 shares @ 100.00	1136	1000.00
1	Louisville Trust Co. Trustee of Minnie Belle Lang	56 shares @ 100.00	1137	5600.00
1	Louisville Trust Co. Trustee u/w Leo H. Belle Lang for Minnie Belle Lang	26 shares @ 100.00	1138	2600.00
1	Louisville Trust Co. Trustee u/w Emily Lang Belle for Minnie Belle Lang	12 shares @ 100.00	1139	1200.00
				$567,223.27

EXHIBIT 65-A

1900						$5754 93797
Apr	26	Security Bank, Louisville Ky				
		Mrs Alice A. Reid	8 shares @ 100.00	1140		80000
		Miss Ivy A. Dell	8 shares @ 100.00	1141		80000
		Miss Addie L. Baker	10 shares @ 100.00	1142		100000
		Harry J. Klingman	1 share @ 100.00	1143		10000
		Charles R. Long Jr	78 shares @ 100.00	1144		780000
		Joseph Schield	25 shares @ 100.00	1145		250000
		Philip Nemberg	7 shares @ 100.00	1146		70000
		Mrs Carl Mossbarger	15 shares @ 100.00	1147		150000
		Frank M. Perkins Jr	25 shares @ 100.00	1148		250000
		Matt H. Crawford	25 shares @ 100.00	1149		250000
		Miss Henderson Shields	8 shares @ 100.00	1150		80000
		Mrs Cornelia Kerin	10 shares @ 100.00	1151		100000
		Miss Louise Seranch	9 shares @ 100.00	1152		90000
		Miss Marie E. Read	2 shares @ 100.00	1153		20000
		Miss Sophie J. Coote	11 shares @ 100.00	1154		110000
		Jesse Rosenbaum	42 shares @ 100.00	1155		420000
		James R. Burkholder	10 shares @ 100.00	1156		100000
		Mrs Belle M. Neil	2 shares @ 100.00	1157		20000
		Mrs Rosa Traeger	25 shares @ 100.00	1158		250000
		Louis P. Burg	10 shares @ 100.00	1159		100000
		Miss Alma Burg	10 shares @ 100.00	1160		100000
		Mrs Alvina Burg Stoecker	11 shares @ 100.00	1161		110000
		Mrs Alice J Locke	9 shares @ 100.00	1162		90000
		Harry Rosenbaum	17 shares @ 100.00	1163		170000
		Lee L. Dority	1 share @ 100.00	1164		10000
		Eugene Schmidt	6 shares @ 100.00	1165		60000
		Joseph Schmidt	5 shares @ 100.00	1167		50000
		Henry L. Pfingst	4 shares @ 100.00	1168		40000
		Mrs Amelia Wehlin	4 shares @ 100.00	1169		40000
		Mrs Cora B. Scheffer	15 shares @ 100.00	1170		150000
		William A. Reinert	9 shares @ 100.00	1171		90000
		William A. Reinert Executor	18 shares @ 100.00	1172		180000
		Mrs Agnes M. Eisenman	15 shares @ 100.00	1173		150000
		Two check listed same		1174		
		Two check listed same		1175		
May	1	Security Bank Louisville Ky				
		Syd Albright Jr	7 shares @ 100.00	1176		70000
		Leon J Rosenbaum	17 shares @ 100.00	1177		170000
		The Louisville National Bank Trustee under will of Conrad Dietz	15 shares @ 100.00	1178		150000
		Mrs Lorena Schlenker	10 shares @ 100.00	1179		100000
		L. J. Detchen	20 shares @ 100.00	1180		200000
		Louise A Detchen	2 shares @ 100.00	1181		20000
		John J. Dantz Estate	15 shares @ 100.00	1182		150000
		Mrs Cassie L Riggston	5 shares @ 100.00	1183		50000
		Max Mielke	5 shares @ 100.00	1184		50000
		Katherine Lee Hall	15 shares @ 100.00	1185		150000
						$5754 93797

EXHIBIT 65-A

1920					$ 109337.71
May 1	Security Bank Louisville Ky				
1	Mrs Clara V Duity	6 shares @ 100.00	1186		60000
1	Miss Louise M Barret	2 shares @ 100.00	1187		20000
1	Almstadt Bros	30 shares @ 100.00	1188		300000
1	Mrs Marie Baumgarten	4 shares @ 100.00	1189		40000
1	Alice Schanlein	7 shares @ 100.00	1190		70000
1	Mrs Louise M. Carter	10 shares @ 100.00	1191		100000
1	Adams Huly – Cost of Hand Bangs for Directors Stock		1192		10000
1	The Chicago Stock Exchange – For stenographic fees incurred at meeting Stock List Committee 4/10/20		1193		2094
1	American Bank Note Co. (Western Division) for engraving 2 new Louisville Registry certificates and imprinting seal		1194		150001
1	Wakefield & Co – For		1195		30000000
1	Wakefield & Co – For		1196		77500000
1	Wakefield & Co – For		1197		11250000
1	The Inventive Advertising Press – For listing circulars additional to Chicago Stock Exchange		1198		4271
1	United States Corporation Co New York – Procuring three certified copies Certificate of Incorporation check spoiled		1199		10000
1	Wakefield & Co		1201		8250000
1	Security Bank Louisville Ky				
1	John Mason Morris	39 shares @ 100.00	1202		390000
1	Mrs Amelia M Rehkoff	6 shares @ 100.00	1203		60000
1	William Mehler	15 shares @ 100.00	1204		150000
1	Jacob L Isaacs	15 shares @ 100.00	1205		150000
					6973237

EXHIBIT 65-A

1920					6 0 7 5 7 2 7 0
May	12	Security Bank, Louisville, Ky			
		Joseph Long — 10 shares at 100.00		1206	1 0 0 0 0 0
		Miss Eleanor Schlenker — 5 shares @ 100.00		1207	5 0 0 0 0
		Mrs Bessie Lee Higginton — 10 shares @ 100.00		1208	1 0 0 0 0 0
		Elwin J. Heuman — 10 shares @ 100.00		1209	1 0 0 0 0 0
	12	National Bank of Kentucky — In purchase, against draft: 11 shares Peoples Liberty Bank and Trust Co. Covington, Ky capital stock @ 200.00 per sh.		1210	2 2 0 0 0 0
	14	Wakefield & Co		1211	1 1 2 5 0 0 0 0
	16	Armistead M. Peirce and — Ashland Ky — In purchase one half share the Kentucky stock @ 25.00 per share acquired thru exchange Ashland Natl Bank Stock		1212	1 2 5 0
		Lydia P. Martin — Ashland Ky — In purchase one half share the Kentucky Co. stock @ 25.00 per share acquired thru exchange Ashland Natl Bk stock		1213	1 2 5 0
		Mary A. Hurley — Ashland Ky — In purchase one half share the Kentucky Co. stock @ 25.00 per share acquired thru exchange Ashland Natl Bk stock		1214	1 2 5 0
		Check spoiled — No issued		215	0
		Check spoiled — No issued		216	0
		Security Bank, Louisville Ky			
		Mrs Katherine C. Bohmann	5 shares @ 100.00	1217	5 0 0 0 0
		Mrs Emma Schmidt	1 shares @ 100.00	1218	1 0 0 0 0
		William Krankel	2 share @ 100.00	1219	2 0 0 0 0
		Mrs Minnie Krankel	4 shares @ 100.00	1220	4 0 0 0 0
		Mrs Mary Bors	6 shares @ 100.00	1221	6 0 0 0 0
		Miss Lavine Kennard	4 shares @ 100.00	1222	4 0 0 0 0
		Miss Ida Lampe	3 shares @ 100.00	1223	3 0 0 0 0
		J. J. B. Hilliard Co	4 shares @ 100.00	1224	4 0 0 0 0
		National Bank of Kentucky — In purchase, against draft, 3 shares Peoples Liberty Bank & Trust Co. Covington, Ky, capital stock at 200.00 per share		225	6 0 0 0 0

6 2 0 6 2 8 5 2 0

EXHIBIT 65-A

1920 May 20	Wakefield & Co	Sec		226		75000 00
May 20	Wakefield & Co	Sec		227		100000 00
1/21	Wakefield & Co	Sec		228		85000 00
	Security Bank Louisville Ky					
1/21	Mrs Josephine Coy	3 shares @ 100		229		30000
1/21	Mrs Jennie L Robbins	128 shares @ 100		230		1280000
1/21	Albert A Dury	1 share @ 100		231		10000
1/21	Wakefield & Co			232		37500 00
June 2	Security Bank Louisville Ky					
1/21	Fidelity Columbia Trust Co Executors A H Barnett	5 shares @ 100		233		50000
1/21	Virginia Barnett Bridges	6 shares @ 100		234		60000
1/21	Fidelity Columbia Trust Co Trustee Virginia V Latimer Call	1 share @ 100		235		10000
1/21	Fidelity Columbia Trust Co Agent Walter H Belknap	3 shares @ 100		236		30000
1/21	Fidelity Columbia Trust Co, Trustee Mrs Alfa Fulton	18 shares @ 100		237		180000
1/21	Fidelity Columbia Trust Co Trustee Edward Hagee and Anna Barr Hagee	3 shares @ 100		238		30000
1/21	Fidelity Columbia Trust Co	2 shares @ 100		239		20000
1/21	Fidelity Columbia Trust Co Trustee Mary Ky Lent	1 share @ 100		240		10000
1/21	Fidelity Columbia Trust Co Trustee Alfa Van Fossen Fulton	1 share @ 100		241		10000
1/21	Fidelity Columbia Trust Co Trustee Edward Hagee Trust	1 share @ 100		242		10000
1/21	Fidelity Columbia Trust Co Trustee Anna L Trust	2 shares @ 100		243		20000
1/21	Fidelity Columbia Trust Co Trustee Anna Barr Hagee Trust	1 share @ 100		244		10000
1/21	Fidelity Columbia Trust Co Trustee Mary Ky Lent Trust	2 shares @ 100		245		20000
1/21	Fidelity Columbia Trust Co Trustee Mary Ky Lent Trust	2 shares @ 100		246		20000
1/21	Fidelity Columbia Trust Co Trustee Mary Ky Lent Trust	1 share @ 100		247		10000
1/21	Fidelity Columbia Trust Co Trustee Mary Ky Lent Trust	6 shares @ 100		249		60000
1/21	Fidelity Columbia Trust Co Trustee Mary Ky Lent Trust	2 shares @ 100		248		20000
1/21	Fidelity Columbia Trust Co Trustee Mrs Kate Kay Nelson	14 shares @ 100		250		140000
		$ 1596				6523785

EXHIBIT 65-A

					6523781 78
1920 June 7	Wakefield & Co		1251		250000 00
5	Security Bank, Lawrenceville Ky				
5	Mrs Matilda Schlegel	4 shares @ 100 00	253		40000
5	Liberty Bank & Trust Co. Lawrenceville Ky	5 shares @ 100 00	1254		50000
6	Wakefield & Co	Draft	1258		1000000 00
6	Thompkins & Grimes	Draft in settling Ashland National Bank Examination 3 days travel expense 138 24 Jones. Half of this charge to be borne by the Bank of Ky Co and one-half by Ashland National Bank	1255		40650
10	Wakefield & Co		1256		3200000 00
14	Wakefield & Co		1259		1025000 00
16	Collector of Internal Revenue		1257		1880 39
17	Wakefield & Co		1264		925000 00
7	National Bank of Kentucky (Hon Lawrence)		1260		2625000 00
7	National Bank of Kentucky (Jane Jourdan)		1261		2700000 00

EXHIBIT 65-A

1920 June 17	National Bank of Kentucky (Check purchased)	1162	10750000
18	Wakefield & Co.	1163	6000
	Louisville Lexington Turnpike - For purchase of Debenture Bonds	1164	9850
	Market & Miller For Floral Design mailed Mr Kelley	1165	1000
	Tax Department, State of Delaware - For annual Franchise Tax for year 1919 - due April 1 1920	1166	289 17
	Chapman & Cutler, Chicago, Illinois - For services in connection with such listing of an additional 2000000 shares on the Chicago Stock Exchange	1167	2500
	Chapman & Cutler, Chicago, Illinois - For services in connection with preparation of resolutions and rendering opinion to Chicago Transfer Agent and Chicago Registrar to include total 5000000 shares	1168	975
	Royal Typewriter Company - For rent typewriters used at Lawrenceville Trust Company on June 1st March April and May	1169	4000
19	Wakefield & Co.	1170	7500000
20	Wakefield & Co	1171	11750000
23	Wakefield & Co	1172	15000000
	Check Spoiled Not issued	1173	

EXHIBIT 65-A

1920 June 22	Wakefield & Co	27	6000000
	National Bank of Kentucky - purchase against draft 100 shares The Pearl-Market Bank & Trust Co	1275	502500
	National Bank of Kentucky - purchase against draft 3 shares The Peoples-Liberty Bank & Trust Co @ 200	1276	60000
	National Bank of Kentucky, purchase 200 shares against draft The Pearl-Market Bank & Trust Co	1277	1065000
	National Bank of Kentucky - purchase against draft 100 shares The Pearl-Market Bank & Trust Co	1278	567500
	Wakefield & Co - for	1279	5500000
	Security Bank, Louisville Trust Co, Trustee John J Kellner 12 shs @ 100	1280	1500000
	Wakefield & Co	1281	15500000
July 1	Dividend on 1,575,483 shares The Bank of Kentucky Co	282	31509660
	Wakefield & Co	283	4750000
	The Pearl-Market Bank & Trust Co - for purchase 100 shares @ 45.25 per share	284	452500

EXHIBIT 65-A

July 3		National Bank of Kentucky - Cashier's check for interest due on income tax payment	1285		660 00
	18	National Bank of Kentucky, purchase check in favor of 9 shares Peoples-Liberty Bank & Trust Co. Common stock @ 20 per share	1286		60000 00
		National Bank of Kentucky purchase against draft 90 shares The Bank-Market Bank & Trust Company capital stock @ 50 per share	1289		4522 50
		Kentucky Lithographing Co. Inc. - For printing notices calling in temporary certificates	1288		1750
		Robert J. Vaughan, Attorney - For telephone calls to Nashville, Tenn on May 28th June 2d, June 4th and June 9th, also traveling expense to Nashville, Tenn on June 4th - $21.25 Telegram to Washington, D.C. June 9th - 1.00	1289		31 59
		Kentucky Lithographing Co. for printing dividend checks	1290		500
		Chemical Bank & Trust Co., New York - For thirteen drafts on $1,000,000.00 at 5%	1291		18056
		United States Corporation, New York - For services as resident agent in Delaware for year ending July 16, 1931.	1292		10000
	9	National Bank of Kentucky, purchase check 1293 draft 6 shares Peoples-Liberty Bank & Trust Co. capital stock at 200 per share			120000
	10	Security Bank, Louisville, Ky			
		7 shares George Kuttig @ 100 per share	1294		70000
		7 shares A. Nellis Kuttig @ 100 per share	1295		70000
		11 shares Miss Margaret Kuttig @ 100 per share	1296		110000
	11	National Bank of Kentucky, for purchase against draft 10 shares Peoples-Liberty Bank & Trust Co. capital stock at 200 per share	1297		200000

EXHIBIT 65-A

1920 July	15	Wakefield & Co	N 98		25000000
	17	National Bank of Kentucky, purchase check drawn 3 shares Peoples Liberty Bank & Trust Company Capital stock @ 200 per share	1299		60000
	25	Wakefield & Co	1300		25000000
	26	The Louisville Trust Co., Transfer Agent. Tax Original Federal Tax on shares	1301		653+84
	29	Security Bank Transfer Machine & Administration mail clerk and guard fee Estate of Nettie McMillen Bond - 60 shares @ 100	1302		600000
Aug	16	Chemical Bank & Trust Co, New York. N.Y. Tax on interest on 1,000,000 00 from June 30, 1920 to July 31, 1920.	1303		4305556
		Continental Illinois Bank & Trust Co, Chicago Ill Tax on services as Registrar from March 31st, 1920 to June 30, 1920	1304		20393
		Check Spoiled - Not issued	305		
		National Bank of Kentucky (Wakefield & Co) Tax	1306		4250000
Sept	8	American Bank Note Co, Chicago Ill - for engraving permanent certificates, Chicago and Louisville registry	1307		560000
	15	Collector of Internal Revenue - for installment Income Tax	1308		144020
	16	National Bank of Kentucky - Traveling expenses of C. J. Jessamine & S. Jurdsmith to Chicago in April	1309		15590

EXHIBIT 65-A

Sept 1911	National Bank of Kentucky - Int interest due Chemical Bank and Trust Co. New York on Sept 1 1911	310		4305.56
	National Bank of Kentucky (re Wakefield Co) Int	311		17500.00
	National Bank of Kentucky - For purchase against draft following stocks 7 shares Peoples Liberty Bank & Trust Co. Cincinnati @ 200 per sh - 600.00 3 shs Peoples Liberty Bk & Trust Co. Cincinnati @ 200 per sh - 600.00 3 shs Peoples Liberty Bk & Trust Co. Cincinnati @ 200 per sh - 600.00 1 share Peoples Liberty Bk & Trust Co. Cincinnati @ 200 per sh - 200

EXHIBIT 65-A

1920					
Oct	31	National Bank Of Kentucky - For purchase against draft the following (check rec 3:20 PM)	324		
		15 shares The People - Liberty Bank & Trust Co. @ 200 per share (10/28)			3 00 000
		9 shares The People - Liberty Bank & Trust Co @ 200 per share (11/5/20)			1 80 000
		10 shares The People - Liberty Bank & Trust Co @ 200 per share (11/5/20)			1 00 000
		100 shares The People - Liberty Bank & Trust Co @ 200 per share (11/5/20)			20 00 000
		2 shares The People - Liberty Bank & Trust Co @ 200 per share (11/5/20)			40 000
Nov	3	Chemical Bank & Trust Co., New York N.Y. For interest from Sept 2nd to Oct 31 1920 on $1,600,000 @	325		5 05 556
	5	National Bank Of Kentucky - For traveling expense of L.J. Jones $20.00 and telephone calls $47.20	326		67 20
	10	National Bank Of Kentucky - For purchase against draft 10 shares The People - Liberty Bank & Trust Co, Covington, Ky at 200 per share (Certificate 329)	327		2 00 000
	10	National Bank of Kentucky - For traveling expenses of Robert L Taylor & W.J. Gaut & made to Nashville November 6th and 7th	328		140 00

EXHIBIT 65-A

1929			Credit	Debit
Oct	1	Cash	300,000.-	
	1	Investment – First payment Pearl Market Bank & Trust Co. Cincinnati, Ohio, transferred via National Bank of Kentucky, Federal Reserve Bank to Pearl-Market Bank & Trust Co. for account The Banc-Kentucky Company – 1200 shares		300,000.-
	1	Cash	550,000.-	
	1	Investment – Same as above – Second payment		550,000.-
	1	18 Cash	1,250,000.-	
	1	Investment – Same as above – Third payment Refund $3650.22 due		1,250,000.-
	1	28 Cash	1,500,000.-	
	1	Investment – First payment The Brighton Bank and Trust Co. Cincinnati, Ohio, transferred via National Bank of Kentucky, Federal Reserve Bank to The Brighton Bank and Trust Company for account The Banc-Kentucky Company – 3000 shares		1,500,000.-
	1	29 Cash	750,000.-	
	1	Investment – Same as above – Second payment		750,000.-
	1	31 Cash	400,000.-	
	1	Investment – Same as above – Third payment		400,000.-
Nov	1	Cash	200,000.-	
	1	Investment – Same as above – Fourth payment		200,000.-
	1	6 Cash	100,000.-	
	1	Investment – Same as above – Fifth payment		100,000.-
	1	8 Cash	100,000.-	
	1	Investment – Same as above – Sixth payment		100,000.-

EXHIBIT 65-A

1918				
Oct. 11	Capital :- 5+936 shares @ 10"		5+9360 -	
1	Surplus: 5+936 shares @ 15"		13+040 -	
1	Investment: (Pearl-Market Bank & Trust Co. Cincinnati O) the above stock issued as part payment for shares of the Pearl-market Bank & Trust Co.			1.373 400 —
1.18	Capital :- 31.759 shares @ 10"		31+590 -	
1	Surplus: 31.759 shares @ 15"		46885 -	
1	Investment: (Brighton Bank & Trust Co. Cincinnati O) the above stock issued as part payment for shares of the Brighton Bank and Trust Co. Cincinnati Ohio			78.475 D.
21	Cash		750000 -	
1	Investment -	Certificate #316 the Louisville Trust Co. 1%		750 000 -
1	14 Cash		300000 -	
1	Investment	Certificate #399 the Louisville Trust Co. 1%		300000. -
Dec 31	Investment	Certificate of Deposit #6657 National Bank of Kentucky	500 00000.	
1	Cash			400000000
1	Investment	Certificate of Deposit #6677 National Bank of Kentucky		100 00000

EXHIBIT 65-A

			Credit	Debit
1919				
Nov 1	4	Credit Bills Payable — Chemical Bank & Trust Company New York, secured by —	1000000 00	
		Cf $ 1001 — 10,000 shs Brighton Bank & Trust Co.		
		Cf $ 1119 — 50,000 shs Trustee Participation Certificate National Bank of Kentucky - The Lawyers Trust Co.		
		Cf $ 242 — 500 shs The Corn Exchange Bank and Trust Co. Common		
		Cf $ 243 — 5,184 shs The Corn Exchange Bank and Trust Co. Common		
		Note dated Nov 4, 1919 — On Demand		
	1	Investment — Certificate of Deposit - National Bank of Kentucky - A 66266 - 6%		1000000,00
	1	17 Cash	4169 50	
	1	Investment — Certificate of Deposit - National Bank of Kentucky - A 66514 - 6%		2500000 -
	1	(Same) - A 66515 - 6%		500000 -
	1	(Same) - A 66516 - 6%		500000 -
	1	(Same) - A 66517 - 6%		500000 -
	1	(Same) - A 66518 - 6%		100000 -
	1	(Same) - A 66519 - 6%		6650 -
	1	13 Investment		
		Certificate of Deposit A 66514 - 6%	2500000 -	
	1	Revenue -		
		Interest on Certificate of Deposit A 66514	41666	
	1	Investment		
		Certificate of Deposit A 66504 - 6%		500000 -
	1	Cash		2000 41666
Dec	1	10 Capital Stock		
		200 shares the Commonwealth Company	200000	
	1	Surplus:	300000	
	1	Investment: Final payment Brighton Bank & Trust Co by issuance of 200 shares the Commonwealth Co & Investment Market		500000

EXHIBIT 65-A

1909				
Oct 1/16	Capital Stock -			
		1038,788 shares at $10.00 per share	10387880.00	
1	Surplus -	1,038,788 shares at $15.00 per share	15581820.00	
1	Investment:	Shares Participating Share - Nominal Bank of Kentucky-The Lamme Trust Co		
		Certificate #898 - 31090 shares		
		#899 - 50,000 "		
		#900 - 50,000 "		
		#901 - 50,000 "		
		#902 - 50,000 "		
		#903 - 50,000 "		
		#904 - 50,000 "		
		#905 - 50,000 "		
		#906 - 50,000 "		
		#907 - 50,000 "		
		#908 - 36,894 "		
		Total 516,894 shares @ 50.00		25844700.00
Nov 1/8	Capital Stock:			
		3600 shares @ 10.00 per share	36000.00	
	Surplus: -			
		3600 shares @ 15.00 per share	54000.00	
1	Investment: -	Shares Participating Share - Nominal Bank of Kentucky-The Lamme Trust Co		
		Certificate #909 - 826 shares		
		Certificate #911 - 974 shares		
		Total 1800 shares @ 50.00		90000.00
1/16	Capital Stock			
		1240 shares @ 10.00 per share	12400.00	
1	Surplus			
		1240 shares @ 15.00 per share	18600.00	
1	Investment			
		Shares Participating Share - Nominal Bank of Kentucky-The Lamme Trust Company-		
		Cert # 912 - 6220 shares at 50.00 per share		311000.00

EXHIBIT 65-A

			Credit	Debit
1929				
Nov 18	Investment:			
		Certificate of Deposit #66518	100000 -	
✓	Revenue:			
		Interest on Certificate of Deposit #66518	6666	
	Cash			100666
	Investment	Certificate of Deposit #6653 - 1st National Bank of	500000 -	
	Revenue	Interest on Certificate of Deposit #	66666	
	Investments	Certificates of Deposit National Bank of Kentucky #66589 - #66590 - #66591 - #66592		400000
	Cash			566666
	Investment	General Payment, Brighton Bank & Trust Co Cincinnati transferred via National Bank of Kentucky Federal Reserve Bank to the Brighton Bank & Trust Co for account The Bank of Kentucky Company		7500000
Dec 9	Capital Stock			
		580 shares National Bank of Kentucky The Lawrenceburg Trust Co issued @ 10th per share	5800 -	
	Surplus	580 shares National Bank of Kentucky The Lawrenceburg Trust Co issued @ 5th per share	8700 -	
	Investment:	Trustees Agreement Certificate - National Bank of Kentucky - The Lawrenceburg Trust Co Certificate #918 - 290 shares at 50th per share		14500 -
	11 Investment			
		Certificates of Deposit as follows		
		#66589 dated 11-21-29	100000 -	
		#66590 dated 11-21-29	100000 -	
		#66591 dated 11-21-29	100000 -	
		#66592 dated 11-21-29	100000 -	
	Revenue	Interest on Certificates of Deposit #66589-90-91-92	1833 33	
	Cash			401 33333

EXHIBIT 65-A

			Credit	Debit
1917 Dec 17	Capital Stock:	160 shares National Bank of Kentucky - the Louisville Trust Company unfed at 10% per share	1600-	
"	Surplus:	160 shares National Bank of Kentucky the Louisville Trust Company unfed at 15% per share	1740-	
1	Investment:	Trustees Participation Certificate - National Bank of Kentucky - the Louisville Trust Company - Certificate 04915 430 shares at 50% per share		2150-
1 21	Capital Stock	220 shares National Bank of Kentucky the Louisville Trust Company unfed capital stock @ 10% per share	2200-	
1	Surplus:	220 shares National Bank of Kentucky the Louisville Trust Company unfed capital stock @ 15% per share	3300-	
1	Investments	Trustees Participation Certificate National Bank of Kentucky - the Louisville Trust Company - Cert 04916 - 110 shares at 50% per share		5500-
1 31	Dividends Receivable: Surplus:	See ledger for explanation of items	477180-	
				477180-
Jan 16	Capital Stock	400 shares National Bank of Kentucky the Louisville Trust Company unfed participation shares at 10% per share	4000 00	
1	Surplus:	400 shares National Bank of Kentucky the Louisville Trust Company unfed participation shares at 15% per share	6000 00	
1	Investment	Trustees Participation Certificates National Bank of Kentucky - the Louisville Trust Company - Certificate 04918 for 200 shares at 50% per share		10000-

EXHIBIT 65-A

			Credit	Debit
1920 Jan 22		Capital Stock		
		340 shares National Bank of Kentucky The Louisville Trust Company unified participation shares at $10.00 per share	3400 -	
	✓	Surplus:		
		340 shares National Bank of Kentucky The Louisville Trust Company unified participation shares at $15 - per share	5100 -	
	✓	Investment:		
		170 shares National Bank of Kentucky The Louisville Trust Company unified Certificate of 1920 for 170 shares at $50. per share		8500 -
	✓	Investment: -		
		Ctf of Deposit 386 The Louisville Trust Co. - 6%	75000000	
	✓	Ctf of Deposit 399 The Louisville Trust Co. 6%	30000000	
	✓	Investment: -		
		Ctf of Deposit A 66916 - 6% National Bank of Kentucky		55000000
	✓ 31	Investment: -		
		Ctf of Deposit A 66446 dated Nov 4. 1919 National Bank of Kentucky	100000000	
	✓	Revenue -		
		Interest on Ctf of Deposit 466446 National Bank of Kentucky	483333	
	✓	Cash		100483333
Mar 1	18	Capital Stock		
		18000 shares National Bank of Kentucky The Louisville Trust Company unified participation shares at $10.00 per share	180 00000	
	✓	Surplus		
		18000 shares National Bank of Kentucky The Louisville Trust Company unified participation shares at $15.00 per share	270 00000	
	✓	Investment:		
		9000 shares National Bank of Kentucky The Louisville Trust Company unified participation shares at 50.00 per share Ctf 2 1919 for 9000 shares		450 00000
	✓	Capital Stock		
		1790 shares National Bank of Kentucky - The Louisville Trust Company unified participation shares at 10.00 per share	17 90000	

EXHIBIT 65-A

			Credit	Debit
1920. Mar 10	Surplus	1270 shares National Bank of Kentucky The Louisville Trust Company unified participation shares at $15.00 per share	19050.00	
/	Investment	645 shares National Bank of Kentucky The Louisville Trust Company unified participation shares at $50.00 per share		32250.00
/ 24	Investment	Certificate of Deposit, National Bank of Kentucky A 66777 dated Jan 2, 1920	10000000	
/	Revenue	Eight days interest on C.D. A 66777	13333	
/	Cash			10013333
/ 31	Investment	Certificate of Deposit A 66516 National Bank of Kentucky dated Nov 17, 1919	50000000	
/	Revenue	Interest on National Bank of Kentucky Certificates of Deposit A 66516 - A 66916 - A 66515 to 3/31/20	133333	
/	Investment	Certificate of Deposit National Bank of Kentucky A 67180 dated April 1, 1920		40000000
/	Cash			10413333
/ 24	Capital Stock	4010 shares National Bank of Kentucky The Louisville Trust Co. unified participation shares at 10.00 per share	40100.00	
/	Surplus	4010 shares National Bank of Kentucky The Louisville Trust Co. unified participation shares at 15.00 per share	61200.00	
/	Investment	2040 shares National Bank of Kentucky The Louisville Trust Co. unified participation shares at 50.00 per share		102000.00

EXHIBIT 65-A

1920		Credit	Debit
May 1	Investment		
	Certificate of Deposit #67180 National Bank of Kentucky dated April 1, 1920	400000.00	
1	Revenue:		
	Interest on Ctf of Dep #67180 for 31 days at 6%	2066.66	
1	Investment:		
	Certificate of Deposit #67344 National Bank of Kentucky dated		200000.00
1	Cash		202066.66
1	b Investment:		
	Certificate of Deposit #67344 National Bank of Kentucky dated May 2, 1920	200000.00	
1	Revenue:		
	Interest on Ctf of Dep. #67344	133.33	
1	Cash		200133.33
1	c Capital Stock		
	2640 shares National Bank of Kentucky The Lamaville Trust Company unified Participation Shares @ 10¢ per share	26400.00	
1	Surplus		
	3960 shares National Bank of Kentucky The Lamaville Trust Company unified Participation Shares @ 15¢ per share	39600.00	
1	Investment:		
	1320 shares - Ctf #4959 - National Bank of Kentucky - The Lamaville Trust Company unified Participation Shares at 5¢ per share		6600.00
1	11 Investment		
	Certificate of Deposit #66515 dated Nov 12, 1919 National Bank of Ky	500000.00	
1	Revenue: Interest on Ctf of Dep #66515 Natl Bank of Ky	333.33	
1	Investment		
	Certified of Deposit #67387 National Bank of Kentucky dated May 14, 1920		300000.00
1	Cash		203333.33

EXHIBIT 65-A

1930				
May 23	Investment:			
	Certificate of Deposit #66916 dated June 24 1930 ~~Suspended Bank of Kentucky~~	550 00000		
/	Revenue:			
	53 days interest on Ctf of Deposit #66916	4858 33		
	Investment:			
/	Ctf of Deposit National Bank of Kentucky dated May 23. 1930 No. 867+33		400 00000	
			154 65833	
/	Cash			
May 26	Investment:			
	Certificate of Deposit National Bank of Kentucky # 67387 dated May 14 1930	300 00000		
/	Revenue:			
	12 days interest on Ctf of Deposit # 67387	60000		
	Investment:			
/	Certificate of Deposit National Bank of Kentucky # 67+47 dated May 26. 1930 at 6%		200 00000	
	Cash		100 60000	
June 6	Investment:			
	Certificate of Deposit National Bank of Kentucky # 67+47 dated May 26. 1930	200 00000		
/	Revenue: 11 days interest on Ctf of Deposit # 67+47	31666		
/	Investment:			
	Certificate of Deposit # 67+96 National Bank of Kentucky dated June 6. 1930 at 6%		100 00000	
			100 31666	
/	Cash			
June 11	Investment:			
	Certificate of Deposit # 67+33 dated May 23. 1930	400 00000		
/	Revenue:			
	19 days interest on Ctf of Deposit # 67+33	126666		
/	Cash		401 26666	
/ 14	Bills Payable - Chemical Bank & Trust Co, Newyork secured by 10000 shs Brighton Bank & Trust Co; 10 10# shares Pearl Market Bldg Co and 50000 Trustee Certificates	1000 00000		
/	Cash		1000 00000	

EXHIBIT 65-A

1920			
June 19	Capital Stock		
	220 shares National Bank of Kentucky - The Louisville Trust Company merged Participation Shares at 10% per share	2200.00	
/	Surplus		
	220 shares National Bank of Kentucky - The Louisville Trust Company merged Participation Shares at 15% per share	3300.00	
/	Investment		
	110 shares - Certificate #--?-- - National Bank of Kentucky - The Louisville Trust Company merged Participation Shares at 50% per share		5500.00
/ 30	Capital Stock		
	24930 shares issued in exchange for stock of the First National Bank Ashland @ 10% per share	249300.00	
/	Surplus		
	24930 shares issued at 15% per share for stock of the First National Bank Ashland	373950.00	
/	Investment		
	6925 shares First National Bank Ashland Ky 20% par value received to date at 90% per share		6232.50
/	Capital Stock		
	5570 shares issued at 5% per share	5570.00	
	1176 shares issued at 10% per share for stock of the Ashland National Bank Ashland Ky	11760.00	
	Surplus		
/	5570 shares issued at 15% per share	83556.00	
/	1170 shares issued at 15% per share for stock of the Ashland National Bank Ashland Ky (Cash in the amount of 3% paid to stockholders of the Ashland National Bank Ashland Ky representing fractional shares each basis 25% per full share assuming exchange)	176.00	
	Investment		
/	6963 shares Ashland National Bank Ashland Ky at 200% per share (par) received to date		13926.00
/	147 shares, Ashland National Bank Ashland Ky at 187½ per share (par) received to date Less cash payment 37½; See above explanation		2940.00

EXHIBIT 65-A

		Credit	Debit
1930 June 1	Capital Stock		
	78734 shares at 10.00 per share issued in exchange for stock of the Security Bank, Lawrenceburg, Ky. (par value $100) received to date.	787340.00	
	Surplus		
	7835 shares at 15.00 per share issued in exchange for stock of the Security Bank, Lawrenceburg, Ky (par value $100) received to date	47335.00	
	(Cash in amount of $2066.00 paid stockholders of Security Bank Lawrenceburg, Ky for 826 shares at rate of $25.00 per share, under option Bain exchange)		
	Investment Security Bank, Lawrenceburg, Ky		905850.00
	78234 shares The Bain-Kentucky Company @ $25.00 per share, being balance of purchase price of 2607 shares The Security Bank stock at 300.00 per share, or total cost price of $91,450.00 (2607 shares Security Bank stock, par $100.00 received to date)		
July 1	Investment:		
	Certificate of Deposit 16796 National Bank of Kentucky dated June 6, 1930 cashed	100000.00	
	Revenue:		
	Interest on Ctf of Deposit 16796	433.33	
	Cash		100433.33
June 30	Capital Stock		
	900,000 shares The Bain-Kentucky Company issued to Caldwell & Company in exchange for 10000 shares - $100.00 par stock Caldwell & Company	9000000.00	
	Surplus:		
	900,000 shares The Bain-Kentucky Company issued to Caldwell & Co in exchange for 1000 shs Caldwell & Co	13500000.00	
	Investment:		
	10,000 shares Caldwell & Company, Nashville Tennessee capital stock par value $100.00 each Certificate #20 dated April 22, 1930		22,500,000.00

EXHIBIT 65-A

			Credit	Debit
1900 June	30	Investment (Stock Purchased) 95700 shares The Bancorkentucky Company cancelled	7397500 00	
		Capital Stock - 95700 shares @ 0.00 per share The Bancorky Co. cancelled		9570000
		Surplus 95700 shrs @ 10.00 per shr The Bancorky Co. cancelled		1435500
Sept	18	Bills Payable - National Bank of Kentucky Lexington secured by shares Peoples Liberty Bank and Trust Co. Covington Ky	50000 -	
		Cash		50000
	11	Capital Stock 40 shares 10.00 par value issued in exchange for five shares Ashland National Bank Ashland Ky	40000	
		Surplus 40 shares @ 15.00 per share issued in exchange for five shares Ashland National Bank Ashland Ky	60000	
		Investment 5 shares Ashland National Bank Ashland Ky par value 100.00 per share @ 200.00 per share Cost [illegible]		1000
	11	Capital Stock 850 shares @ 10.00 per share The Bancorkentucky Company issued in exchange for stock of the Security Bank	850000	
		Surplus 850 shares @ 15.00 per share The Bancorkentucky Company issued in exchange for stock of the Security Bank	12750 00	
		(Cash in amount 9.00 paid stockholders (of Security Bank Louisville Ky for 360 shares) (at rate of 25.00 per share under option to (in the exchange)		
		Investment: Security Bank Louisville Ky 850 shares The Bancorkentucky @ 25.00 per share being balance of purchase price of 85 shares The Security Bank at 350 per share, a total cost price of 329.750.00 (85 shares Security Bank stock par value 100.00 per share, received to date)		21250 00

EXHIBIT 65-A

1900 Sept 18	Investment (Stock Purchases) 10,300 shares The Bank of Kentucky Company cancelled	257500 00	
	Capital Stock 10,300 shares @ $10.00 per sh The Bank of Kentucky Co cancelled		103000 00
	Surplus 10,300 shares @ 15¢ per sh The Bank of Kentucky Co cancelled		154500 00
	23 Capital Stock 7310 shares National Bank of Kentucky - The Louisville Trust Co merged Participation Shares at $10.00 per share	73100 00	
	Surplus 7310 shares National Bank of Kentucky - The Louisville Trust Company merged Participation Shares at $15.00 per share	34650 00	
	Investment: 1155 shares National Bank of Kentucky - The Louisville Trust Company, Certificate 10464 at 50¢ per share		57750 00
Oct 6	Capital Stock 90 shares The Bank of Kentucky Company at 10¢ are issued in exchange for stock of the Security Bank	900 00	
	Surplus 90 shares The Bank of Kentucky Company at 15¢ per share issued in exchange for stock of the Security Bank Lawrenceburg Ky	1350 00	
	(Cash in amount of $900.00 paid for 36 shares at rate of 25¢ per share under option "B" in the exchange)		
	Investment Security Bank Lawrenceburg Ky 90 shares The Bank of Kentucky Company at 25¢ per share being balance purchase price 9 shares Security Bank at 350.00 per share, or total cost $3150.00 (9 shares Security Bank, Certificate 4472)		2250 00

EXHIBIT 65-A

1930					
Oct	21	Capital Stock:-			
		120 shares at 10ⁿ per share The Banc-Kentucky Company stock issued in exchange for stock of the Security Bank, Louisville Ky		1200 00	
		Surplus:			
		120 shares at 15ⁿ per share The Banc-Kentucky Company stock issued in exchange for stock of the Security Bank, Louisville Ky		1800 00	
		Cash in amount of $1200ⁿ paid for 48 shares at rate of 25ⁿ per share under option "B" in this exchange			
		Investment:: Security Bank, Louisville, Ky			3000 00
		120 shares The Banc-Kentucky Company at $25ⁿ per share being balance of purchase price of 12 shares Security Bank stock at $350ⁿ per share; a total cost of $3000ⁿ			
		Certificate # 1474 for 12 shares Security Bank stock rec'd			
		Bills Payable - Chemical Bank & Trust Co. New York N. Y.		6000000 00	
		Secured by			
		10,300 Trustees Participation shares National Bank of Kentucky			
		The Louisville Trust Co. Ctf 1959 for 1320 shares; ctf 0919 for 9980 shs			
		2000 shares The Fourth Market Bank & Trust Co. Cincinnati, Ohio			
		Ctf 332 - 100 shares; 333 for 300 shares; 287 for 760 shs; 291 for 940 shares			
		Ctf 319 for 50 shares in name Eustace M. Mosley			
		Ctf 318 for 50 shares in name P. Lincoln Mitchell			
		2000 shares The Brighton Bank & Trust Co. Cincinnati Ohio			
		Ctf 1008 for 500 shares; 1009 for 500 shs; 1010 for 1000 shs, now pending			
		22,500 shares Standard Oil of Kentucky (Wakefield Co)			
		Note dated Oct 22 1930 on demand			
		Cash			6000000 00
Sept	29	Capital Stock:			
		5175 shares at $10ⁿ per share The Banc-Kentucky Co stock issued in exchange for stock of the Mechanics Trust and Saving Bank, Lebanon Ky		51750 00	
		Surplus			
		5175 shares at $15 per share The Banc-Kentucky Company stock issued in exchange for stock of the Mechanics Trust and Saving Bank, Lebanon Ky		77625 00	
		Investment			
		595 shares Mechanics Trust & Saving Bank Lebanon Ky			129375 00
		par value 100 per share at 225 per share			

EXHIBIT 65-A

Closing Entries - December 31st, 1929

1929			Credit	Debit
Dec	31	Examiners and Accountants Fees	4846 21	
		Charge Investments:-		
		Brighton Bank and Trust Co.		170990
		The Peark Market Bank & Trust Co.		224380
		Central Savings Bank & Trust Co.		57251
	31	To Undivided Profits-	369 10423	
		Interest on Certificates of Deposit		796323
		Interest on Bank Subscriptions		27740
		Dividend - Brighton Bank & Trust Co.		420000
		Dividend - The Peark Market Bank & Trust Co.		94 45200
		Dividend - National Bank of Kentucky - The Louisville Trust Co.		210 29760
	31	Credit Expense-		
		Interest paid	950000	
		Federal Tax on Original Issue	52691	
		Legal	51860	
		Listing Fees (Chicago and Louisville Stock Exchanges)	1010000	
		Supplies and Printing	243152	
		Telegraph	32806	
		Travelling	46067	
		Accountants	10617	
		Organization Tax and Registration Fee	123800	
		To Undivided Profits		2997688
		Reserved for Taxes	70 7960	
		Undivided Profits (Reserved for taxes)		70 7960
		Dividend No 1 - Payable January 2, 1930	306 53380	
		Undivided Profits		306 53380

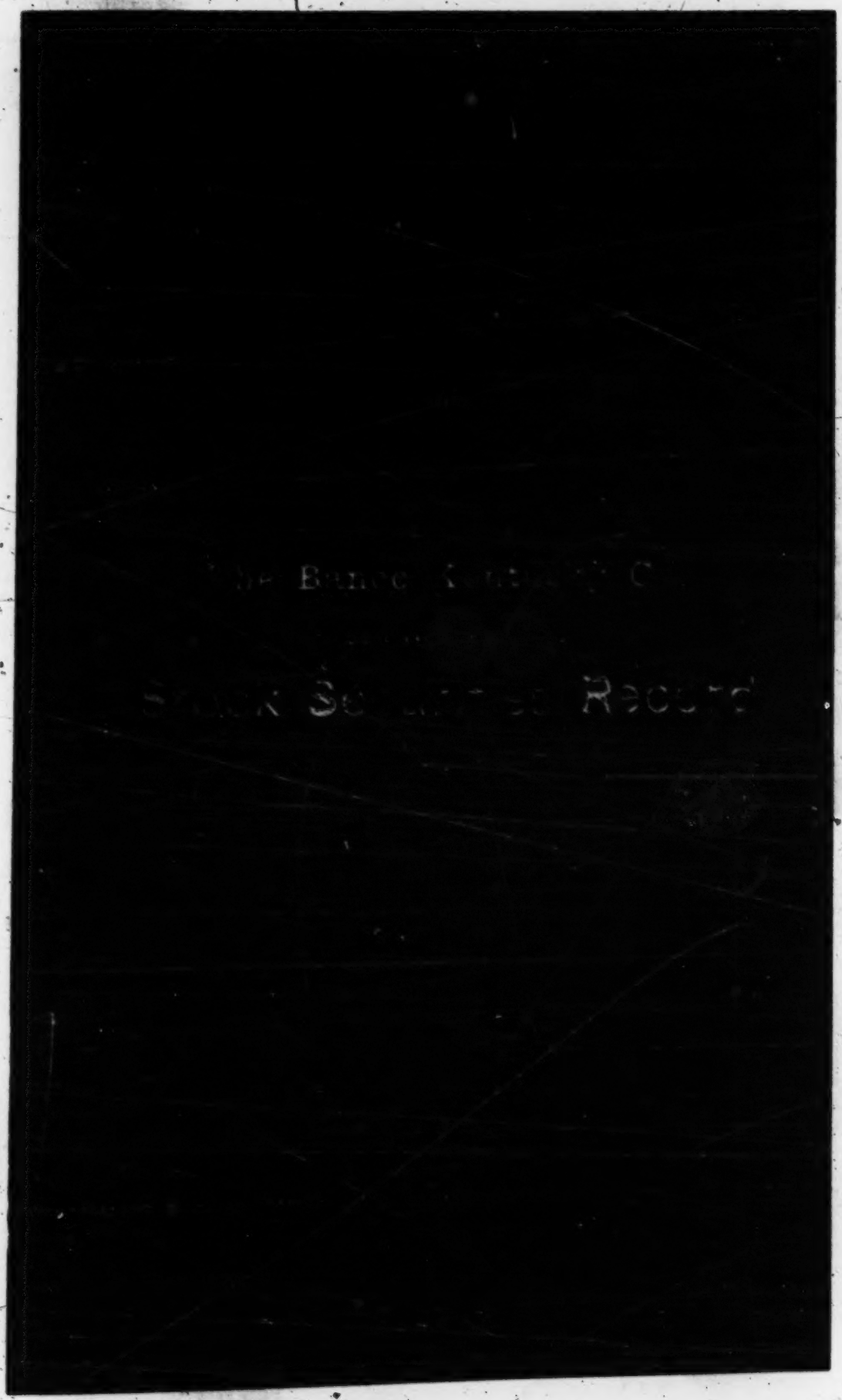
Closing Entries - June 30, 1930

1930			Credit	Debit
June 30	Examiner and Accountants Fees	✓	406 53	
	1st Second National Bank, Ashland, Ky			
	Undivided Profits	✓		406 53
30	Undivided Profits		37806 53	
	Interest on Certificates of Deposit	✓		43794 83
	Dividend - The Brighton Bank & Trust Co, Cincinnati, Ohio	✓		26640 50
	Dividend - Central Savings Bk & Tr Co, Covington, Ky	✓		6576 00
	Dividend - The First National Bank, Catlettsburg, Ky	✓		10670 00
	Dividend - The Pearl-Market Bk & Tr Co, Cincinnati, Ohio	✓		28329 60
	Dividend - The Peoples-Liberty Bk & Tr Co, Covington, Ky	✓		6908 00
	Dividend - Trustees Participation Shares - National Bank of Kentucky - The Lawerville Trust Company	✓		15119 60
	Dividend - Union Central Life Insurance Co	✓		39500
30	Credit Expenses			
	Interest Paid	✓	4133 33	
	Insurance and Postage	✓	800	
	Legal	✓	1788 10	
	Listing Fee (Louisville and Chicago Stock Exchange)	✓	500 00	
	Miscellaneous	✓	117 91	
	Organization Fee	✓	640 00	
	Supplies and Printing	✓	889 48	
	Taxes (Franchise - State of Delaware)	✓	239 17	
	Transfer Agent and Registrar Service	✓	1690 91	
	Sundry	✓	970	
	Undivided Profits			6395 51
	Undivided Profits		46887 50	
	Appreciation (on purchase of the Bank Bankers Co stock)	✓		46887 50
	Dividend #2 - Payable April 1, 1930	✓	31419 00	
	Undivided Profits			31419 00

EXHIBIT 65-B

		No. Shs.	Amount	Total to Date
1917				
Sept	Ashburn, Miss Beulah E	10	250	
	Batemiller, Mrs. Emma Hand	20	500	
	Bennett, Addison	50	1250	
	Bibler, Miss Mary A	25	625	
	Elliott, David C	10	250	
	Hill, Howard M	10	250	
	Hocking, William O	5	200	
	Humphrey, Herman	100	2500	
	McBill, Miss Nellie V	4	100	
	Miner, Mrs. Frances M	20	500	
	Neff, Charles O	50	1250	
	Reis, Miss Lenice	50	1250	
	Short, Ray M	10	250	
	Smith, John A	10	250	
	Taylor, Bushrod M	50	1250	
	Taylor, Miss Libbie M	50	1250	
	Vandruff, Miss Natalee	50	1250	
	Avery, Mrs Jennie M	10	250	
	Bartholomew, Mrs. Mary	2	50	
	Baty, Miss Flora	20	500	
	Bibler, Sarah K	10	250	
	Bryan, Volney M	30	750	
	Bushnell, Mrs Jeannette Davis	70	1750	
	Chiles, Mrs. Mary L	100	2500	
	" Richard A	100	2500	
	Cowles, Annette B	5	125	
	Dabney, Minnie B	4	100	
	Dupont, Miss Zara M	44	1100	
	Elmes, Mrs. Mary M	10	250	
	Hall, Mrs. Kate B	16	400	
	Hooker, Miss Elizabeth J	2	50	
	Head, M. O	300	7500	
	Herberger, Miss Catherine O	5	125	
	" Miss Mary Evelyn	5	125	
	" Miss Rosella P	5	125	
	" William F	10	250	
	Huber, Charles A	12	300	
	Jamison, George M	20	500	
	Letterle, Mrs. Libbie M	100	2500	
	Metcalfe, Dr. John M	6	150	
	Mitchell, Edward M	20	500	
	Reardon, Jr. Trustee	4	100	
	Read, John	8	200	
	Steadhoff, Herman M	50	1250	
	Turney, Joseph J	25	625	
	Wysall, Mrs. Caroline L	20	500	

Exhibit 65 - B



1621-A

EXHIBIT 65-B

1929				
Apl 25	Walker, Mrs. Flora	35	875	
	Woodruff, John T	100	2500	
	Baron, William J	40	1000	
	Clark, William H	100	2500	
	Dempsey, Jack L	500	12500	
	Engel, William	60	1500	
	Feltzman, George	10	250	
	" Harry	10	250	
	Hendricks, Robert J	72	1800	
	Hammond, Mrs. Neville S	15	375	
	Hinde, Mrs. Elizabeth Macklin	60	1500	
	Herring, Joseph A	20	500	
	" Mrs. Annie	40	1000	
	Hennessey, James H	5000	125000	
	Hahn, Miss Jean	40	1000	
	" Walter J	500	12500	
	Mattingly, Louis J	20	500	
	Michael, Louis	50	1250	
	Mohlenkamp, Miss Florence	10	250	
	Milligan, Joseph J	40	1000	
	Nicholson, Charles S	5	125	
	Peabody, Stuyvesant	2000	50000	
	Terhune, Grant	5	125	
	Webb, Mrs. Bess Hilton	40	1000	
	Woodward, Clementine V	20	500	
	Amount			281100 ✓

EXHIBIT 65-B

1929					
Sept	Alexander, H. Alamon Jr.	10		2	50
	Anderson, Lymans C.	40		7	50
	Armstrong, George R.	20		5	00
	Behrens, Miss Rose D.	25		6	25
	Bryant, Mrs. Lillie M.	40		10	00
	Cawthon, Miss Mary Belle	25		6	25
	Cowart, Miss Lotte B.	50		12	50
	Ellars, L. Ray	20		5	00
	Gerow, Lewis J.	30		7	50
	Gibbons, Mrs. Mary S.	10		2	50
	Gifford, Miss Lula Stafford	16		4	00
	Gowing, Leonard C.	10		2	50
	Gaitins, Charles L.	25		6	25
	Hoffman, James E.	25		6	25
	Hucker, Jesse H.	25		6	25
	Hraemer, Mrs. Carrie S.	30		7	50
	Kassinier, Fernand M.	20		5	00
	Kerling, R. Glen	50		12	50
	Kreng, Mrs. Jennie Manley	40		10	00
	, Lewis S.	30		7	50
	Lowney, Miss Eleanor M.	50		12	50
	Lurpin, Miles	50		12	50
	Vaughan, James O.	10		2	50
	Weber, Franklin O.	10		2	50
	Weiss, George A.	10		2	50
	Wessel, Mrs. Anna S.	8		2	00
	Windish, Miss Lorena A.	6		1	50
	Alford, Robert C.	30		7	50
	Austin, Addie	20		5	00
	Bixby, Clay Wade	3			75
	Bartholomew, Chester	10		2	50
	Buttemier, Miss Julia	10		2	50
	Cleland, Robert R.	10		2	50
	Cox, Mrs. Katie	8		2	00
	Cummins, Miss Mary	10		2	50
	Denson, Mrs. Earl	8		2	00
	Dorsey, Mrs. Alice L.	50		12	50
	Durham, Richard A.	100		25	00
	Everett, Miss Carolyn	25		6	25
	Exby, Martin S.	60		15	00
	Exley, Mrs. Ely B.	35		8	75
	Freeman, Claude	25		6	25
	Grove, Miss Carrie R.	10		2	50
	Haden, Miss Sallie J.	40		10	00
	Hansen, Richard A.	50		12	50
	Hlack, Joseph J.	16		4	00

EXHIBIT 65-B

1929			
Sept 26.	Sedapp, Joseph J.	1	2.00
	Sein, Julia P.	10	2.50
	Semeon Miss Anna B.	12	2.00
	Sengler Lena F.	48	1.00
	Seeh, Miss Flora E.	8	2.00
	Seifer, Miss Mattie	4	1.00
	Sepp, Miss Eleanor B	10	2.50
	Seal	10	2.50
	Seal, Mrs Helena	108	27.50
	Sewing, Miss Emma	20	5.00
	Maloney, Mrs Nellie	100	25.00
	Maner, Miss Mamie S.	20	5.00
	Mayley, Edward	60	15.00
	Michel, Miss Mary E.	10	2.50
	Miller, Perry B.	60	15.00
	Mock, B. Douglas	10	2.00
	Phiel, Alex J.	100	25.00
	Phillips, Miss Jennie	100	25.00
	Schmidt, Miss Edna C.	5	1.25
	Settle, Mrs Annie K.	2	.50
	Stelly, Miss Ella R.	20	5.00
	Upton, Miss Harriet F.	1	.25
	Vedekind, Ernest L.	12	2.00
	Vilson, William	2	.50
	Vren, Charles Jr.	4	1.00
	C.	10	2.50
	Vuicich, Bernard A.	60	15.00
	Atchison, Minnie K.	10	2.50
	Carothers, Miss Jennie B.	20	5.00
	Cecke, Dudley B.	50	12.50
	Collis, Mark	40	10.00
	Conrad, Mrs Louise v Rosenbaum	60	15.00
	Cudinsky, Ernest	300	75.00
	Evans, Charles S.	25	6.25
	Farrell, Edward	140	35.00
	Gifford, Morris R.	20	5.00
	Gregory, Louis R.	100	25.00
	Hallenbeck, Lucy Gill	6	1.50
	Johnson, Miss Zelda	5	1.25
	Kopfhammer, Paul	20	5.00
	Kendall, James L.	10	2.50
	Maier, Adolph R.	25	6.25
	Marks, Charles R.	100	25.00
	Murphy, Thomas M.	500	125.00
	Pennington, William L.	50	12.50
	Pinkett, Sr. Alice N.	100	25.00
	1624		

EXHIBIT 65-B

77 Sept 26	Plummer, Miss Lena	20	500	
	Ross, Mrs. Annie	20	500	
	Rutherford, Mrs. Susan B.	100	2500	
	Schneider, William	40	1000	
	Schwab, Irvin	10	250	
	Smith, Newton C.	60	1500	
	Stuesser, Miss Mary G.	1	25	
	Thintjes, Herbert	4	100	
	Yenner, Georgia	100	2500	
		655		16375.00 ✓

EXHIBIT 65-B

	Allen, Miss Eva	12	300
	Behrens Miss Clara L	50	1250
	" Catherine S	50	1250
	Benedict Miss Nina	10	250
	Bridges, Miss Elizabeth	15	375
	Casper, John T.	10	250
	Cunningham, Miss Julia	5	125
	Farnsworth, Miss Edith	10	250
	Garrard, Mrs Mary T	100	2500
	Gerardi, Sidney	100	2500
	Gordon, Miss Alice E	100	2500
	" Helen	20	500
	Graff, Edward S	400	10000
	Harlan, Marion B. Mr.	10	250
	Hibbitt, Charles H	10	250
	Hoskins, William O	12	300
	Howard, Miss Carolyn	5	125
	Jutti, Emil O.	500	12500
	Love, Miss Florence Y	4	100
	McKenna, John J	100	2500
	McQuary, Mrs Daisy L	100	2500
	Miller, Christian C	50	1250
	" George M	500	12500
	Nugent, Mrs. Mattie	40	1000
	" Thomas L	60	1500
	Ramsey, Vivian B. Mr.	10	250
	Ripley, Mrs Eleanor M	20	500
	Solomon, Sam L	100	2500
	Sharp, Peter B	100	2500
	Speaker, Miss Gertrude R	5	125
	Stilz, Mrs. Ann	40	1000
	Stahmer, Miss Daisy R	25	625
	Waddy, Noble	40	1000
	Avery, Mrs Jennie T	10	250
	Barbour, Miss Caroline T	16	400
	" Philip T	200	5000
	"	20	500
	Beard, Albert M	200	5000
	Biederstaff, J. H.	20	500
	Beteler, T. A. Comm. for Eleanor Hatton Morris	20	500
	Betton, Larry	10	250
	Brent, Mrs. Jennie B.	10	250
	Burton, Mrs. Mary M.	3	75
	Butler, Mrs. Lizzie T.	12	300
	Carter, Mrs. Lou Ella	40	1000

EXHIBIT 65-B

1927 Sept 27	Shank, Wm J.	500	12500
	Conner, Clifford T. & Alberta M.	12	300
	Denson, Miss Mildred Pearl	4	100
	Eber, Richard J.	40	1000
	Evans, William S.	20	500
	Goodman, Harry H.	10	250
	Grauman, Miss Frances C.	20	500
	Hartmetz, William H.	100	2500
	Hogge, Mrs. Florence S.	20	500
	Huber, Joseph	100	2500
	Hutchison, Miss Margaret S.	2	50
	Ingalls Iron Works Co.	1000	25000
	Jones, Mrs. Margaret S.	10	250
	Lynch, Mrs. Ruth Kelly	20	500
	Maloney, Miss Margaret T.	10	250
	Masson, Miss Leila Pearl	6	150
	McClellan, L. B.	20	500
	Meyers, Mrs. Emilia S.	8	200
	Moore, Miss Emma L.	4	100
	Payne, Mrs. Anna S.	10	250
	Reitze, Harry Jr.	16	400
	Rutledge, Miss Maud	4	100
	Schick, William E.	120	3000
	Schneider, Chris J.	100	2500
	Schneiderhan, Mrs. Katie R.	2	50
	Shanda, Harry J.	150	3750
	Sheehan, John J.	20	500
	Stone, Sheldon	2	50
	Taylor, Lorance A.	300	7500
	Wagner, William	170	4250
	Waldrop, Mrs. Carrie L.	4	100
	" "	2	50
	Aston, Robert L.	100	2500
	" Robert Tracy	12	300
	" Hodie L.	6	150
	Bair, John H. Jr.	1000	25000
	Bergmann, Mrs. Lena M.	20	500
	Bottom, Barry	10	250
	Bryant, John H.	5	125
	Carson, John M.	100	2500
	Cassell, Joseph Bryan	20	500
	Clem, Mrs. Margaret A.	50	1250
	Cowan, Mrs. Margaret B.	100	2500
	Doherty, Miss Mildred A.	240	6000
	Duncan, Mrs. Annie L.	80	2000
	Edelen, Mrs. Belle J.	4	100

EXHIBIT 65-B

1927				
Sept	Baumgartner, Miss Lenora	10	2 50	
	Gibson, Anderson A	10	2 50	
	" , Mrs Lillie May	10	2 50	
	Gnau, Albert C	100	25 00	
	Gosling, Clinton B	15	3 75	
	Hall, Mrs. Elizabeth	40	10 00	
	Hammill, Miss Adelle V	16	4 00	
	" , Mrs. Mary S.	16	4 00	
	" , William A.	16	4 00	
	" , " B.	50	12 50	
	" , " B.	50	12 50	
	Hardison, Mrs. Elizabeth A.	20	5 00	
	Heffernan, Miss Blanche A	4	1 00	
	Heitz, Adam	200	50 00	
	Huff, Mrs Eva B	14	3 50	
	Hunter, Mrs. Allyn	25	6 25	
	Irving, Lee S.	80	20 00	
	Kahn, Sylvan H	100	25 00	
	Kentucky Bank Mfg Co.	50	12 50	
	Kimbel, Miss Catherine Elizabeth	2	50	
	" , " Margaret A.	3	75	
	" , " Mary Odette	2	50	
	Kraus, Norbert J	5	1 25	
	Means, Ellison C.	800	200 00	
	Mayer, Miss Elsie	10	2 50	
	Monaden, Mrs. Mary Catherine	10	2 50	
	Poque, Mrs. Genevieve S.	240	60 00	
	" Philip S.	1000	250 00	
	Reid, Miss Edith	4	1 00	
	" Esther	4	1 00	
	Rowley, Charles L	100	25 00	
	Robinson, James M.	100	25 00	
	Rosenbaugh, Mrs Caroline	10	2 50	
	Ryan, H. Frank	50	12 50	
	Schlangenbacher, Mrs Margaret	100	25 00	
	Schlabb, Miss Hortense	100	25 00	
	Schroeder, Mrs. Ruth H.	10	2 50	
	Shedd, Mrs. Eva Macklin	40	10 00	
	Swindler, Miss Alice H.	50	12 50	
	" , " Bertha	40	10 00	
	Unrud, John Jr.	100	25 00	
	Vanamby, C. Edward	60	15 00	
	Whelan, Mrs. Nettie K.	40	10 00	
	" , Richard J	100	25 00	
	" , " Jr.	40	10 00	
		4573		2938 25 ✓

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EXHIBIT 65-B

1927 Sept 28	Bayne, Dorothy A.		1 25
	Charlton, Albert B.		2 00
	Cooke, Edwin Goff		6 25
	Dunlap, Gordon B.		1 25
	Fleming, Kelly & Emily and Kyle		2 00
	Harrell & Garland		6 25
	Simpson, Robert H.		2 00
	Sledd, Miss Fanny		3 75
	Taylor, J Buchard		2 00
	Bensadoun, Mrs Minnie M.		50
	Bernstein, Charles		50
	Buckley, David M.		50
	Bryant, Mrs. Annie C.		50
	Clark, Miss Helen		50
	Doncaster, Miss Grace		1 00
	Eubank, William C.		2 00
	Ewing, Telford A Jr.		2 00
	Fish, Miss Carrie Belle		50
	" Miss Helen L.		50
	Ford, Miss Eliza B.		1 00
	Gayle, Miss Alice Muriel		50
	Hahn, " Christine		50
	Hammond, Stanley S.		10 00
	Haygard, Mrs. Belle		1 50
	Hibbeler, Mrs. Esther T.		3 75
	Hutchison, Miss Margaret S.		1 00
	Jones, Mrs. Mamie H.		2 00
	Kemper, Joseph A.		2 00
	Kiefer, Albert S.		2 00
	Kiffin, Miss Elizabeth		2 00
	Kinnaird, Mrs Blanche C.		2 00
	Knapp, Miss Marie		2 00
	Lockhart, Miss Ella R		1 25
	" Elmer H.		2 00
	" H.		1 25
	" William T.		2 00
	Lyle, Mary N.		1 25
	Lumb & Fuller Mercantile Co.		1 25
	McClelland, Miss Florence		50
	Model Home Construction Co		10 00
	Nugent, Edward R.		2 00
	O'Connor, Miss Ella		2 00
	Owen, Miss Emily V.		1 00
	" Mrs. " Vance		1 00

EXHIBIT 65-B

1937 Sept 27	Parratt, Miss Edna	40	1000
	Ramsey, George J	20	500
	Redeford, Hobson H	10	250
	Ruff, Rudolph C	100	2500
	Russell, Joe C	5	125
	Selin, Miss Harriet B	8	200
	Sibley, Harry L Jr	4	100
	Spady, Elmer M	2	50
	" Henry O	2	50
	Starr, Mrs Emma E	40	1000
	Sawyer, Mrs Isabella	10	250
	Stone, Miss Mary Hall	6	150
	Stribling, Lester O	40	1000
	Sublett, James L	10	250
	Woods, Miss Mary Maxwell	8	200
	Atwood, Miss Jane S	40	1000
	Bailey, Murray	10	250
	Baldwin, Henry	80	2000
	Bannister, William E	100	2500
	Beadon, James T	10	250
	Bayens, Miss Jude L	40	1000
	Bayens, Miss Mary	40	1000
	Bergmann, Walter H	20	500
	Bibley, Howard L	200	5000
	Bibly, Mrs Carrie	100	2500
	" Miss Dorothy	7	175
	" Jane	3	75
	" Lottie A	13	325
		100	2500
	Bolzius, Charles	20	500
	" Edward	10	250
	Borders, Leo S	100	2500
	" James M	100	2500
	Burney, Mrs Lelia M	30	750
	Burney, Miss Mexicana L	4	100
	Chapman, Miss Lena	1	25
	Chappell, Mrs Ray Jr	50	1250
	Cominger, Earl K	100	2500
	"	100	2500
	Connary, John T	1000	25000
	Crutcher, John M	20	500
	Dang, Miss Katie R	40	1000
	" Lonnie	40	1000
	Dayis, Miss Martha M	4	100
	Granade, Mrs Laura M	60	1500
	Goldsteen, Edward A	100	2500

EXHIBIT 65-B

1929 Sept					
	Haag, Fred J.	20	50		
	Harris, Evelyn E. Jr.	4	100		
	Hepp, Charles L.	9	200		
	Hillenmeyer, Miss Grace A.	40	1000		
	Hodges, Mrs. Lora L.	40	1000		
	Hoerr, John J.	10	250		
	Jones, Miss Carrie M.	9	250		
	Kah, Louis A.	10	250		
	Kelleher, Raymond G.	50	1250		
	Kelley, Ed. C.	200	5000		
	Klapheke, Miss Edith	120	3120		
	" Mrs. Julia	40	1120		
	Larsen, Hans C.	10	250		
	Levy, Mrs. Carinne	50	1250		
	Lindsey, T. Noble	500	12500		
	Lutz, William B.	20	500		
	Lyons, Mrs. Anna M.	24	600		
	" & Sarah	20	500		
	McCarthy, William J.	30	750		
	Mann, Mrs. Lucy	4	100		
	Mengel, Clarence R.	1000	25000		
	Miller, Mrs. Carl H.	50	1250		
	Mooney, William H.	500	12500		
	Mulcahy, William J.	20	500		
	Passig, Mrs. Anna M.	12	300		
	Porter, Chas J.	20	750		
	Penney, Adolph G.	50	1250		
	Rodman, Stuyvesant	120	3000		
	Rosenbaum, Harry	60	1500		
	Stephan, William L.	50	1250		
	Tighe, Mrs. Catherine	240	6120		
	" James M.	240	6120		
	Tillie, Charles A.	100	2500		
	Waters, Mrs. Lenora A.	8	200		
	Weakley, Mrs. Katherine B.	50	1250		
	Webb, Mrs. Rose Whitson	40	1000		
	Wetherby, Mrs. Addie M.	240	6120		
	Wientjes, Miss Helen	12	300		
	Winkler, Frederick H.	40	1000		
	Wollett, James P.	100	2500		
		4120		203	6120

1979				
Sept	2	Alderson, Clifford L.	96	24000
		Angermeier, Arthur G.	20	5000
		Appel, Robert R.	130	32500
		" , Walter G.	20	5000
		Askins, William R.	50	12500
		Ayers, Mrs. Julia B.	25	6250
		Baker, Sally S. & Mrs. Alexander Gatt	4	100
		Bohrman, Irvin N.	5	1250
		Brennan, Thomas III	60	15000
		Brown, John C.	100	25000
		Bulkley, Mrs. Emily May	5	1250
		Dickson, Miss Agnes	15	3750
		Dreyfus, Mrs. Mortimer Heis	100	25000
		" , Leidel	100	25000
		Dyer, Frank N.	100	25000
		Eldredge, Miss Mary A.	10	2500
		Fritsch, John J.	10	2500
		Gipperich, Miss Emma Dorsey	20	5000
		Gray, John E.	20	5000
		Green, Thomas	20	5000
		Griffin, James N.	100	25000
		Griswold, Alex V.	100	25000
		" , Mrs. Emma R.	20	5000
		Hagerty, Mrs. Lucy	25	6250
		Hamilton, Harry	25	6250
		Hancock, Judith	100	25000
		Hawkins, Trevor J.	25	6250
		Herrmann, Louis J.	250	62500
		Higgins, Miss Beck	100	25000
		Hodges, Mrs. Margaret R.	8	2000
		Trustee for Charles McEnearney & Rosa Hodges Jr. & Mrs. Margaret R. Hodges		
		Jackman, William A.	50	12500
		James, Miss Margaret McMillan	12	3000
		Jesse, Mrs. Marie L.	12	3000
		Karraker, Charles H.	100	25000
		Kettinger, Leon B.	26	6500
		" , Miss Florence K.	15	3750
		Lemonds, Robert J.	180	45000
		Mann, Mrs. Ruby O.	20	5000
		May, Eugene O.	25	6250
		" , Mrs. Lota B.	10	2500
		Mayo, William O.	500	125000
		McElroy, Charles M.	25	6250
		& Mabel M. with Surv. Rights		
		Meyers, Brenda A.	100	25000

EXHIBIT 65-B

1927 Sept 20	Meyer, Mrs. Elizabeth B.	1000	20000
	Miller, Robert K.	10	200
	Mitchell, Charles C.	40	1000
	Montgomery, Robert	400	10000
	Myers, Sam O.	100	2500
	Peters, Miss Amelia	16	400
	Pinney, Miss Anne	100	2500
	Pickens, Hugh St.	100	2500
	Ripley, Robert S.	20	500
	Rogers, Charles S.	40	1000
	Rowan, Mrs. Maria J.	240	6000
	Russell, Fred A	10	250
	Schmaltz, Robert C.	70	1750
	Schoenhaut, Miss Emma	4	100
	Schuler, Mrs. Lillian	15	375
	Selligman, Joseph	280	7000
	Slade, Mrs. Nellie O.	1	25
	Smith, James R	200	5000
	Smith, William E.	100	2500
	Stansell, William	10	250
	Stein, Miss Lillie	40	1000
	Stuart, Miss Clara B.	5	125
	Summers, Turner A	240	6000
	Thomas, Mrs. Zelma S.	14	350
	Thornberry, Murray H.	200	5000
	Thorp, Francis S.	8	200
	Vandivier, Donald O.	50	1250
	Vehle, John Jr.	10	250
	Veley, Emile A	100	2500
	Weiser, William J.	1000	25000
	White, Miss Etta St.	4	100
	Wiederhold, George	5	125
	Wood, Edwin S.	100	2500
	Yee, Richard T.	1000	25000
	Johnson, Mrs. Annie E.	2	50
	Walpole, Nimrod S.	400	10000
	Anderson, Mrs. Amelia H.	150	3750
	Armstrong, Emma Sanders	30	750
	Bade, Francis A.	40	1000
	" Marion L.	40	1000
	Baird, Mrs. Eleanor D.	10	250
	Bartlett, Mrs. Mai Hill	1000	25000
	Bayem, Edward J.	40	1000
	Bebb, Miss Emma A.	100	2500
	Birdsall, Mrs Bertha M.	10	250

EXHIBIT 65-B

1929				
Sept 20	Carpenter, Mrs Lou a		50	1250
	Cary, Miss Mary		10	250
	Chrisler, Miss Ella		40	1000
	Cummins, Miss Margaret		30	750
	Daniel, Miss Opal		40	1000
	Dietzman, Richard O		10	250
	Duncan, William Grinstead		200	5000
	Edelen, George L		100	2500
	Fallon, Miss Mary		10	250
	Federman, Marcus J		500	12500
	Freher, Mrs Elizabeth E		20	500
	Gaggs, Mrs Polly		10	250
	Goldbach, Miss Carrie		25	625
	" John L		25	625
	" Miss Lula		25	625
	Grisch, Miss Anna R		40	1000
	" Clara J		40	1000
	" Lucy G		40	1000
	Grable, Mrs Anna H		4	100
	" Miss Lillie Bell		4	100
	Grinstead, Mrs Sara B		8	200
	Harris, Mrs George H		10	250
	Heckel, George C		40	1000
	Hegewald, Mrs Mena C		100	2500
	Hodapp, Louis a		20	500
	Hollenbach, Phil Estate		100	2500
	Hunter, Polk		10	250
	Kessler, Charles R		5	125
	" Mrs Nellie Burdett		5	125
	Klingman, Miss Marianne		12	300
	Kyne, Mrs Mary		10	250
	Lane " C		6	150
	Leech, Miss Caroline Epperson		6	150
	Letsch, Mrs Lottie M		50	1250
	Lewis, Miss ada S		20	500
	Louisville Trust Co Trustee			
	caldwell Norton		150	3750
	Geo Manning		100	2500
	Mary C Hurley Elegant Claud		100	2500
	Maloney, Miss Julia		12	300
	" Nellie		50	1250
	Mattingly, Miss Marie		2	50
	Mc Glone, Virgil J		40	1000
	" Rhoda		80	2000
	Muir, Mrs annie B		20	500
	Muntz, Mrs Mae		8	200
	Nelson, Charles A Jr		80	2000

EXHIBIT 65-B

Sept 30	Brennan, Miss Mattie C.	12	3.00
	Mrs. Mattie Spencer	4	1.00
	Pratt, Richard F.	100	25.00
	Pirtle, John B.	2000.	50.00
	Polaglone, H. O.	40	10.00
	Powers, Miss Effie L.	160	40.00
	Ramsey, Mrs Nell P.	8	2.00
	Randolph, Mrs Josephine Reed	80	20.00
	Reed, Mrs. Mary R.	240	60.00
	Reed, Miss Anna L.	10	2.50
	Robinson, Jessie R.	125	31.25
	Robinson, Mrs Emma Ly.	32	8.00
	Roff, Rudolph C.	100	25.00
	Sehene, Jno. J.	5	1.25
	Schmidt, Herman H	100	25.00
	Seestadt, Miss Gertrude	20	5.00
	William R.	40	10.00
	Shanley, Everett F.	5	1.25
	William M.	5	1.25
	Shondwiler, Fred A	50	12.50
	Shoppenhorst, Mrs Flora	25	6.25
	Simrall, Mrs Kitty C	50	12.50
	Staadecker, Leon	25	6.25
	Tiber, Edward J.	100	25.00
	Trimble, Robert M Jr.	200	50.00
	Walter, Henry R.	2	.50
	Weinstein,	100	25.00
	Willis, Mrs Julia A	80	20.00
	Wulf, Miss Clara H.	14	3.50
	Wyborn, Mrs. Virginia Lamin	50	12.50
	Akers, John S.	160	100.00
	Bannon, Patrick	50	12.50
	Behrman, Louis O.	15	3.75
	Borders, Mrs Mary	10	2.50
	Bussel, Wallace L. Jr.	100	25.00
	Catlett, Francis M	60	15.00
	Cronin, John J.	8	2.00
	Dertal, Rud H.	100	25.00
	Durnil, Clarence H.	100	25.00
	Eastwood, Miss Pauline	200	50.00
	Farmer, John Howell	4	1.00
	Gatlef, Edward J.	10	2.50
	Herndon, Miss Carlotta	20	5.00
	Huber, Frank	100	25.00
	Hook, Clifford H.	100	25.00
	Lyons, Miss Agnes A	8	2.00

EXHIBIT 65-B

1929				
Sept	20	Mason, Malcolm	50	1250
		Miller, Mrs Alice K	24	600
		Powell, Mrs Lena M	10	250
		Rieger, Mrs Eva	10	250
		Riley, Miss Marguerite	10	250
		" Viola	15	375
		Ryan, Miss Kate	25	625
		Applegate, Lyman B	10	250
		Baker, Edward E	100	2500
		Bannan, Claire K	15	375
		Barkhouse, Arthur J	75	1875
		Barlow, Mrs Effie A	10	250
		Bauer, Miss Bertha J	20	500
		Black, Dr Oscar E	110	2750
		Bohrman, Louis O	10	250
		Bowling, Allie A	100	2500
		Brann, Philip V	200	5000
		Brue, George	10	250
		Chinn, Ellen Herndon	50	1250
		Coady, John F	100	2500
		Donnelly, J Louis	80	2000
		Du Brey, Jesse D	20	500
		Duncan, William H	100	2500
		Dunham, Joseph H	310	7500
		Eller, Charles H	10	250
		Fetter, George E Jr	1000	25000
		" John B	500	12500
		Fields, John J	10	250
		Finney, Mrs Stacie	10	250
		Ford, Mildred	10	250
		Ford, Miss Delia	20	500
		Fraser, Miss Thelma	30	750
		Fuchs, Miss Hilda	40	1000
		Gathright, Mrs Jane H	40	1000
		Gayland, Raul P	1000	25000
		Gingel, Herman	40	1000
		Glover, Miss Alice A	10	250
		" Mrs A Mabel	50	1250
		" Drummond T	10	250
		Gopper, William E	14	200
		Gradman, Harry H	50	1250
		Greenstein, Joe H	1000	25000
		Grosvenor, Mrs Maria R	10	250
		Harpring, Charles F	5	125
		Hawes, George B Trustee for Miss Georgette Hawes	48	1200
			1636	

EXHIBIT 65-B

27 Sept	3	Stevens, George Bright	12	300	
		Haggard, Oliver P.	20	500	
		Hack, Lewis C.	50	1250	
		Heller, Mrs. Frieda H.	40	1000	
		Hite, N. H.	40	1000	
		Horan, Mrs. Ella R.	4	100	
		Jacoby, Jack	20	500	
		Jeffers, Charles A.	100	2500	
		Keenehan, Miss Elizabeth	10	250	
		Kaden, Mrs. Mary B.	10	250	
		Leibold, Miss Lillian Ophelia	30	750	
		Lindsey, Henry F.	10	250	
		Lutz, William B.	500	12500	
		McNamara, Miss Mary	10	250	
		Martin, Mrs. Alfa Heyfield	10	250	
		Mengel, Charles C.	10	250	
		" Clarence R	4500	112500	
		Morales, Clarence C.	1000	25000	
		" Mrs. Stella Evans	20	500	
		Miller, Mrs. Viola Mae	640	16000	
		Minor, M. Carlisle	10	250	
		Mohlenkamp, Miss Edna	100	2500	
		Mossman, Mrs. Marion	10	250	
		Murphy, D. F. & Bro.	220	5500	
		Norris, Russell H.	200	5000	
		Norman, James L.	50	1250	
		Nugent, William T.	500	12500	
		O'Brien, John J.	200	5000	
		O'Connell, Miss Ellen C.	4000	100000	
		Partee, Mrs. Katherine M.	10	250	
		Pettey, Daisy C.	4	100	
		Pinchuff, S. Esther	20	500	
		Reynolds, James S. Jr.	200	5000	
		Rice, Ethel N.	12	300	
		Roland, Charles	10	250	
		Rosenbaum, Jesse	180	4500	
		Ryan, John J.	80	2000	
		Schindler, Solomon	48	1200	
		Schindler, Mrs. Amelia	200	5000	
		Seibel, Charles S.	80	2000	
		Selby, Robert Carr	500	12500	
		Shumaker, Mrs. Emma Lucky	10	250	
		Stacy, Louis A.	20	500	
		Stevens, Miss Margaret M.	10	250	
		" Mrs. Mary J. R.	10	250	
			40	1000	
			1637		

EXHIBIT 65-B

1924				
Sept 20	Strauss, Mrs Almarie	25	625	
	" Samuel H	25	625	
	Tandy, Miss Julia C	12	300	
	Thacker, Miss Ethel A	10	250	
	" Thomas R	20	500	
	Theobald, Edward J Jr	10	250	
	" Harold Lloyd	10	250	
	Townes, Mrs Virginia O	20	500	
	Uhl, Miss Lillian M	20	500	
	Van Meter, Miss Martha O	4	100	
	Verhoeff, Frederick H	100	2500	
	Vonderlieth, Charles	200	5000	
	Waller, James K	100	2500	
	Walsh, Maurice H	1500	37500	
	Warren, Arch D	80	2000	
	Watters, Roland B	40	1000	
	Weiss, Mrs Carrie	10	250	
	" Celina Jr	5	125	
	Wells, Mrs Harriet E	40	1000	
	Worrall, Rowan A	60	1500	
	Zeller, Miss Mae	5	125	
		4322		1080 25 ✓

EXHIBIT 65-B

1929 Oct	Adams, Walter Mrs.	25	625
	Adamson, Chester F.	10	250
	Bohannon, Clarence H.	10	250
	Burdett, Thomas B.	30	750
	Corcoran, C Paul	10	250
	Dexter, Compline S.	50	1250
	Hoyland, Gerald L	1000	25000
	Frank, L. Wallace	100	2500
	Fulton, Lewis	1000	25000
	Giles, J. Harvey	200	5000
	Gordon, Angus H.	10	250
	Hall, William C.	500	12500
	Hermann, George	50	1250
	Hood, Harry H.	20	500
	Hutching, Bernard	200	5000
	Jensen, John K.	140	3500
	Kugel, John H	55	1375
	Mitchell, Harold	20	500
	Moeller, Rudolph A.	25	625
	Morris, Joseph H.	1000	25000
	Onderdonk, William A	300	7500
	Pratt, Charles H.	500	12500
	Ramage, J Russell	100	2500
	Sanders, Cecil F	200	5000
	Schnabel, Herschel L.	1000	25000
	Schnabel, Jean F	50	1250
	Schnabel, Karl F	20	500
	Steed, William J.	5000	125000
	Steidel, Mrs. Teresa Henry	80	2000
	Stark, Mrs. Williams	880	22000
	Traeger, George C	20	500
	Tuttle, Harold B.	10	250
	Watkins, Mrs. Ella D.	2	50
	Weller, Mrs. Stefan	10	250
	Williams, C. Belmont	100	2500
	Wilson, F. Bert	2000	50000
	Wolpert, Albert	120	3000
	Yohan, Joseph & Stella Ann Jaila Tenants Right of Surv.	65	1625
	Zeller, Andrew C	100	2500
	Vaughan, George E.	300	7500
	Bonnell, J. Edgar	300	7500
	Brennan, David	400	10000
	Chambers, Mrs. Mary D.	10	250
	Crowe, James N	50	1250
	Mc Brown, Miss Ethel	20	500

1899

EXHIBIT 65-B

1917					
Oct	1	Felsenthal, Mrs. Eva	20	50	
		Berg, Miss Louise M.	10	25	
		Beck, Alan Ben	20	50	
		Howard, Edward B.	10	25	
		Hower, Frank B.	10	25	
		Loeffler, Mrs. Alma B.	100	250	
		Lindsay, Mrs. Rose S.	24	60	
		Magee, Edward S.	100	250	
		" Mrs. Fannie S.	20	50	
		Ostrander, Mrs. Anna L.	3	7	50
		" Miss Lenna Jeanne	4	10	00
		Tracy, Walter B.	40	100	
		Barney, Charles S.	200	500	
		Beard, Truman E.	300	750	
		Riddell & Leitch	200	500	
		Rogers, Margaret	100	250	
		Beaton, Fred M.	300	750	
		Schneider, Arthur T.	50	125	
		" Jr.	10	25	
		" Mrs. Ruth	50	125	
		" Miss Myrtle Elma	10	25	
		Simpson, Virgil R.	180	450	
		Hyde, Miss Susanna	50	125	
		Hyde, Frank M.	80	200	
		Harmer, James H.	50	125	
		Kilbreth, Frank L.	100	250	
		Rogers, Hunter T. Jr.	100	250	
		Ball, Carter	62	155	
		Beck, Albert M.	200	500	
		Berg, Mrs. Theresa	420	1050	
		Bill, Robert H.	20	50	
		Bradley, H. Fred	200	500	
		Brent, Eugene	100	250	
		Brooking, Harry King	280	700	
		" Mrs. Margaret	10	25	
		Buck, James R.	50	125	
		Carmody, Mrs. Maude E.	8	20	
		Carson, Mrs. Roger A.	50	125	
		Carter, James G.	120	300	
		Cox, Millard F.	10	25	
		Curran, Miss Julia	100	250	
		Davis, Mrs. Ellen McL.	40	100	
		" Hilliard	20	50	
		"	50	125	
		"	20	50	
		Dennis, Fred	100	250	

EXHIBIT 65-B

1974							
Oct	1	Snider, Mrs Emma P.	25		6	25	
		Sotfey, " Emma C.	20		5	00	
		Sullen, Thomas	100		25	00	
		Suthrie, Mrs. Margaret	10		2	50	
		Steger, John B.	300		75	00	
		Stelsely, Marion Lee & Amy Louise Nesbitt, Flemery	50		12	50	
		Stevens, Mrs. Emma L.	100		25	00	
		Stevens, Allen P.	500		125	00	
		Stiles, Mrs. Lota Mae	50		12	50	
		Stinebreaker, Miss Lula Mae	100		25	00	
		Stinebreaker, Elmer L.	300		75	00	
		Stone, Albert	200		50	00	
		Stoner, Mrs Joan	1000		250	00	
		Stites, Mrs Thomas Ray	200		75	00	
		Stolson, Mrs Jane	15		3	75	
		Stohler, Miss Hildegarde	5		1	25	
		" Margaret B.	5		1	25	
		" Matilda R	5		1	25	
		Story, Edwin	100		25	00	
		Studeons, Allen T.	10		2	50	
		Stuart, Mrs Evelyn H.	50		12	50	
		Stuart, John M.	100		25	00	
		Stuart, Mrs. Lucille a	25		6	25	
		Stuart, Mrs. Stephie C.	2			50	
		Stuart, Sam	100		25	00	
		Stuart, Miss Hallie B.	12		3	00	
		Stuart, Mrs Alma	40		10	00	
		Stuart, Charles L.	200		50	00	
		Stuart, Lawrence S.	200		50	00	
		Stuart, Frank K	20		5	00	
		Stuart, Albert P	25		6	25	
		" Miss Alberta T.	6		1	50	
		" Mrs Josephine T.	4		1	00	
		Stuart, Leo	100		25	00	
		Stuart, Mrs Lucy J.	4		1	00	
		Stuart, Gerald C.	5		1	25	
		Stuart, Williams a	24		6	00	
		Stuart, Ben K. Jr.	10		2	50	
		Stuart, Spell	50		12	50	
		Stuart, Edward L.	360		90	00	
		Stuart, David C.	1100		275	00	
		Stuart, Oliver	100		25	00	
		Stuart, George H.	200		50	00	
		Stuart, Edgar Jr.	15		3	75	
			5		1	25	
		Stuart, S. Telford	100		25	00	

EXHIBIT 65-B

1924				
Oct 1	Cottrell, William A.	20	50	
	Dettinger, Samuel C.	200	1000	
	Ernst, Frank	50	250	
	Rogers, Thomas O.	200	2500	
	Sahlstrom, Miss Anna	12	300	
	Schuster, Stanley L.	200	5000	
	Seiler, Garfield	4	100	
	Sexton, Mrs. Frances	5	125	
	Smith, Clarence R.	20	500	
	Spaninger, Edward L.	500	12500	
	Stites, John	100	2500	
	Stockhoff, Arthur B.	250	6250	
	B. William	250	6250	
	Tafel, William F.	100	2500	
	Taylor, Dr. B. R.	50	1250	
	Thomas, William A. Jr.	40	1000	
	Tobe, Miss Elsie	10	250	
	Marcella	4	100	
	Tuley, Jesse H.	120	3000	
	Vittetoe, Hunter A.	15	375	
	Wagner, Frederick H. Jr.	100	2500	
	Wall, Joseph T.	1000	25000	
	Walters, C. L. Jr.	24	600	
	Madge L.	20	500	
	Warren, Mrs. O. P.	100	2500	
	Weaver, Mrs. Hamel	160	4000	
	Wineman, Edwin J.	10	250	
	Wheeler, Mrs. Sarah B.	50	1250	
	H. Curtis	600	15000	
	Wickstead, John J.	100	2500	
	Wiegand, Louis L.	40	1000	
	Wilson, Wallace R.	100	2500	
	Wirth, Mrs. H.	20	500	
	Withers, Frank	100	2500	
	Wolff, Leander L.	24	1250	
	Wood, George R.	20	500	
	Wright, John R.	100	2500	
	Allin, Rual H.	20	500	
	Amend, Allen	80	2000	
	Armenberg, M. L.	100	2500	
	Baldwin, R. A.	50	1250	
	H. A.	250	6250	
	Bell, Mrs. Anna Tillie (Est.)	50	1250	
	Bell, Jennie H.	20	500	
	Bentley, George R.	100	2500	
	Mrs. Maggie O.	10	250	

EXHIBIT 65-B

1929				
Oct	1	Bissell, Miss Ruth S.	10	2.50
		Brandenburg, Mr. Michael	20	5.00
		" Mrs. Vera Ray	20	5.00
		Bucy, Sergt. R.	5	1.25
		Burwell, Blair	10	2.50
		Bennett, Mrs. Julia T.	15	3.75
	X	Bentley, Mrs. Vera B.	10	4.00
		Blaney, Mrs. Mary O.	20	5.00
		Blanton, John S.	25	6.25
		Brennan, Martin J.	20	5.00
		Brill, Charles K.	40	10.00
		Spann, Mrs. Helen J.	100	25.00
		Bruce, A. B.	400	100.00
		Billiford, Miss Belle	50	12.50
		Bigbee, O. C.	40	10.00
		Blandy, Mrs. Kate L.	100	25.00
		Bordon, Miss Emelie	20	5.00
		Bolton, John A.	40	10.00
		Ballard & Rice	30	7.50
		Beasley, Walter S.	20	5.00
		Bailey, Milburn O.	100	25.00
		Binnaney, George T.	500	125.00
		Binney, James G.	100	25.00
		Brodnax, John L.	20	5.00
		Little Miss Elizabeth B.	40	10.00
		Malone, Mrs. Mary G.	20	5.00
		Marshall Burwell Jr.	100	25.00
		Merrill, A. S.	5	1.25
		Stephenson Co.	10	2.50
		" Claude A	20	5.00
		" Ira	10	2.50
		" Harold S.	10	2.50
		Whitley, Mrs. Ella K.	20	5.00
		Barkhouse, Milton H.	20	5.00
		Beck, Miss Julia A.	4	1.00
		" Mary H.	25	6.25
		Brodie, Andrew Jas.	12	3.00
		" John R.	12	3.00
		" Reed	12	3.00
		" Robert	12	3.00
		Budde, Miss Anna B.	16	4.00
		Colville, Elizabeth M.	18	4.50
		" Nancy M.	10	2.50
		Company, T. H.	100	25.00
		Gill, J. L.	5	1.25
		Deering, Mrs. Katherine	16	4.00

EXHIBIT 65-B

1929.			
Oct	Boring, William W. Jr	40	1000
	Hamilton, William J.	100	2500
	Hobbs, Mrs Lucy S.	10	250
	Hodge, Mary Brodie	12	300
	Hudson, Jane Brodie	12	300
	Maechling, Ruby	40	1000
	Marion, M. C.	100	2500
	Menefee, Mrs Jean H.	100	2500
	Jean T.	100	2500
	Meyer, Ida	10	250
	Minnich, Charles H	10	250
	Moritz, Miss Eleanor C	15	375
	Osborne, L. B.	100	2500
	Mrs Katherine L.	100	2500
	Pettit, Miss Mary & Margaret	8	200
	Raftery, Mrs Kate H.	50	1250
	Reynolds Brothers	1000	25000
	Reynolds, A. B.	200	5000
	Shober, Miss Katie M	10	250
	Strand, Mrs. Amelia R.	25	625
	Frank, James Brodie	12	300
	Ampenoier, Henry J.	1320	33000
	Barker, Henry A	100	2500
	Beard, John T.	100	2500
	Beebe, Albert H.	50	1250
	Bell, Miss Katie M.	24	600
	Blanford, Milton H.	500	12500
	Blank, Oscar A	1000	25000
	Boden, Mrs Louise H.	140	3500
	Philip T.	6	150
	Samuel S	100	2500
	Bolmer, Charles H.	400	10000
	Bowmer, Thomas H	200	5000
		200	5000
	Brown, John J.	160	4000
	Butler, Mrs Lillie T.	200	5000
	Cassidy, Lawrence A.	8	200
	Clark, Ralph L.	600	15000
	Comley, L. R.	100	2500
	Dempsey, J. H.	100	2500
	Evans, Herbert	100	2500
	Dent, Joseph B.	800	20000
	Engel, Henry J.	300	7500
	Evans, Mrs Mallard Hudson	100	2500
	Emmart, Joseph M.	500	12500

EXHIBIT 65-B

1929				
Oct	1	Flanagan, Jamie J.	50	1250
		Fontaine, Emmett K.	500	12500
		Foote, Henry H.	40	1000
		Frantz, Louis A.	50	1250
		Garbett, Mrs. James	20	500
		Gilbreath, William H.	100	2500
		Gilligan, Edward M.	10	250
		Glass, Vernon Clyde	100	2500
		Goodridge, C. H.	40	1000
		Graham, Thomas	200	5000
		Grinstead, Bailey	800	20000
		Gunter, Charles	50	1250
		Hayes, James J.	500	12500
		Hendrine, Mrs. Oscar	50	1250
		Hilliard, J. Person	100	2500
		Humphrey, Lowell M.	380	9500
		Jefferson, William	8000	200000
		Johnson, Henry	10	250
		Jones, Charles H.	6800	170000
		Kahn, Mrs. Emma	40	1000
		Kephart, Louis A.	50	1250
		" Robert H.	50	1250
		" Rudolph H.	50	1250
		" Vincent	50	1250
		" William	380	9500
		Klein, John T.	10	250
		Knight, E. Vernon	1000	25000
		" E. L.	30	750
		Lewis, H. Hamilton	100	2500
		Lomax, Miss Adaline P.	3	75
		" Jacob B.	100	2500
		" " P.	3	75
		" Miss Mary H.	3	75
		" Morgan B.	3	75
		" Miss Nance Mary	3	75
		Littell, Clarence H.	500	12500
		Lyeth, Bracey H.	1000	25000
		Lyons, J. Clay	400	10000
		Mansfield, Mrs. Eliza K.	10	250
		Montgomery, William A.	200	5000
		Mereke, George	400	10000
		Metz, Louis J.	200	5000
		Mabry, George H.	200	5000
		Morgan, Stewart	30	750
		Murphy, Mrs. Celia	25	625
		Nolan, Van B.	50	1250
		Nugent, Mrs. Katherine E.	40	1000

EXHIBIT 65-B

1920 Oct	Obermeier, Miss Julia	100	2500
	Bell, S.C.	20	500
	Lucas, Joseph P.	10	250
	Ramsey, Robert H.	5	125
	Reese, Lemuel H. Jr.	100	2500
	Robertson, Eugene B.	40	1000
	Rodman, Lee	50	1250
	Rommel, Daniel	800	20000
	" Edward D.	800	20000
	Segay, John T.	50	1250
	Shea, Miss Elizabeth M	8	200
	Smith, Alfred S.	100	2500
	" John L.	25	625
	" Randolph T.	100	2500
	Stettenpoldy, Miss Anna	50	1250
	Turnbel, Eugene H.	30	750
	Virginia, J. Arthur	420	10500
	Wagner, George	200	5000
	White, Miss Dorothy	4	100
	Bruno, Joseph H.	5000	125000
	Byrd, Robert J.	5000	125000
	Lynch, Bernard H.	5000	125000
	Morrison, Matthew A.	5000	125000
	Adams, Miss Sarah Byrd	10	250
	Anderson, Marion L.	25	625
	" H. Sherman	1000	25000
	Armacy, J. Frank	800	20000
	Arterburn, Shelton B.	100	2500
	Barry, John J.	50	1250
	Bell, Daniel H.	20	500
	Berglund, William Scott	120	3000
	Bates, Mary S.	120	3000
	Bittner, William C.	610	15250
	Bowers, John L.	500	12500
	Burgunder, Miss Angela J.	20	500
	Bernard, Ray T.	10	250
	Bradley, Harvey A.	50	1250
	Bridges, Harry	245	6125
	Brodrick, Arthur J.	200	5000
	" Bard A.	530	13250
	" Hazel H.	200	5000
	" J. Graham	2000	50000
	Buechel, Jasper	245	6125

EXHIBIT 65-B

927 Col 1	Bullock, J. Emory	120	3000
	Burdsall, Fred H.	500	12500
	Cahn, Nathan H.	50	1250
	Calvert, Samuel R.	20	500
	Campbell, Marion H.	20	500
	Carroll, Anthony J.	1000	25000
	Carter, Allen R.	20	500
	Church, Jack	25	625
	Clark, Mrs. Annie L.	100	2500
	Coalson, Mrs. Kathleen	40	1000
	Cosens, Samuel H.	360	9000
	Corrigan, Andrew J.	50	1250
	" Matt C.	100	2500
	" Mrs. Miriam H.	50	1250
	Curry, Lee	100	2500
	Dent, John P. Jr.	1380	34500
	Dent, Mary V. Jr.	25	625
	Dempsey, Louis T.	1000	25000
	Dean, Hardine J.	50	1250
	Dorsey, Edward B.	64	1600
	Downes, Mrs. Emily M.	100	2500
	Downing, " Myrtle A.	100	2500
	Drasdall, Edward S.	400	10000
	Duffy, Maurice J. Jr.	20	500
	Duncan, Frank L.	4020	100500
	Eakes, Charles H.	250	6250
	Elam, Walter M.	400	10000
	Edwards, Reginald T.	50	1250
	Ehrmann, George H.	100	2500
	Ewing, Charles O. II	200	5000
	" Oscar	1000	25000
	Farinsky, Alex T.	1000	25000
	" Burrel H.	2200	55000
	Fath, Leo L.	50	1250
	Feiler, Mary	400	10000
	Fraser, Silas L.	1000	25000
	Gallagher, Thomas J.	20	500
	Gingliano, Mrs. Agnes	100	2500
	Glaha, Clarence J.	500	12500
	Grant, Henry R.	1200	30000
	Gray, Henry O.	1000	25000
	Green, O. Denton	100	2500
	Griffin, Geo. T.	100	2500
	Gritz, Miss Hattie J.	90	2250
	Gumpf, Charles H.	40	1000
	Hamilton, Charles L.	500	12500
	Hannan, Miss Mary A.	340	8500

EXHIBIT 65-B

1929 Oct	Hannon, Miss Mary A	20	500
	Harding, Preston H.	50	1250
	Hauser, Miss Evelyn V.	40	1000
	" Gustave A	100	2500
	" Henry V	40	1000
	Hawes, William S.	100	2500
	Hammond, Mrs Emmagene	10	250
	Humphrey, Mrs Katherine	50	1250
	Hunter, Ray A.	100	2500
	Ely, Robert C.	1000	25000
	Jefferson, Hal T.	20	500
	Jenkins, J Sidney	20	500
	" " C.	100	2500
	Johnson, Mrs Dora S.	90	2250
	" James M.	500	12500
	Joyce, Preston O.	20	500
	Kidwell, Charles K.	25	625
	Kerr, Robert M.	50	1250
	Kimbel, Joseph X.	20	500
	Kinnaney, Edward K.	500	12500
	Klein, Nathan	10	250
	Koenig, Miss Christine	20	500
	" Florence C	20	500
	Kelsey, Louis C.	40	1000
	Kramer, Alexander K.	400	10000
	Kuersteiner, Henry	40	1000
	Langan, Richard S.	100	2500
	Lahey, Miss Margaret	20	500
	Lallier, Robert	50	1250
	Leonhardt, Mrs Rose	20	500
	Levi, Mal	25	625
	Lewis, H. Hamilton	100	2500
	Lindsey, Mrs Blaylock	5	125
	McBride, Miss Grace C.	50	1250
	" Edward P.	100	2500
	Mattingly, Miss Alma	10	250
	Mears, James A Jr.	300	7500
	Meeks, Francis K.	700	17500
	Mulligan, Frederick A	5	125
	Neel, Harrell H.	100	2500
	Nahmias, Nellie G.	20	500
	Nissen, Elmer F.	50	1250
	Nolan, Alphonse L.	20	500
	" Mrs Hattie Lee	20	500
	Norton, Mrs Mary	30	750
	Ramer, George	6	150
	Rehm, Oscar K	20	500

EXHIBIT 65-B

1929 Oct	Rodinger, Adolph	1000	25000
	Reynolds, James P. Jr.	50	1250
	Riley, Peter J.	20	500
	Ritchey, William	200	5000
	Rowe, James H. Kinnaird	500	12500
	Ruff, George	20	500
	Ryan, Charles J.	60	1500
	Samuels, Miguel	100	2500
	Scanland, Mrs. Susan M.	100	2500
	Scher, Miss Helen	10	250
	Schmid, Annie E.	20	500
	Schopp, William J.	50	1250
	Schulman, Hilbert	25	625
	Seligman, Alfred	120	2500
	Mrs. Jennie K.	200	5000
	Semple, George C.	200	5000
	Shinnick, Mrs. Kate	200	5000
	Simpson, Mrs. Florence C.	300	7500
	Sam H.	900	22500
	William S.	200	5000
	Spaulding, Harry T.	25	625
	Spieth, Mrs. Maybell	12	300
	Spillman, Lemuel C.	180	4500
	Starr, Miss Edith	5	125
	Stetenburg, Tom R.	160	4000
	Stettenpoll, Joseph C.	100	2500
	Stokes, Earl B.	400	10000
	Tabor, John J.	200	5000
	Tachbein, Herbert	1000	25000
	Taylor, Major	180	4500
	Thompson, Paul R.	1000	25000
	Robert T.	300	7500
	Torlina, Elmo F.	40	1000
	Trueheart, Miss Carrie	60	1500
	Charles T.	200	5000
	Turley, Philip J.	1000	25000
	Vaughan, Robert F.	300	7500
	Veeneman, C. Edward	39	975
	Voss, Henry	2000	50000
	Walking, Mrs. Elizabeth K	95	1975
	Walker, Eugene H.	200	5000
	Walter, John H.	20	500
	Miss Mary M.	15	375
	Wash, Arthur M.	200	5000
	Watson, Mrs. Charlotte J.	100	2500
	Webb, Louis K	100	2500
	Weiss, Coleman L.	40	1000

EXHIBIT 65-B

1929					
Oct 1	Heinz, Fred B	40	10000		
	Isaac A	40	10000		
	Hellis, Clarence (Mentally ill)	50	12500		
	Helsel, Miss Catherine M	10	2500		
	Higginton, James L	500	12500		
	Hilliams, Mrs. Anna C	40	10000		
	Hoelfelt, Mrs. Henry Owen	150	37500		
	Yeager, Lewis C Jr	100	2500		
	Bartley, Miss Ellen C	50	1250		
	McGoodwin, Mrs. Marie A	200	5000		
	O'Sullivan, Daniel F	1000	25000		
		1500			377900

EXHIBIT 65-B

1971			
Oct	Autry, Mrs. Billie M.	100	2500
	Boaid, Milton	300	7500
	Bural, Roland B.	50	1250
	Binky, Archibald H.	250	6250
	Bolgatino, Simon	50	1250
	Bland, Louis	880	22000
	Black, Harry J.	250	6250
	Blackett, Mrs. Grace Forde	40	1000
	Howard, Bruce C.	100	2500
	Kelley, Brown H.	50	1250
	Kelly, Robert L.	200	5000
	Kerns, Ira R.	500	12500
	Koppelman, William H.	1000	25000
	Krogial, Mrs. Emma Hunt	28	700
	Kubby, Mrs. Belle Gordon B.	20	500
	Kuhn, Martin L.	100	2500
	Lehman, Mrs. Jeanette	100	2500
	Lewis, Mrs. Elmeralda B.	200	5000
	Manley, Mrs. Agnes H.	10	250
	Philip L.	10	250
	McAuliffe, Mrs. Margaret	1500	12500
	Quinn, Philip F.	50	1250
	Rodey, Clifton	100	2500
	Taylor, Mrs. Frances B.	500	12500
	Tallman, Mrs. Lucile C.	100	2500
	Whit, Elmer L.	50	1250
	Upshaw M.	20	500
	Yeats, Mrs. Margaret L.	30	750
	Zeigler, Taylor	1000	25000
	Metz, Raymond L.	20	500
	Ackerman, Herman R.	20	500
	Agrey, Frank R.	100	2500
	Bailey, Edward	10	250
	Bell, Clarence K.	10	250
	Baumgarten, Miss Margaret	5	125
	Beach, Bennett B.	40	1000
	Beckham, Mrs. Alice	100	2500
	Berry, John J.	12	300
	Bickliff, Miss Roberta	17	425
	Bonny, Harold B.	5	125
	Burns, James C.	5	125
	Calladay, Miss Alberta	10	250
	Carter, Ray L.	300	7500
	Cochran, T. Wilson	245	6250
	Coleman, Mrs. Estill E.	240	6000

EXHIBIT 65-B

1929				
Oct	x	Cralle, Herbert A Jr	35	875
		Davis, Mrs Ellen Reed	40	1000
		" John J	500	12500
		" William G	100	2500
		Dexter, Ronald Lee Jr	740	18500
		Dougherty, Miss Mildred Adrian	5	125
		Duffey, Mrs Ruby O	10	250
		Duncan, Tom B	100	2500
		Edwards, Denis H	100	2500
		Eifler, Mrs Catherine M	10	250
		Evans, William J	40	1000
		Everhart, Joseph B	30	750
		Family Outfit Clothing Co	200	5000
		Flemming, Miss Susan A	20	500
		Fleischner, Gustave	400	10000
		Frederick, Harry	25	625
		Fennick, Arthur P	320	8000
		Gates, Fred H	100	2500
		Gambrill, William P	20	500
		Goldsborough, Mrs Ollie M	24	600
		Grant, Maurice	5	125
		Greenhouse, Joseph H & Empire Inv Trust Co Lyle	185	4625
		Grey, Mrs Mary McK	16	400
		Grinstead, R Hewett	500	12500
		Guenbel, Fred	350	8750
		Guntzman, Mrs Lola	25	625
		Guting, George	50	1250
		Hachmann, George Jr	10	250
		Hays, F S	40	1000
		Heidenberg, Karl	40	1000
		" William J	100	2500
		Heidrick, Fred J	100	2500
		Henry, Mrs Hattie B	10	250
		Hertzman, Jerome Aaron	400	10000
		Hess, James P	25	625
		Hinkle, Edward L	200	5000
		Hollitzell, Bruce	100	2500
		Hoerth, Hatcher	25	625
		Hollenbach, Louis J	1000	25000
		Hopkins, Roscoe S	80	2000
		Howell, Herbert R	50	1250
		Judah, Max	100	2500
		Kaseday, Denis	100	2500
		Kassenbaum, Leon R	500	12500
		Kessler, Miss Lula	30	750
		Kirsch, Miss Nora	30	750

EXHIBIT 65-B

1927 Oct 2	Klemm, Edward G.	20	500
	Fraley, Henry C.	100	2500
	Longwell, Miss Hazel	8	200
	Lipp, Ernest R.	30	750
	Maloney, Margaret L.	90	2250
	Matthews, Thomas H.	500	12500
	McCullough, Mrs. Ida	10	250
	McGarry, Miss Regina	4	100
	McKenna, James J.	200	5000
	" Stafford C.	200	5000
	McKinney, Edward A. Jr.	15	375
	Metcalfe, Miss Elizabeth	500	12500
	Millard, Henry P.	40	1000
	" James R.	10	250
	" William S.	10	250
	Morton, Mrs. Mary M.	100	2500
	Murphy, Miss Della B.	10	250
	Nichols " Frances	15	375
	Pearce, Edward R.	11	275
	Plenge, William H.	200	5000
	Polglaze, Winfred O	10	250
	Quick, Miss Agnes	10	250
	Rankin, Clyde E.	50	1250
	Reimer, E. Hagen	50	1250
	Riley, James B.	10	250
	Robertson, William O.	50	1250
	Robinson, Joseph M.	104	2600
	Roeding, Joe A.	150	3750
	Sampson, Mrs. Elizabeth B.	20	500
	" J. R.	30	750
	Samuell, Albert S.	15	375
	Sahm, Miss Lois R.	5	125
	Schmidt, Miss Edna C.	10	250
	Schroeder, Edwin A	10	250
	Scott, Walter A	10	250
	Sharp, Millard Jr.	20	500
	Sheldon, Elizabeth	10	250
	Smith, Lily M.	100	2500
	Snider, Ambrose J.	30	750
	Snodgrass, Miss Tracy Lynn	10	250
	Spalding, Joe	5	125
	Spreckels, Rudolph	500	12500
	Stangell, Miss Catherine	10	250
	Stark, Samuel B.	100	2500
	Swigart, Seymour M.	8	200
	Thielwelly, Richard T.	100	2500
	Thornberry, Mrs. Alene	10	250

EXHIBIT 65-B

1929 Dec 2	Timony, Francis J.	75	1875
	Tobe, Vincent J.	10	250
	Trompeter, John F.	40	1000
	Trudeau, Henry C.	200	5000
	Upmeethum, William	20	500
	Vogel, Albert P.	200	5000
	Watkins, H. T.	20	500
	Watting, Henry H.	400	10000
	Weinstock, Emanuel	300	7500
	Williams, Frank J.	100	2500
	Wigginton, J. S.	25	625
	Wirtle, Miss Mabel Ann	4	100
	Wirt, Karl F.	100	2500
	Young, Miss Annie M.	20	500
	" George H.	32	800
	Ament, Mrs. Mary B.	16	400
	Atton, Edwin F.	1000	25000
	" Hood F.	1000	25000
	Benson, Rose M.	500	12500
	" William O.	1000	25000
	Barker, Kenneth A.	300	7500
	Belaieff, Richard C.	50	1250
	Bethel, Peyton B.	200	5000
	Bischof, John A.	20	500
	Boscamberger, Miss Florence	150	3750
	Brown, Harry J.	25	625
	" Tim C.	25	625
	Cardwell, John C.	300	7500
	Christen, Gus A.	400	10000
	Clark, Clifford L. Jr.	10	250
	Clements, John W. S.	500	12500
	Collins, Hilton	580	14500
	Connaughton, Miss Sue F.	100	2500
	Courier Journal Job Printing Co.	400	10000
	Crabb, Lee C. Jr.	40	1000
	Delafield, Mrs. Amanda O.	40	1000
	Dodd, Charles Russell	660	16500
	Donahue, Miss Jennie M.	40	1000
	Duffy, Martin J.	20	500
	Epping, John F.	400	10000
	Farley, Mrs. Julia P.	400	10000
	Fawcett, Lila S.	10	250
	Fleming, Robert E.	1000	25000
	Foley, Andrew Jackson	10	250
	Ford, Mrs. Mallye P.	10	250
	Galvin, Miss Myra	100	2500

EXHIBIT 65-B

1937			
Oct	Bridler, Walter M.	2400	50000
	Stacy, Robert A.	50	1250
	Heath, Harry M.	500	12500
	Hoffman, Miss Antoinette	6	150
	Hollett, Robert	50	1250
	Hartman, Baylor O.	500	12500
	Hill, Edward F.	400	10000
	Hilbenmeyer, Mary	320	8000
	Horsfield, Ernest A.	110	2750
	Hyatt, William R.	100	2500
	Ihly, Robert C.	1000	25000
	Lang, Otto C.	19	475
	Otto & Robert	6	150
	McCamy, Miss Jean, Hilbun & Jr.	6	150
	McGrath, Michael H.	3	75
	Medical, William R.	13	325
	Mengely, Joseph T.	5	125
	Jane C.	1000	25000
	Miller, Mrs. Bertie H.	1000	25000
	Charles H.	50	1250
	Minary, Thomas J.	60	1500
	Mooney, Harry R.	1020	25500
	Mercier, William L.	10	250
	Montague, Miss Margaret	20	500
	Murphy, Lennie L.	40	1000
	Jesse C.	1020	25500
	Olsen, Jesse	210	5250
	Anfinson, Alva C.	10	250
	Rehmann, Claude L.	10	250
	Riehl, Stewart	10	250
	Riley, Walter M.	40	1000
	Rondi, Richard	100	2500
	Rose, David P. B.	20	500
	Rosenbaum, Mrs. Hilda	100	2500
	Rosenthal, Jacob L.	50	1250
	Schield & Co.	21	525
	Sand, Alexander	1000	25000
	Schenck, William C.	1000	25000
	Seymour, Charles	20	500
	Shapiro, Mark & Sons	100	2500
	Tilford, Henry J.	40	1000
	Thomas, Harriet A.	100	2500
	Tracy, Robert C.	20	500
	Trayman, Miss Verda	2000	50000
	Volgtberg & Jr.	10	250
		24	600
		384	9000

EXHIBIT 65-B

1929 Oct	v	Hahking, Mrs. Emma S.	75	1875		
		Killian	75	1875		
			1503		1096	075

EXHIBIT 65-B

1927				
Oct 3	Bowling, Mrs. Helen	A	100	
	Clappell, Edwin H.	50	1250	
	Davis, R. Hayes	500	12500	
	Deaf, Robert J.	2000	50000	
	Hardaway, A. Norman	100	2500	
	" Mrs. Ella Mae A.	94	2350	
	Higgins, John	100	2500	
	McCarty, A. Clayton	50	1250	
	Ruby, Mrs. Edna M.	20	500	
	Samuell, Amelia H.	100	2500	
	Smith, Mrs. Minnie H.	400	10000	
	Thalassey, Charles F.	10	250	
	Ashenstedt, Fritz A.	20	500	
	Beard, Hillsborough	300	7500	
	Baxter, Charles F.	20	500	
	Bayens, Frank F.	80	2000	
	" Raphael J.	100	2500	
	Bayens, Peter Charles	200	5000	
	Beeney, George O.	1000	25000	
	Bendel, David	600	15000	
	Bottomley, Robert A.	50	1250	
	Brewer, Andrew J.	200	5000	
	Brown, Arthur H.	50	1250	
	" J. Hallman	380	9500	
	" William F.	5	125	
	Bridges, Phillip H.	1100	27500	
	Burley, George R.	100	2500	
	Corbett, Marion V. Emma as Administratrix, Estate of Jesse	10	250	
	Coldsby, Mary Ellen	30	750	
	Cohen, Harry J.	100	2500	
	Colling, John J.	840	21000	
	Conrad, Philip	50	1250	
	Constantine, Lillian A.	40	1000	
	Crosby, Hood	100	2500	
	Crawford, Richard B.	100	2500	
	Crutcher, J. M. Crutcher Lumber Co.	1000	25000	
	Cunningham, Hattie D.	400	10000	
	Denwell, John P.	50	1250	
	Daniel, Price Opal	140	3500	
	Daub, Raymond	100	2500	
	Dittmeier, Peter R.	20	500	
	Dodd, Allen T.	800	20000	
	" Edward A	50	1250	
	Dunbar, Frank B.	100	2500	
	Dunlap, Frank C.	5	125	

EXHIBIT 65-B

1929			
Oct	Duncan, Burton a	100	2500
	Duncan, Scott Jr	20	500
	Eaton, Lewis a	30	750
	Everly, Almon J	100	2500
	Eddleman, Sr. Claude P	300	7500
	Fawcett, Alden L	56	1400
	Frantz, Louis A	25	625
	Fromm, Fred	50	1250
	Gardner, Joseph P. Jr	20	500
	Grimmell, Margaret M	100	2500
	Gingliano, John	100	2500
	Gallas, John Jr	100	2500
	Goodfriend, Louis	10	250
	Gerlach, Robert B.	500	12500
	Graham, Mrs. Frances	8	200
	Gray, Augustus	50	1250
	Greer, Mrs Mary Mckee	40	1000
	Grey, Patty B.	25	625
	Haag, Philip F	50	1250
	Hale, Earl S	25	625
	Hammann, Earl	10	250
	Harden, B. H	100	2500
	Hartley, James P.	400	10000
	Hawes, Edgar B.	50	1250
	Mrs Elsie P.	50	1250
	Hayden, Thomas K	10	250
	Haye, John Edwin	50	1250
	Josephine L	10	250
	Head, Miss Maude	10	250
	Hertzman, Alex	40	1000
	Rose	60	1500
	Heidman, Lindley a	100	2500
	Hoffman, Walter J	25	625
	Hogan, Herbert Hall	150	3750
	Howard, Dr & Murphy	400	10000
	Hemington, Mary Lou	6	150
	Hynes, Miss Gladys	20	500
	Jacks, Edna	10	250
	Williams	20	500
	Jackson, Levi C.	10	250
	Ray	10	250
	Jarboe, William B.	40	1000
	Jones, Rome H	100	2500
	Jones, Samuel A	40	1000
	Kavanaugh, Lillie L	50	1250
	Keller, Henry	50	1250
	Kemper, Walker H	10	250

EXHIBIT 65-B

1927				
Oct 3	Kesselring, John	20	600	
	Kimbler, George B.	30	750	
	Klein, Harry J.	100	2500	
	Kruse, John J.	50	1250	
	Kappelman, Mrs. Josephine B.	500	12500	
	Lane, Mrs. Adrienne	12	300	
	Lang, Alex. A.	75	1875	
	Lapointe, Ruth B.	56	1400	
	Lary, James S.	100	2500	
	" Markham	100	2500	
	Lewis, Kendrick P.	100	2500	
	" Grand B.	50	1250	
	Liber, Fred H.	40	1000	
	Lindenberger, S. Hope	100	2500	
	Lucasky, Clifford	200	5000	
	" William Grad	20	500	
	Lyon, Albert P.	100	2500	
	Lyons, Sandridge H.	20	500	
	" Mrs. Kathleen K.	40	1000	
	Mattingly, Allen	20	500	
	" Mrs. Lula Elam	100	2500	
	" Martin R.	20	500	
	Manuel, Mrs. Hannah	80	2000	
	May, Charles H.	10	250	
	Mc Lee, Martin A.	200	5000	
	Mc Kenzie, Mrs. Evelyn B.	10	250	
	Mc Nally, Allen	100	2500	
	Metcalfe, Ben J.	1940	48500	
	" Mrs. Katherine M.	500	12500	
	Miehl, Max	110	2500	
	Mierash, Rudolph V.	100	2500	
	Miller, John H. Jr.	500	12500	
	" Grand H.	100	2500	
	" Mrs. Mary L.	500	12500	
	" Neville	100	2500	
	Monroe, Walter B.	100	2500	
	Moss, Hiett L.	200	5000	
	Neumeyer, Mrs. Ottilia	3	75	
	Oesmein, Mrs. Julie	50	1250	
	Ott, Miss Mary K.	5	125	
	Retherford, Thomas H.	4	100	
	Riehl, John	200	5000	
	Robertson, Morris A.	20	500	
	Rose, Lee B.	100	2500	
	Russell, Harry H. & Rebecca P.			
	Joint Tenants Right of Survivor	200	5000	
	Rutledge, Arthur M.	150	3750	

EXHIBIT 65-B

1929 Oct	Sand, Alexander	500	12500
	Schaid, Mrs. Emma	8	200
	Schmidt, Lillie M	100	2500
	Schneider, Edward Jr.	400	10000
	Schulmeister, Margie	25	625
	Schuster, Lewis R.	100	2500
	Seelbach Otto K	400	10000
	Sewell, Robert	150	3750
	Shoup, Earl T.	5	125
	Smart, John H.	100	2500
	Smith, Guy B.	25	625
	Spaninger, Joseph R	200	5000
	Speedman, Lawrence J	200	5000
	Speiden, Killian L	700	17500
	Stagge, Miss Nanette	15	375
	Stites, Jarrett	50	1250
	Streck, Karl D.	25	625
	Taft, George Cary	40	1000
	Tafel, Carl G.	200	5000
	Taylor, Charles C	100	2500
	Thompson, Frank H	200	5000
	Joseph H	100	2500
	Robert P.	300	7500
	Thornberry, Mrs. Alene	20	500
	Tyler, Jessie R	20	500
	Vaughan, Arthur J.	25	625
	Vaughan, Hallock	500	12500
	Wahl, Nancy O.	1000	25000
	Wallace, P. M.	100	2500
	Wallingford, Joe H.	40	1000
	Watkins, J. William	400	10000
	Weber, Miss Carolyn	10	250
	Wheeler, Mrs. Augusta H.	76	1900
	Williams, Franklin P.	700	17500
	Wobbe, F. O.	10	250
	Budde, Edward G.	500	12500
	Burdick, Edward H.	100	2500
	Childers, Christopher C.	200	5000
	Coady, Louis G.	30	750
	Davis, Harry V. Jr.	40	1000
	Kleinschmann, Albert H	100	2500
	Ford, Miss Lillie F.	100	2500
	Glenn, Seldon R	300	7500
	Hamilton, Alexander C.	25	625
	Kemp, Edward K.	20	500
	Halladay, Miss Jennie	40	1000

EXHIBIT 65-B

1927					
Oct	3	Hallenkamp, Miss Mary	40	1000	
		Hunter, Roland F.	5	125	
		Ladenburger, Miss Evelyn Ruth	8	200	
		Leglitter, Frank J.	20	500	
		Lepping, Roland B.	3	75	
		Lee, Mrs. Sophia B.	4	100	
		Miller, Clarence M.	15	375	
		Meelman, Miss Flora	400	10000	
		Mooney, Mrs. Catherine S.	340	8500	
		Obermeier, Henry A.	200	5000	
		O'Hara, Miss Grace	25	625	
		Pape, William J.	4	100	
		Ramsey, Anthony P.	680	17000	
		Rotterman, John B.	100	2500	
		Samuels, Theodore Ojstera	50	1250	
		Spargur, Harriet	10	250	
		Scanland, Mrs. Susan Dec'd	48	1200	
		Schuly, Miss Lorraine A.	10	250	
		Spayd, William	200	5000	
		Thiemann, Henry	648	16200	
		Thirwell, Edward C.	100	2500	
		Thomas, John A.	50	1250	
		Trimble, Edward V.	12	300	
		Trent, John K. Jr.	200	5000	
		Tuley, Cecilia	200	5000	
		Tuley, Mrs. Mary V.	8	200	
		Wright, Miss Louise	25	625	
			40,268		1007600

EXHIBIT 65-B

1924 Oct	Arcangio, Mrs. Rosa	25	625
	Beardsley, Miss Mary A	65	1625
	Bierfus, Luther	20	500
	Fontaine, Logan F.	360	9000
	Hickey, Michael J.	100	2500
	Lepping, Miss Hilliard	20	500
	Oglesby, Paul F.	50	1250
	Schneider, John C.	200	5000
	Abernathy, Miss Elizabeth	2	50
	Alford, Miss Bettie F.	25	625
	Bacigalupi, Charles R.	75	1875
	Badenoch, Jean.	25	625
	Barkley, Richard	10	250
	Bethel, Miss Mary Macdonald	200	5000
	Bernard, Abraham	10	250
	Bradley, Mrs. Tillie Bertha	50	1250
	Campbell, Stuart C.	20	500
	Charlton, Henry K.	100	2500
	Culp, Charles C.	500	12500
	Lanier, Miss Mayme	20	500
	Lennan, Miss Jersey	40	1000
	Louis Jr.	30	750
	Kline, Mrs	100	2500
	Kelley, William B.	500	12500
	Kesler, Thomas C.	50	1250
	Larkin, Ames Kinnear Walter R II	2 5	50 125
	Ford, Ben C.	500	12500
	Geraghty, Raymond R	20	500
	Goodfriend, Louis	5	125
	Goodman, Harry	50	1250
	Gutermuth, Conrad H.	75	1875
	Hayden, James R.	40	1000
	Kemp, Roy P.	400	10000
	Kellogg, Jacob C.	100	2500
	Kozlowski, A. V.	200	5000
	Lewis v Culp Jane	500	12500
	Lovekin, Mrs Edith Gash	40	1000
	Massie, William K	1000	25000
	Morris, George K.	100	2500
	Lewis K.	100	2500
	Morris, William K.	100	2500
	Moss, Mrs Margaret M.	40	1000
	Ruder, George H.	300	7500
	Peters, Mrs Georgia	10	250
	Radford, Octavius L. Jr.	100	2500

EXHIBIT 65-B

1928				
Oct	4	Schuhmann, Beatrice Mrs.	50	750.0
		Slater, Louis	200	4000
		Spalding, Peter G.	100	2500
		Stilz, William A Jr.	75	1875
		Stitt, Miss Elizabeth	15	375
			3	75
		Strassel, Harry H	100	2500
		Strull, Charles	100	2500
		Strunk, Mrs. Mary Belle	100	2500
		Sundeen, Miss Thompson	20	500
		Thrasher, Wm	1000	25000
		Thilo, George B.	125	3750
		Thrasher, John C. Jr.	200	5000
		Tintenmilk, Tom M.	100	2500
		Thilo, Leander K.	10	250
		Thorsen, Charles	40	1000
		Tilly, Mrs. Kate B.	400	10000
		Tuthan, Miss Josephine	10	250
		Turney, Mrs. Martha G.	50	1250
		Turner, L. Sheldon	200	5000
		Tyndall, James M.	200	5000
		Ulrich, Edwin	5	125
		Craig, Miss Mary Catherine	5	125
		Underhill, Miss Gertrude	20	500
		Upjohn, Miss Marguerite C.	25	625
		Upping, Wallace K.	8	200
		Unger, Walter K.	440	11000
		Ulrich, Miss Christine	5	125
		The Association of Philadelphia	50	1250
		Vealey, Miss Irene	10	250
		Vantine, Marguerite Miss	5	125
		Van [illegible] Miss Margaretta	10	250
		Valentine, Harold K	320	8000
		Vaney, Percy S.	15	375
		Veggans, Miss Catherine	5	125
		Vendrinka, Lee	10	250
		Villeriel, Carl	5	125
		Johnson, Ben J.	20	500
		Wiley, Miss Katherine	2	50
		Wiesenbergen, Albert H.	10	250
		Wellby, Raymond L.	10	250
		Weber, Mrs. Emma	60	1500
		Wineals, Walter K.	10	250
		Wrightridge, Mrs. Pearl M.	100	2500
		Morgan, Stephen H.	10	250
		Murphy, Peter J.	50	1250
			$ 1663	

EXHIBIT 65-B

1927 Oct	Putman, Lawrence	5	125	
	Pitman, William S.	25	625	
	Ryan, Joseph J.	40	1000	
	Scharfenberger, William	20	500	
	Schlichter, Mrs. Lennie	50	1250	
	Schneider, Erle	5	125	
	Schreiber, Joseph J.	50	1250	
	Schuberth, Miss Ada L.	10	250	
	Scott, Curtis A.	5	125	
	Speakman, Ernest J.	10	250	
	Steele, Candis	5	125	
	Stettinghell, Alexander J.	10	250	
	Streck, Mrs. Mary S.	400	10000	
	Talamini, Harry S.	500	12500	
	Theobald, Edward J.	1000	25000	
	Truman, Mrs. Berdie Lemple	10	250	
	Vonepe, Mrs. Magnie	10	250	
	Warren J. Sutcliffe	30	750	
	Westwood, Lena M.	50	1250	
		4618		691700

EXHIBIT 65-B

1977			
Oct 5	Clemmons, Paul L.	10	250
	Turner, Mrs. Maria	100	2500
	Priddy, Joseph E.	1000	25000
	Andrew, Ed	100	2500
	Bradley, Thomas P.	50	1250
	Carter, Mrs. Susan O.	40	1000
	Chastain, Erlie	200	5000
	Clark, Walter S.	300	7500
	Cureton, Mrs. Virginia B.	12	300
	Edelen, Collings J.	50	1250
	Harrison, Edward S.	100	2500
	Hendelsein, Fred J.	400	10000
	Hertel, Fred K.	10	250
	McDonough, Edward Eugene R.	400	10000
	Reins, Alex B. Jr.	50	1250
	Simpson, Grace M.	240	6000
	Stakely, Williams B. Jr.	300	7500
	Yarnell, George R. Jr.	25	625
	Antonini, Miss Catherine	5	125
	Bader, Frank	20	500
	Bauscher, John P.	5	125
	Bendeen, Miss Mary A.	30	750
	Bircher, Mrs. Florence C.	60	1500
	Brunner, William Edward	10	250
	Crull, Harry N.	5	125
	Doppelmann, Raymond J.	10	250
	Dunlap, Alex Jr.	30	750
	Early, George M.	140	3500
	Fontana, Charles F.	50	1250
	Gerring, William H. Jr.	5	125
	Green, Miss Irma	5	125
	Hagedorn, Mrs. Pearella	10	250
	Herrad, Thomas	5	125
	Hess, John H.	10	250
	Huette, Miss Elizabeth	17	425
	Harder, Miss Effie	5	125
	Laney, Chester	21	525
	Lee, Edward K.	800	20000
	Mrs. Mary L.	40	1000
	McKee, Mrs. Margaret M.	80	2000
	McLean, Mrs. Eliza T.	12	300
	McNulty, William B.	15	375
	Mahoney, Miss Monica	5	125
	Maloney, Thomas J.	10	250
	Marshall, Cecil T.	5	125
		3065	

EXHIBIT.65-B

1929				
Oct	Mowingly, Miss Elizabeth	5	125	
	Mengel, Kevin Peter	100	10000	
	Meeiman, Miss Irene	5	125	
	Ramsey, Miss Katherine	5	125	
	Roby, Miss Elma	5	125	
	Ruffner, George Jr.	5	125	
	Sengel, Mrs. Lottie L.	60	1500	
	Thomason, Mrs. Mabel	5	125	
	Tenney, Camille	50	1250	
	Vest, John H.	16	400	
	Watkins, Philip B.	200	5000	
	Zuckerwick, W. Tom	150	3750	
		703		17625 ↓

EXHIBIT 65-B

1920				
Oct 7	Lewis, John R.	100	2500	
	Lindsley, Miss Annabel	10	250	
	Linnell, Charles A & Meredith, J Jas Tenant, Rights of Survs	50	1250	
	Lyon, Eugene E.	20	500	
	Begg, Stanley	20	500	
	Blakely, Bradley	20	500	
	Brown, Abe M.	100	2500	
	" George	200	5000	
	" Harry M	100	2500	
	Bullock, James O.	20	500	
	Landsdale, Mrs. Agnes M	10	250	
	Laughlin, Frank J.	50	1250	
	Laffey, Thomas J.	696	17400	
	Lawson, Tom K III	6	150	
	Leahy, Mrs. Kate S.	8	200	
	Leach, Albert	20	500	
	Lease, Shirley E	100	2500	
	Leaver, P Leo	40	1000	
	Lindley, Maude	20	500	
	Lattimer, Henry B	200	5000	
	Lanfman, Leo P.	75	1875	
	Lubop, Edward C	100	2500	
	Leeding, Miss Adelaide	10	250	
	Lister, John	200	5000	
	Stone, Sam	1000	25000	
	Tefel, Mrs. Mary K	10	250	
	Lewis, John H.	600	15000	
	Lyons, Clyde F	50	1250	
	Linder, Nielsen John M	100	2500	
	Hetherington, Miss Mattie	40	1000	
	Bartman, Charles F.	20	500	
	Benfield, Emil B.	400	10000	
	Burch, Henry L	200	5000	
	Erdman, James H.	12	300	
	Fife, Mrs. Amelia E	40	1000	
	Garnett, James	100	2500	
	Hanson, Mrs Louise A	20	500	
	Harris, Mrs Mary M.	60	1500	
	Heck, Clarence H.	300	7500	
	Lagace, Emil J.	50	1250	
	Lahey, H. Lester	50	1250	
	Frost, Fred	100	2500	
	Utterback, Robert L.	100	2500	
	Kinney, Matt J.	2000	50000	
		$ 1867		

EXHIBIT 65-B

1959
Oct 7 Huntsville, Ala. 2-c 196175

EXHIBIT 65-B

77			
61	Bauer, William	25	625
	Engels, Leo E	500	12500
	Hanley, Herbert G	200	5000
	Hanlon, George A	600	15000
	Abbott, David J	400	10000
	Allen, Stuart M	50	1250
	Bamber, Wilfred	100	2500
	Clegg, Fred A	26	650
	Fleiner, Morris	100	2500
	Hyman, Isadore	50	1250
	Kling, Benj M	500	12500
	Krieger, Mrs Anna	10	250
	Linder, Harry	150	3750
	McAfee, Clinton J	10	250
	Henry Bergman	10	250
	McGlone, William H	30	750
	McMahon, Adam C	10	250
	McMillan, Glenn L	400	10000
	Seaton, Joseph	100	2500
	Sherrell, Buford M	100	2500
	Spalding, Joseph S	1000	25000
	Tyler, Robert S	50	1250
	Wade, Earl F	25	625
	Wheeler, Blanmore	400	10000
	Allgeier, Frank N	100	2500
	Ambrose, Nelle C	200	5000
	Burkholder, Thomas K	400	10000
	Caverly, John R	200	5000
	Coady, Miss Mary M	100	2500
	Cooney, James	100	2500
	Dill, Charles F	20	500
	Fenske, Frank B	50	1250
	Greenstein, Simon J	100	2500
	Hannan, Miss Peggie	100	2500
	Murphy, Carroll Hamilton	100	2500
	Sunday, Sheldon M	1000	25000
		7316	182900

EXHIBIT 65-B

1969				
Oct 9	Bellman, John H.	50	6250	
	Cogread, Mrs Adelia L.	20	500	
	Johnson, Hillman	25	625	
	Aldridge, Frank B	25	625	
	Anderson, Mrs Lillian	20	500	
	Barbare, Mrs Caroline H	4	100	
	Chandler, John H	50	1250	
	Davis, Nancy	20	500	
	Gratzer, Bernard H	100	2500	
	Hamilton, Arch L	1000	25000	
	Hemmerer, Louis J	100	2500	
	Langford, Eugene H	600	15000	
	Lakemeier, Mary H	24	600	
	Turner, Mrs Mary L	200	5000	
	Wheeler, Mrs Minnie M	1500	37500	
	Angermeier, Nancy J	100	2500	
	Blumenz Enterprises	750	18750	
	Herbert, Preston	1000	25000	
	Jones, William E	100	2500	
	Powder, Freeman D	500	12500	
	Savage, Mrs Jeanne M	50	1250	
		6931		160950 ✓

EXHIBIT 65-B

1979				
Oct 10	Cohen, Armand E.	100	2500	
	David, Paul	100	2500	
	Barker, Thomas A.	140	3500	
	Bonnell, Rhoden R	940	23500	
	Campbell, Charles S	250	6250	
		250	6250	
	Cureton, Max C.	20	500	
	Hagman, William J.	80	2000	
	Heffern, John H.	10	250	
	Howard, Jacob	50	1250	
	Kavanaugh, Joe J	25	625	
	Murray, N. Hubbard	10	250	
	Rivera, Michael J.	50	1250	
	Ruff, William A.	20	500	
	Stauffer, Walter H	20	500	
	Tunnell, Henry P.	60	1500	
	Weber, Ben	100	2500	
	Weber, William K.	100	2500	
	Baldauf, Mrs. Minnie L	6	150	
	Braid, Robert V.	1500	37500	
	Carson, Alexander M.	100	2500	
	Guernsey, Gordon R	50	1250	
	Sherman, Elmore	100	2500	
		4481		124625

EXHIBIT 65-B

1929					
Oct	11 Bennington, Arthur B	500	12500		
	Bergmann, Geo H Jr	100	2500		
	Franklin Printing Co	40	1000		
	Hearst, John A	400	10000		
	Hayden, Thomas S	10	250		
	Humphreys, Mrs Eve Kirk	24	600		
	Mack, Frank J Jr	200	5000		
	Sharp, Joe B	500	12500		
	Buckland, Joseph E	140	3500		
	Galbreath, Hayes Mrs	25	625		
	Hurd, Mrs Ida M Kirk	200	5000		
	Hoit, Sidney	7000	175000		
	Schofield Co	1000	25000		
		11239			280975

EXHIBIT 65-B

1924					
Oct 14	Bowden, Mrs. Julia L.	40	1000		
	Bixby, Edmund P.	50	1250		
	Bushby, Norbert A.	400	10000		
	Keating, Leonard D.	20	500		
	Magee, William L.	900	22500		
	Tenney, John A.	100	2500		
	McElroy, Mrs. Nellie A.	10	250		
	Mittendhal, Meyer	500	12500		
	Christy, Miss Frieda	10	250		
	Mason, William E.	125	3125		
	Tannenberg, Mrs. Olivia	10	250		
	Kendall, Richard M.	50	1250		
	Livingston, George A.	150	3750		
	Merriam, Mrs. Ellen A.	10	250		
	" John A.	100	2500		
	Tenney, Mary A.	300	7500		
	Redding, George S.	100	2500		
		2875		71875	

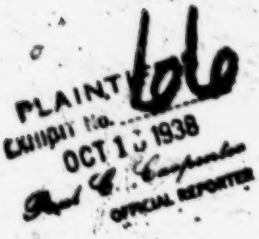
EXHIBIT 65-B

1929					
Oct	15 Harriman, John H	500	12500		
	Ballard, Miss Betty Lou	100	2500		
	" Jr.	2000	50000		
	" Mrs. Olive May	100	2500		
	Bagley, Frank H	1000	25000		
	Johnson, Charles A	200	5000		
	McCulloch, Mrs. Ida M	10	250		
	Marshall, Morton	1200	30000		
	O'Brien, Edward J. Jr.	2000	50000		
	Reed, McKay	500	12500		
	Stanley	500	12500		
	Schierstein, H. B. & Sons	200	5000		
		8310		207750	

EXHIBIT 65-B

1917					
Oct	17 Stoke, Eulee B.	500	12500		
	Joseph, Oscar B.	60	1500		
	Ellicott, Lloyd	50	1250		
				15250	
	19 Hendricks, Mrs. Dorothy A.	10	250		
	McCord, Charles	10	250		
	Milner, Charles H.	200	3500		
	Hosier, Benjamin	1000	25000		
		1220		33000	
	21 Larue, Miss James M.	20	500	500	
	22 Guthrie, Mrs. Margaret	15	375		
	Kinsley, Edward H.	200	5000		
	Rabenader, Mrs. Ferd	4	100	5475	
	23 Mrs. Olga B. Dellinger	20	500		
	Burdsall, Miss Emma T.	4	100		
	Annie B.	4	100		
	Girard Trust Co. Trustee Jane Ray Hall Est.	40	1000		
	Jane Ray Hall Est.	60	1500	8200	
	26 Bidwell, Charles H.	1000	25000	25000	
Nov	1 Brailsford & Co.	200	5000	5000	
			167[illegible]		

Exhibit 66



Jefferson Circuit Court

Chancery Branch

Division

ACTION

A.J.Carroll,
Henry Vogt,
R. Lee Callahan,
George M.Clarke,
Robert P. Vaughan,
Allen P. Dodd, individually and as the
Executive Committee of the Board of
Directors of The Ennis Kentucky Company, Plaintiffs,

-vs- PETITION IN EQUITY

Chemical Bank and Trust Company,
The Ennis Kentucky Company, Defendants.

* * *

The plaintiffs, A.J. Carroll, Henry Vogt, R. Lee Callahan, George M. Clarke, Robert P. Vaughan and Allen P. Dodd, for petition herein state that they are and were at all times herein the owners and holders, in their own right, of more than 800 shares of the capital stock of the defendant, The Ennis Kentucky Company, and that they were likewise the duly elected, qualified and acting members of the Board of Directors of said defendant and were with James Garnett likewise duly elected, qualified and acting members of the Executive Committee of said defendant, with full power and authority as such to carry on the affairs of said corporation in the manner described in the by-laws and a resolution of the Board of Directors of said corporation hereinafter set out.

66

Exhibit 66

At all of said times the defendant, The Bankers Kentucky Company, was a corporation duly created, organized and existing under the laws of the state of Delaware with power to sue and be sued, contract and be contracted with, and to own, hold, sell and deal in the stocks and bonds of other corporations. The powers of said defendant corporation are more than specifically described in its Articles of Incorporation, a copy of which is hereto attached marked "Exhibit A".

Said corporation during all of said times and since its organization about July 16,1929, has carried on and operated its business in the State of Kentucky and City of Louisville and all of its property and estate of every kind is now located and held in said state and city.

Likewise at all times herein mentioned the defendant, Chemical Bank and Trust Company, was a corporation, organized and existing under the laws of the state of New York, with power to sue and be sued, contract and be contracted with, and to carry on a general banking business under the laws of said state of New York.

One, Paul C. Keyes, Receiver of the National Bank of Kentucky, is and has been, continuously, at all times since November 18,1930, the officer designated by the Controller of Currency of the United States under the National Banking Act to have charge and control of all of the assets and property and affairs of the National Bank of Kentucky, a corporation theretofore operating in the City of Louisville a national banking institution under and by virtue of the laws of the United States.

Exhibit 66

The plaintiffs say that prior to November 17, 1930, the defendant, The Bunco Kentucky Company, was in the pursuance of its business the owner and holder of large amounts of the capital stock in the following banks:

National Bank of Kentucky,

The Louisville Trust Company,

Brighton Bank and Trust Company of Cincinnati, Ohio,

Pearl-Christ Bank and Trust Company,

Central Savings Bank and Trust Company of Covington, Kentucky,

First National Bank of Paducah, Kentucky,

Ashland National Bank,

which holdings represented substantially all of the property and assets belonging to said defendant.

On said November 17, 1930, for causes over which these plaintiffs had no control, the National Bank of Kentucky and the Louisville Trust Company, both large banking institutions in the city of Louisville, were compelled to suspend business and be placed under the control and in charge of public authority, with the result that grave complications arose which made it impossible to conduct the affairs of The Bunco Kentucky Company in the manner and for the purposes for which it was organized, and with the further result that the creditors of and stockholders' interest in said Bunco Kentucky Company were gravely jeopardized and the orderly conduct of its business in normal fashion became impossible.

In pursuance of their powers as Executive Committee of the Board of Directors of said Bunco Kentucky Company these plaintiffs disposed immediately of all of its holdings of stock

in the aforesaid two banks in Cincinnati, two banks in Covington and the Bank in Ashland for the purpose of enabling those banks to proceed in the operation of their respective businesses and to protect their depositors from the results of public excitement.

As to the holdings of said defendant in the bank at Paducah, said holdings were rendered of doubtful value by the fact that the officers and directors of said bank at Paducah, of their own motion, and without the consent or approval of The Banco Kentucky Company disposed of all the assets of said Paducah Bank as a going concern to another bank in that locality.

In the performance of their duties as Executive Committee these plaintiffs caused the proceeds of the sale of its holdings of stock in the aforesaid banks at Cincinnati, Covington and Ashland to be placed in the custody of Paul C. Keyes, Receiver of the National Bank of Kentucky, and same are now by him so held.

In addition to said proceeds said defendant, The Banco Kentucky Company, owns shares of stock in the National Bank of Kentucky and the Louisville Trust Company, which stock constitute the only assets of said defendant, except the deposit aforesaid held by Paul C. Keyes.

The defendant, The Banco Kentucky Company, is now and has been for sometime past indebted to the defendant Chemical Bank and Trust Company in the sum of $1,600,000, subject to a credit of $300,000, and said defendant is the only creditor of the defendant, The Banco Kentucky Company, except the National Bank of Kentucky, to which is owed approximately $131,000.

Exhibit 66

Plaintiffs say that the stockholders in the Ranco Kentucky Company all have a common and general interest in the questions involved in the further prosecution of the business of said defendant and in the liquidation of its affairs and that said stockholders are numerous, aggregating many thousands of people, so that it is impracticable to bring them all before the court within a reasonable time, and these plaintiffs, as the representatives of said stockholders, and by virtue of their authority as the Executive Committee of the Board of Directors of said defendant, prosecute this action for the protection and benefit of all of the stockholders and the said creditors of said defendant, in order to bring the management of its affairs hereafter under the supervision of this court of equity through its receiver to the end that no questions may arise as to the authority and propriety involved in any of the important acts that will be necessary to accomplish a liquidation and distribution of the assets of said defendant to its creditors and stockholders.

Plaintiffs say that the defendant, The Ranco Kentucky Compan., is threatened with a multiplicity of suits to determine the rights to dispose of its assets and in the liquidation of its affairs and in the distribution of the proceeds thereof, all of which will cause unnecessary expense and delay and irreparably injured the value of the interests of said defendants' creditors and stockholders in said liquidation.

-8-

Exhibit 66

WHEREFORE, plaintiffs pray the orders and judgment of this court appointing a Receiver for the defendant, The Kanco Kentucky Company, to take charge of all of its assets, books, papers and effects and to hold, manage and dispose of same under the supervision of this court, and that said defendant and all of its officers and all other persons be ordered and directed to deliver to said receiver all of the aforesaid property in their hands and over which they have control belonging to said defendant; and that all persons be enjoined and restrained from instituting any suit against said defendant or prosecuting any claim against it, except in this action; and they pray for all other and proper relief.

David R. Castleman
Attorney for plaintiffs.

* * * * *

FETD. FLD. IN CLERK'S OFFICE
1930, Nov. 24th.

Exhibit 66

Mr. Carroll offered the following resolution, which was seconded by Mr. Dodd and unanimously adopted:

RESOLVED: That the by-laws of THE BANCO KENTUCKY COMPANY be and they hereby are amended by adding to said by-laws, as an additional clause, the following:

"The Board of Directors may elect, or confer upon the President the power to appoint an Executive Committee, from the membership of this Board, consisting of six members, the President to be ex-officio Chairman thereof. Said Committee shall have and exercise any or all of the powers and be invested with all of the authority of the Board of Directors in the management of the business and affairs of this corporation, at all times when the Board of Directors is not actually in session. Meetings of said Committee may be called at any time by the President or by any two members of the Committee."

Mr. Vaughan moved that the members of the Executive Committee be appointed by the President. The motion was seconded by Mr. Rutledge and unanimously adopted.

The President thereupon appointed the following to constitute the Executive Committee: R. Lee Callahan, Allen P. Dodd, A.J.Carroll, Robert F. Vaughan, George H. Clark and James Garnett.

Exhibit 66

I hereby certify that the foregoing is a true and correct copy of a portion of the minutes of the meeting of the Board of Directors of The Ranco Kentucky Company, held November 18,1930.

W.T.Burkhalde
Secretary The Ranco Kentucky Company.

• • •

FLD. WITH PETO.
1930, Nov. 24th.

Exhibit 66

The affiant, Henry Vogt, says that he is one of the plaintiffs herein, and that the statements contained in the foregoing petition are true as he verily believes.

Henry Vogt.

Subscribed and sworn to before me by Henry Vogt, this 24th day of November, 1880.

My commission expires December 28, 1880.

Anna Eith
N.P.J.C.Mf.

• • • •

Exhibit 67

JEFFERSON CIRCUIT COURT
CHANCERY BRANCH
SECOND DIVISION

#203225

Henry Vogt, et al. Plaintiffs,

-vs-

The Banco Kentucky Company, et al., Defendants.

ANSWER AND ENTRY OF APPEARANCE OF DEFENDANT,
THE BANCOKENTUCKY COMPANY

Comes the defendant, The Banco Kentucky Company, and enters its appearance herein and confesses the allegations of the petition and consents that the prayer thereof shall be granted and that entry be made appointing a Receiver for it.

THE BANCO KENTUCKY COMPANY

By: W.T.ZurSchmiede
Secretary.

Subscribed and sworn to before me by W.T.ZurSchmiede, this November 24,1930.

My commission expires Dec. 28,1933.

Anna Eith,
N.P.J.C.KY.

Fld in Court
1930, Nov. 24th.

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Exhibit 68

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Operations of
BancoKentucky Company
For Period

October 1, 1929 to November 22,1930

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 68

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

HUGH A WHITE C P A
EDWIN H BOWER C P A
HARRY M PREVO C P A
L R W LAUGHLIN C P A

TELEPHONE
CADILLAC 4020

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14,1938

Mr. A.M.Anderson, Receiver,
National Bank of Kentucky,
Louisville,Kentucky.

Dear Sir:

In accordance with your instructions, we have made an examination of the books and records of

SancoKentucky Company

for the period from October 1, 1929 to November 22,1930 and herewith present an analysis of operations of the Company for the period indicated.

You will note that the income, expenses and dividends paid are classified and summarized by the following periods:

October 1, 1929 to December 31, 1929
January 1, 1930 to April 1, 1930
April 2, 1930 to July 1, 1930
July 2, 1930 to October 1,1930
October 2, 1930 to November 22, 1930
and total for period
October 1, 1929 to November 22, 1930.

Exhibit 68

The dividends paid to stockholders of BancoKentucky Company on January 2, 1930 are shown on the books of account of the Company under date of December 31, 1929 and are, therefore, shown on the appended schedule for the period October 1,1929 to December 31, 1929.

The amount of $7,079.60, shown as Federal Income Tax, represents the amount set up as a liability for Federal Income Tax for the period ended December 31, 1929. Only $4,320.59 of this amount was paid prior to November 22, 1930, leaving a liability on the books of account in the amount of $2,759.01.

Very truly yours,

White, Bower & Lewis

Certified Public Accountants

Exhibit 68

BANCOKENTUCKY COMPANY

Analysis of Operations - October 1,1929 to November 22,1930

Income	Oct. 1,1929 to Dec.31,1929	Jan. 1,1930 to Apr. 1,1930	Apr. 2,1930 to July 1,1930	July 2,1930 to Oct. 1,1930	Oct. 2,1930 to Nov. 22,1930	TOTAL October 1,1929 to November 22,1930	
Interest on Certificates of Deposit	$ 79,636.25	$ 29,433.51	$ 13,841.52	$ 413.33			$123,348.89
Interest on Stock subscriptions	2,707.40						2,707.40
Dividends:							
Ashland National Bank				26,632.00		26,632.00	
Brighton Bank & Trust Co.	42,009.00	26,595.80	26,829.00	26,574.00	$ 90.00	121,797.80	
Central Savings Bank & Trust Co.		5,288.00	5,288.00	5,288.00	5,288.00	13,152.00	
First National Bank			1,067.00	8,310.00	4,155.00	13,532.00	
Pearl-Market Bank & Trust Co.	54,452.00	28,119.60	28,329.60	28,742.40	180.00	119,823.60	
Peoples-Liberty Bank & Trust Co.		6,708.00	3,478.00	3,866.00	10.00	13,762.00	
Security Bank				16,897.00		16,897.00	
Union Centfal Life Insurance Co.			375.00		375.00	750.00	
Trustees Participation Certificates	210,297.60	216,119.60	218,691.60	216,183.60		857,282.40	1,101,606.80
	$389,104.25	$309,264.01	$ 297,599.72	$ 328,596.33	$ 6,098.00		$1,507,683.31
Expenses:							
Interest paid	$ 9,800.00	$ 4,833.33		$ 10,416.68	$ 9,212.25	$ 33,972.24	
Examiners' fees	136.12		$ 406.53			542.65	
Federal tax-original stock issue	5,266.91			6,534.84		11,801.75	
Legal fees	816.60	12,800.00	385.10			13,400.70	
Organization tax	1,238.00	640.00				1,878.00	
Printing and supplies	2,431.52	368.27	801.21	5,760.34		9,081.34	
Franchise tax			239.17			239.17	
Listing fees	10,100.00		6,000.00			16,100.00	
Stock transfer fees		829.76	1,164.18	203.92		1,897.86	
Telegraph	326.06					326.06	
Traveling	460.67		92.30	325.09	208.24	1,086.80	
Insurance and postage			8.00	765.76		773.76	
Miscellaneous			119.29	116.84		233.65	
Federal income tax	7,079.80					7,079.80	
Total	$ 37,054.43	$ 19,891.36	$ 7,915.78	$ 24,125.18	$ 9,420.49		$ 97,413.24
	$352,049.82	$289,372.65	$289,683.94	$304,473.15	$ 1,322.49		$1,210,346.05
Dividends paid to stockholders	306,553.80	316,197.00	315,096.60	317,686.80			1,255,513.00
	$ 45,496.02	$ 27,824.34	$ 30,410.66	$ 13,212.48	$ 1,322.49		$ 45,163.98
Undivided profits at beginning of period (other than profits from retirement of BancoKentucky Company stock)		25,516.98	1,691.61	29,719.08	41,931.48		
Undivided profits from earnings (deficit)	- $ 25,516.98	$ 1,691.61	$ 28,719.08	$ 41,931.48	$43,253.98		$ 45,163.98
Excess of amount received for BancoKentucky Company stock over amount paid on retirement of same		23,780.00	232,162.80	19,980.00			275,882.80
Amount shown on books as undivided profits at beginning of period arising from retirement of Banco-Kentucky Company stock			23,780.00	256,912.80	276,882.80		
Undivided profits per books	$ 25,516.98	$ 25,471.61	$ 284,661.88	$ 318,624.28	$320,136.78		$ 321,046.78

Exhibit 69

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Dividends Received by Trustees From
National Bank of Kentucky and Louisville
Trust Company and Distribution of Such
Dividends to Holders of Trustees
Participation Certificates

October 2, 1929 to November 16, 1930

Plaintiff's Exhibit No 69

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 69

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

TELEPHONE
CADILLAC 4620

HUGH A WHITE C P A
EDWIN H BOWER C P A
HARRY H PREVO C P A
L B McLAUGHLIN C P A

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14, 1938

Mr. A. E. Anderson, Receiver
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions we have examined certain books and records of the National Bank of Kentucky, Louisville Trust Company and BancoKentucky Company relating to dividends paid by the National Bank of Kentucky and Louisville Trust Company to the Trustees under a Trust Agreement entered into between the stockholders of National Bank of Kentucky and Louisville Trust Company dated April 22, 1927 and the distribution of such dividends.

We have prepared and attach hereto a summary of dividends paid to the trustees subsequent to October 2, 1929 and the immediate distribution of such dividends to the holders of Trustees Participation Certificates.

Very truly yours,

White Bower & Prevo
Certified Public Accountants

Exhibit 69

Summary of Dividends Received by Trustees under a Trust Agreement entered into between the Stockholders of the National Bank of Kentucky and Louisville Trust Company dated April 22, 1927 and the distribution of such dividends to BancoKentucky Company and other holders of Trustees Participation Certificates during period October 2, 1929 to November 17, 1930.

January 2, 1930:		
Receipt of dividends from:		
Louisville Trust Co. (17,015 Shs. @ $4)	$68,060.00	
National Bank of Kentucky (39,130 Shs. @ $4.)	156,520.00	
National Bank of Kentucky (C. C. Hiett qualifying shares)	40.00	$224,620.00
Disbursement of dividends to:		
BancoKentucky Company (525,744 Shs. @ 40¢)	$210,297.60	
Others (35,806 Shs. @ 40¢)	14,322.40	$224,620.00
April 1, 1930:		
Receipt of dividends from:		
Louisville Trust Company (17,215 Shs. @ $4)	$68,860.00	
National Bank of Kentucky (39,810 Shs. @ $4)	159,240.00	$228,100.00
Disbursement of dividends to:		
BancoKentucky Company (537,799 Shs. @ 40¢)	$215,119.60	
Others (32,451 Shs. @ 40¢)	12,980.40	228,100.00
July 1, 1930:		
Receipt of dividends from:		
Louisville Trust Company (17,215 Shs. @ $4)	$68,860.00	
National Bank of Kentucky (39,810 Shs. @ $4)	159,240.00	$228,100.00
Disbursement of dividends to:		
BancoKentucky Company (539,229 Shs. @ 40¢)	$215,691.60	
Others (31,021 Shs. @ 40¢)	12,408.40	228,100.00
October 1, 1930:		
Receipt of dividends from:		
Louisville Trust Company (17,235 Shs. @ $4)	$68,940.00	
National Bank of Kentucky (39,820 Shs. @ $4)	159,280.00	$228,220.00
Disbursement of dividends to:		
BancoKentucky Company (540,384 Shs. @ 40¢)	$216,153.60	
Others (30,166 Shs. @ 40¢)	12,066.40	$228,220.00

Exhibit 69-A

Frankfort, Kentucky,
October 14th, 1938

The undersigned, C. D. Roberts, states that he is the Chief Deputy of the Secretary of State of the State of Kentucky, and as such has custody of the official records of said office, and that he has made a diligent search of the records of the office of the Secretary of State of the State of Kentucky in order to ascertain whether the BancoKentucky Company, since its organization on July 16, 1929, as required by Section 571 of the Kentucky Statutes, has filed in the office of the said Secretary of State of the State of Kentucky a statement signed by its President or Secretary, giving the location of its office or offices in the state, and the name or names of its agent or agents thereat upon whom process can be served, and that after a diligent search, no record or entry of the filing in the office of said Secretary of State of the State of Kentucky of a statement giving the location of the office or offices of the BancoKentucky Company in the State of Kentucky or the name or names of its agent or agents thereat, upon whom process can be served, as required by Section 571 of the Kentucky Statutes, or any statement at all in an attempted compliance with said Section 571 is found to exist in the records of said office of the Secretary of State of the State of Kentucky.

C D Roberts
C Clerk

STATE OF KENTUCKY)
COUNTY OF FRANKLIN)

The undersigned, C. D. Roberts, hereby certifies that he is the Chief Deputy of the Secretary of State of the State of Kentucky and that as such Chief Deputy he has the legal custody of the records of the office of the Secretary of State of the State of Kentucky.

C D Roberts
" " C. Clerk

Pltf's Ex 69-A

Exhibit 69-B

STATE OF KENTUCKY)
COUNTY OF FRANKLIN) SCT:

The undersigned, Virgil Smith, states that he is the Supervisor of the Filing Section of the Department of Revenue of the Commonwealth of Kentucky, and as such has custody of said office; that he has made a diligent search of the records of the Department to ascertain whether the BankoKentucky Company, since its organization on July 16, 1929, as required by Section 4189-2, Kentucky Statutes, has paid the annual license tax provided in said section of the Kentucky Statutes, and that after a diligent search no record or entry of the payment for any year of such annual license tax is found to exist in the records of said Department.

This the 15th day of October, 1938.

Virgil Smith

Subscribed and sworn to before me by Virgil Smith this the 15th day of October, 1938.

Ira Marshall

Notary Public, Franklin Co., Ky.

Notary Public, Franklin County, Ky.

My Commission expires My commission expires May 9, 1942

Plaintiff's Exh. 69 B

Exhibit 71
LOUISVILLE STOCK EXCHANGE

APPLICATION—TO LIST STOCK

To the Listing Committee:

GENTLEMEN:—We herewith make application to list the stock of the The BancoKentucky Company upon the regular list of the Louisville Stock Exchange, and submit the following statement:

1. Name of Company?
   The BancoKentucky Company
2. Purpose for which organized?
   Organized for the purpose of buying, holding, and controlling Banks.
3. Date of incorporation?
   July 16, 1929
4. Under what law incorporated?
   Delaware
5. Amount of authorized Capital?
   2,000,000 shares $ 10.00 par value
6. Par value of shares?
   $10.00
7. Amount of Capital Stock issued?
   Entire
8. Is stock assessable?
   No.
9. Amount of authorized bonds?
   None
10. Amount of bonds issued?
11. Location of Principal Office?
    Louisville, Ky.
12. Location of Transfer Office, and Name of Agent?
    Louisville Trust Co. Louisville, Ky. Harris Tr & Sav Bk. Chicago, Ills
13. Statement of Company—Resources and Liabilities?
    To do this it would be necessary to project a balance sheet.
    An actual balance sheet will be furnished within ten days.

Exhibit 71

14. **Are Certificates Registered? If so, where?**

National Bank of Kentucky, Louisville, Harris Tr & Sav Bk. Chicago, Ills.

15. **Names of Officers and Directors?**

See list in appended booklet.

16. **Dividends paid, if any, and when payable?**

Dividend policy not yet determined

17. **Remarks to cover any point not specifically asked above.**

None

In making this application it is hereby agreed as a condition precedent to the listing of the stock that the Company shall furnish to this Committee at any time, on demand, such reasonable information of its general condition as may be required, and that a failure to give such information shall subject the Company to the penalty of having its stock struck from the list. Notice of any increase of capital stock shall be given in writing to the Secretary of the Stock Exchange at least thirty days before the issuing of said new stock, and that we hereby agree to notify this Exchange in writing of time of opening and closing of books for transfer.

Dated October 3 - 1929. James A. Brown *President.*

Secretary.

Exhibit 71

The BancoKentucky Company

Louisville, Kentucky

Exhibit 71-/

Officers and Directors—
Certificate of Incorporation—
and By-Laws—

of

THE BANCOKENTUCKY COMPANY
Louisville, Ky.

1698

Exhibit 71-I

OFFICERS

JAMES B. BROWN, President
JOHN STITES, Vice President
RICHARD BEAN, Vice President
W. T. ZURSCHMIEDE, Sec'y and Treas.

DIRECTORS

JOHN S. AKERS
HENRY J. ANGERMEIER
RICHARD BEAN
WILLIAM BLACK
DR. OSCAR E. BLOCH
CHARLES H. BOHMER
GEORGE O. BOOMER
R. R. BOSWELL
JAMES B. BROWN
R. LEE CALLAHAN
ANTHONY J. CARROLL
GEORGE M. CLARK
SAMUEL W. COONS
ALLEN P. DODD
NICHOLAS H. DOSKER
STUART E. DUNCAN
JOSEPH H. DURHAM
C. OSCAR EWING
JAMES GARNETT
WALTER H. GIRDLER
ANGEREAU GRAY
JAMES J. HAYES
T. KENNEDY HELM
BAYLOR O. HICKMAN
C. C. HIEATT
SAUNDERS P. JONES
MILBURN P. KELLEY
WALTER I. KOHN
BRAINARD LEMON
S. CLAY LYONS
CHARLES C. MENGEL
BEN J. METCALFE
J. WM. MILLER
THOMAS J. MINARY
DAVID C. MORTON
EDWARD J. O'BRIEN, JR.
HENRY D. ORMSBY
JOHN B. PIRTLE
BEN ROBERTSON
ARTHUR M. RUTLEDGE
WILLIAM SHORT
WILLIAM S. SPEED
JOHN STITES
SAM H. STONE
E. LELAND TAYLOR
HORACE A. TAYLOR
ROBERT F. VAUGHAN
HENRY VOGT
E. WEINSTOCK

Exhibit 71-1

CERTIFICATE OF INCORPORATION
OF
THE BANCOKENTUCKY COMPANY
Incorporated under the Laws of Delaware

Name

FIRST: The name of this corporation is THE BANCOKENTUCKY COMPANY.

Offices

SECOND: Its principal office in the State of Delaware is to be located in the City of Dover, in the County of Kent, in the State of Delaware. The name of its resident agent is the United States Corporation Company, whose address is No. 19-21 Dover Green in said city.

Nature of Business and Powers

THIRD: The nature of the business, or objects or purposes proposed to be transacted, promoted or carried on are:

The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for

Buying and Selling stocks or bonds

Buying notes, etc.

Aiding Business Enterprises

Underwriting of stocks and bonds

Exhibit 71-1

Advice or Assistance to Persons, Firms, Corporations, Associations, etc.	any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation.
Registrar or Transfer Agent	The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.
Power to issue bonds, debentures, etc.	The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge, deed of trust or otherwise.
Power to purchase own stock, etc.	The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.
Power to guarantee obligations of others	The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety therefor and to become joint maker, endorser or acceptor of any such obligations and to charge fees and commissions for such services.
Power to acquire, hold and sell Real Estate	The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal

Exhibit 71-I

property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

General Powers

In general, the corporation shall have full power to carry on any other business in connection with the foregoing whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The foregoing clauses shall be construed both as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

Capital

FOURTH: The total authorized capital stock of this corporation is Two Million (2,000,000) shares of common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Twenty Million ($20,000,000) Dollars and being a total authorized capital stock of Twenty Million ($20,000,000) Dollars.

FIFTH: The minimum amount of capital with which the corporation will commence business is One Thousand ($1,000.00) Dollars.

SIXTH: The names and places of residence of each of the incorporators are as follows:

NAME	RESIDENCE
M. S. Cook	DOVER, DELAWARE
A. L. Raughley	DOVER, DELAWARE
J. M. Townsend	DOVER, DELAWARE

Exhibit 71-/

Perpetual existence

SEVENTH: This corporation is to have perpetual existence.

Fully paid stock

EIGHTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

NINTH: Subject to the provisions of the "General Corporation Law" the number of Directors of the corporation shall be determined as provided in the By-Laws.

Board of Directors and By-Laws

TENTH: In furtherance, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To make and alter the By-Laws of this corporation, to fix the amount to be reserved as working capital over and above its capital stock paid in, to authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.

Books of Company

From time to time to determine whether and to what extent, and at which times and places, and under what conditions and regulations, the accounts and books of this corporation, (other than the stock ledger), or any of them, shall be open to inspection of stockholders; and no stockholder shall have any right of inspecting any account, book or document of this corporation except as conferred by statute, unless authorized by a resolution of the stockholders or directors.

Executive Committee

If the By-Laws so provide, to designate two or more of its number to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the By-laws of this corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs

Exhibit 71

of this corporation, and have power to authorise the seal of this corporation to be affixed to all papers which may require it.

Board's Power to sell, lease, or exchange property and assets of Corporation

Pursuant to the affirmative vote of the holders of at least a majority of the stock issued and outstanding, having voting power, given at a stockholders' meeting duly called for that purpose, or when authorised by the written consent of at least a majority of the holders of the voting stock issued and outstanding, the Board of Directors shall have power and authority at any meeting to sell, lease or exchange all of the property and assets of this corporation, including its good will and its corporate franchises, upon such terms and conditions as its Board of Directors deem expedient and for the best interests of the corporation.

This corporation may in its By-Laws confer powers upon its directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by the statute.

Place of meeting of stockholders

Both stockholders and directors shall have power, if the By-Laws so provide, to hold their meetings, and to have one or more offices within or without the State of Delaware, and to keep the books of this corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the Board of Directors.

Amendments

ELEVENTH: This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

Exhibit 71-I

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the General Corporation Law of the State of Delaware, being Chapter 65 of the Revised Code of Delaware, and the acts amendatory thereof and supplemental thereto, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this the 16th day of July, A. D., 1929.

M. S. COOK (SEAL)
A. L. RAUGHLEY (SEAL)
J. M. TOWNSEND (SEAL)

In the presence of:
L. C. HUTCHINS
as to all.

STATE OF DELAWARE }
} ss:
COUNTY OF KENT }

BE IT REMEMBERED, that on this 16th day of July, A. D., 1929, personally came before me, C. H. Jarvis, a Notary Public in and for the County and State aforesaid, M. S. Cook, A. L. Raughley and J. M. Townsend, parties to the foregoing Certificate of Incorporation, personally known to me to be such and severally acknowledged the said Certificate to be the act and deed of the signers respectively, and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

C. H. JARVIS
Notary Public.

Exhibit 71-1

BY-LAWS
OF
THE BANCOKENTUCKY COMPANY

Office

SECTION 1: The principal office of the corporation outside of the State of Delaware shall be located in Louisville, Jefferson County, Kentucky, and all meetings of stockholders may be held at such office.

Annual Meeting

SEC. 2: The annual meeting of the stockholders shall be held on the second Tuesday in January of each year, at which time there shall be chosen such number of persons as may be determined by the stockholders to be Directors of the corporation for the ensuing year. A notice of such meeting shall be mailed to each stockholder at his post office address appearing on the records of the corporation at least ten days prior to the date of the meeting.

Special Meetings

SEC. 3: Special meetings of stockholders may be called at any time by the President, or it shall become the duty of the President to call special meetings upon the written request of stockholders owning at least fifty per cent of the capital stock of the corporation.

Quorum

SEC. 4: At all stockholders' meetings, stockholders owning at least fifty-one per cent of the capital stock of the corporation, issued and outstanding, and present either in person or by proxy, shall be necessary to constitute a quorum.

Eligibility of Stockholders to Vote

SEC. 5: At all meetings of stockholders, the right of any stockholder to vote shall be governed and determined by the transfer records, only such persons being entitled to vote who appear as stockholders upon the records of the corporation. Votes may be cast either in person or by proxy.

Exhibit 71-I

Vacancies SEC. 6: In case of a vacancy or vacancies by death, resignation or otherwise, occurring in the Board of Directors between annual meetings, the remaining Director or Directors shall fill the vacancy or vacancies by choosing as many persons as may be necessary to fill the vacancies.

Resignations SEC. 7: Any Director may resign his office at any time, and the resignation shall take effect from the time of its acceptance by the Board of Directors.

Election of Officers SEC. 8: The Directors shall immediately after their election hold a meeting at which they shall choose from among their number a President and they shall also choose one or more Vice Presidents and a Secretary and Treasurer who may or may not be members of the Board and such other officers as may be necessary for the proper conduct of the business. The offices of Secretary and Treasurer may be filled by the same person and all of such officers shall hold their office at the pleasure of the Board of Directors.

Rules Regulations SEC. 9: The Directors may adopt such rules and regulations for the conduct of their business and the management of the affairs of the corporation as they may deem proper, not inconsistent with the laws of Delaware or these by-laws.

Directors' Meetings SEC. 10: The Directors may hold their meetings at the principal office of the corporation in Louisville, Kentucky. Notice of each meeting shall be given by mailing a notice thereof to each Director not less than three days before said meeting.

Exhibit 71-/

Duties of President

SEC. 11: The President shall preside at all meetings of the Directors and shall perform such other duties as he may be directed to perform by the Directors and he shall have general supervision of the business and affairs of the corporation.

Duties of Vice Pres.

SEC. 12: The Vice Presidents shall perform such duties and have such authority as the Board of Directors may determine.

Duties of Treasurer

SEC. 13: The Treasurer shall deposit the money and securities belonging to the corporation in such bank or banks as may be selected by the Board of Directors. The Treasurer shall also keep such books of account as the Directors may direct and a report of the financial condition of the corporation shall be made by the Treasurer to the President or Board of Directors whenever so requested and a report of like character shall be submitted by the Treasurer at each annual meeting. The officers shall be required to execute such bond as may be required by the Directors.

Duties of Secretary

SEC. 14: The Secretary shall record all the votes of the stockholders and Directors in a book to be kept for that purpose. He shall record all transfer of stock and cancel and preserve all certificates of stock transferred. He shall also keep a list of the stockholders of the corporation showing their places of residence and number of shares of stock held by them respectively from the time when they became the owners of such shares. He shall also keep the seal of the corporation and affix the same to all certificates of stock and such other instruments requiring the seal as may be directed by the Board of Directors. The Secretary shall also keep such other books and perform such other duties as may be assigned to him.

Exhibit 71-I

Payments how made SEC. 15: Payments on behalf of the corporation shall only be made by check of the corporation signed by such officers or other persons as may be designated by the Board of Directors.

Certificates signed SEC. 16: All certificates of stock shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and be attested by the corporate seal.

Stock Transfers SEC. 17: Certificates of stock may be transferred or pledged by an endorsement to the proper effect in writing on the back of the certificate and delivery of such certificate by the transferror to the transferee; provided, that until notice given of such transfer to the Secretary of the corporation and the surrender of the certificate of stock for cancellation, and the issue of a new certificate, the corporation may regard and treat the transferror as being still the owner of the stock.

Seal SEC. 18: The seal of the corporation shall be circular in form with the words "THE BANCO-KENTUCKY COMPANY" on the circumference.

Fiscal Year SEC. 19: The fiscal or business year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

Dividends SEC. 20: Dividends may be declared annually or more frequently if the Directors shall so direct, from the surplus or net profits of the corporation.

Agencies SEC. 21: The corporation may establish such branch offices or agencies in any State of the United States or any foreign country as may be directed by the Board of Directors.

Exhibit 71-1

Amendments

SEC. 22: These by-laws may be amended at any directors' meeting by a vote of a majority of the whole Board of Directors. They may also be amended at any stockholders' meeting by a vote of stockholders owning not less than fifty-one per cent of the capital stock issued and outstanding.

Exhibit 72

The BancoKentucky Company

Louisville, Kentucky

March 19, 1930

The Chicago Stock Exchange,
120 South La Salle Street,
Chicago, Illinois.

Dear Sirs:- Att'n:- Mr. Peddersone

This is to state that The BancoKentucky Company is a holding company for capital stock of banks and trust companies, of which it owns a majority of stock or a controlling interest.

We do not own any stocks outside of bank shares, or bonds.

Very truly yours,

THE BANCOKENTUCKY COMPANY,

By _____
Secy. - Treas.

CT:CE

PLAINTIFF'S EXHIBIT No. 72
OCT 19 1938

Exhibit 73

(9)

November 15, 1929.

Pl Ex (3)

Bank Kentucky Co.,
Louisville, Kentucky.

Attention: Mr. W. T. Zurbrugg,
Secretary.

Gentlemen:

Enclosed find questionnaire and form of special agreement applicable to all investment "trust" companies and similar and related enterprises.

The Committee on Stock List requests that you submit your answers to said questionnaire, duly certified by two officers of the company, together with an executed copy of said special agreement, as early as practicable, in accordance with the understanding had with you at the time of listing of your securities.

Very truly yours,

ILF:RS
Inc.

Chief Examiner

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Exhibit 73

QUESTIONNAIRE OF THE CHICAGO STOCK EXCHANGE

IN RE

THE BANCOKENTUCKY COMPANY

B 1 **ORGANIZATION:**

(a) **Name:** The BancoKentucky Company, incorporated under the Delaware Laws - offices at Louisville, Kentucky.

(b) **Primary purpose:** To acquire control and operate Banks and Trust Companies.

(c) **Nature of business:** This company has not engaged in the business of investing and reinvesting in a diversified list of securities of other corporations for revenue and profit, but has limited its activities to acquiring control of Banks and Trust Companies and the operation of same.

(d) **By whom organized:** This company was organized by Mr. James B. Brown, President of the National Bank of Kentucky, Louisville, Ky. There was no compensation paid to Mr. Brown or any other person or persons for the organization of this company or for the promotion of same.

B 2 **FINANCING:**

(a) **Capital:** All stock is common stock. All stock sold for cash was on the basis of $25.00 per share. All stock issued in exchange for Bank and/or Trust Company shares was on the basis of $25.00 per share.

(b) **Price:** The price paid by investors and the net proceeds are one and the same. No commission has been paid for the sale of stock or for any exchange of this company's stock for bank shares.

(c) **Ratio:** Only one class of stock.

(d) **Loans:** No

(e) **Company Stock:** Extract from articles of incorporation: "The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly".

B 3 **MANAGEMENT AND CONTROL:**

(a) **Officers and Directors:** The officers of the company are as follows:

MR. JAMES B. BROWN, PRESIDENT
MR. CHARLES F. JONES, VICE-PRESIDENT
MR. T. T. ZUR SCHMIEDE, SECRETARY-TREASURER

(b) **Outside Management:** None

(c) No compensation paid to any one to date and none contemplated.

(d) **OFFICERS AND DIRECTORS INVESTMENT:** DIRECTORS - THE BANCOKENTUCKY COMPANY:

NAME:	SHARES:
WILLIAM BLACK	300
DR. OSCAR H. BLOCH	860
CHARLES H. BOEHER	1,000
GEORGE C. BOEHER	4,800
JAMES B. BROWN	39,900

Exhibit 73

R. LEE CALLAWAY	200
ARTHUR J. CARROLL	1,000
GEORGE H. CRANE	11,000
SAMUEL M. STONE	400
ALLEN P. DEED	800
STUART H. AWBREY	10,000
JOSEPH H. AUBREY	800
C. OSCAR ERVING	1,000
JAMES GARRETT	440
WALTER H. GINZLER	5,000
T. KENNEDY HELM	800
BAYLOR C. HICKMAN	3,799
C. C. HYBART	200
SAUNDERS P. JOHNS	120
MILDRED P. KELLEY	100
WALTER L. KOHN	2,220
CHARLES C. MEHOVL	5,560
J. WM. MILLER	1,800
THOMAS J. MIBART	8,000
DAVID G. MORTON	1,800
HOWARD J. O'BRIEN, JR.	3,610
REX ROBERTSON	1,800
ARTHUR M. RUTLEDGE	480
WILLIAM S. SPEED	18,000
SAM R. STONE	3,000
E. LELAND TAYLOR	1,650
HORACE A. TAYLOR	800
ROBERT F. VAUGHAN	800
HENRY VOGT	16,800

OFFICERS - THE BANCOKENTUCKY COMPANY

JAMES B. BROWN, PRESIDENT	30,000
CHARLES F. JONES, VICE-PRES.	10,000
W.T. DEE SORRIENE, SECY-TREAS.	2,000

(c) **Affiliations:** This company is not affiliated with or controlled by any other Bank, Trust Company, etc.

(f) **Future issues of stock:** Yes

B 4 **POLICIES AND RESTRICTIONS:**

(a) **Limitations:** No limitations.

(b) The Charter states the investment powers of the company. These were partially set out in the prospectus, which, in addition to outlining some of possible operations of the Company, also stated the company was given broad charter powers and invited any one interested to examine the charter copies of which were deposited with either the National Bank of Kentucky or The Louisville Trust Company. Copy of the charter and prospectus are attached hereto.

(c) AMENDMENTS - Extract from Articles of Incorporation: "This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

(d) Yes, it is not restricted.

(e) Yes

(f) This question is hardly applicable to this company since its holdings comprise the majority of the outstanding capital stock of banks.

(g) No

B 5 **DIVIDENDS:**

(a) **Appreciation:** No

(b) **Reserve:** This policy has not been determined as yet.

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Exhibit 73

(c) Dividends: See answer to (b).

B 6 REPORTS:

(a) Analysis: See B 5 (b)

(b) (c) (d): No reports have been made

(e) Audit: The books of this company will be audited by an independent firm of accountants.

Respectfully submitted
The Commonwealth Company
by W. J. Jeffrick
Secy-Treas.

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Exhibit 73

STATEMENT NATIONAL BANK OF KENTUCKY, JUNE 29,1929

RESOURCES		LIABILITIES	
LOANS	$ 34,665,226.29	CAPITAL	$ 4,000,000.00
U.S.GOV'T.BONDS	9,336,200.00	SURPLUS	3,111,171.73
OTHER BONDS AND STOCKS	3,932,360.56	CIRCULATION	2,500,000.00
REAL ESTATE	35,000.00	DUE BANKS FOR MONEY BORROWED	12,662,493.41
CASH	11,119,169.04	DEPOSITS	36,814,290.75
TOTAL	59,087,955.89	TOTAL	59,087,955.89.

State of Kentucky

County of Jefferson

I C.P.Jones Cashier of the National Bank of Kentucky,Louisville,Ky., do solemnly swear that the above statement is true to the best of my knowledge and belief.

Cashier.

Subscribed and sworn to before me by C.P.Jones this 26th.day of September, 1929.

Seal

Jas P. Reynolds Jr.
Notary Public
Notary Public Jefferson County, Ky.
My Commission expires May 12 1930

STATEMENT OF THE LOUISVILLE TRUST COMPANY,JUNE 29,1929

LOANS			
REAL ESTATE MORTGAGES	11,408,908.07	CAPITAL	1,750,000.00
U.S.GOV'T.BONDS	5,125,969.46	SURPLUS	1,559,262.85
OTHER BONDS AND STOCKS	1,606,065.99	REAL ESTATE MORTGAGE BONDS OUTSTANDING	3,344,900.00
BANK BUILDINGS,etc.	4,203,026.51	DUE BANKS FOR MONEY BORROWED	2,336,781.70
OTHER REAL ESTATE	1,331,189.84	DEPOSITS	17,004,672.32
CASH	66,933.69		
	2,253,523.31		
TOTAL	25,995,616.87	TOTAL	25,995,616.87

State of Kentucky

County of Jefferson

I Ben J. Metcalfe Vice-President of the Louisville Trust Co.,Louisville,Ky., do solemnly swear that the above statement is true to the best of my knowledge and belief.

Vice-President

Subscribed and sworn to before me by Ben J. Metcalfe this 26th.day of September, 1929

SEAL

Notary Public
Notary Public Jefferson County, Ky.
My Commission expires May 12 1930

Pl Ex. (5) (4) page

Exhibit 74

THE CHICAGO STOCK EXCHANGE

APPLICATION TO LIST STOCKS

1

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ON A "WHEN, AS AND IF" ISSUED BASIS

1. Name of company THE BANCOKENTUCKY COMPANY.

2. Date of incorporation July 16,1929

3. Under what laws incorporated Delaware

4. Nature of business To acquire and hold controlling interests in banks with other broad powers.

PLAINTIFF'S EXHIBIT No. 74
Paul E. Carpenter
OFFICIAL REPORTER

5. Duration of charter, franchises, etc. Perpetual

6. Capital stock:

	Class I	Class II	Class III
(a) Brief designation of each issue	Common		
(b) Number of shares authorized	2,000,000		
(c) Number of shares issued	1,430,000		
(d) Number of shares to be listed under this application	2,000,000		
(e) Par value of shares	$10		
(f) Amount paid in on each share			
I. In cash	1,430,000 shares to be issued for stock of the following banks: National Bank of Kentucky- [illegible] shares to be issued and held in Treasury under [illegible] and 430,000 shares to be issued for cash. 570,000 shares to be held for trades with other banks		
II. In property			
III. In services or otherwise			
(g) Whether fully or partially paid	Fully paid when issued.		
(h) Whether stock is assessable	Non-assessable.		
(i) Whether personal liability attaches to ownership	No.		
(j) Voting power	Fully voting		
(k) Rate of dividend and months payable	Dividend policy not yet determined		
(l) Preference as to dividends	Only one class of stock outstanding		
(m) Whether cumulative or non-cumulative	-------		
(n) Preference or other rights upon distribution of assets	---------		
(o) Number of shares unissued, for what purpose reserved, and options or contracts on shares (convertibility).			

Class I Stock

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Exhibit 74

7. Funded indebtedness

	Class I	Class II	Class III
(a) Brief designation of each issue			
(b) Date of issue	Applicant has no funded debt		
(c) Interest rate			
(d) Amount authorized			
(e) Amount issued			
(f) Date of maturity and where payable			
(g) Convertibility			

8. Indebtedness or liabilities not reflected in balance sheet, such as leases, guarantees, contingent liabilities, etc.:
None

9. Fiscal year Calendar year

10. Place and date of annual meeting Second Tuesday in each year at Louisville Ky

11. Location of (a) principal office Louisville,Ky.
(b) executive offices Louisville,Ky.

12. Names and residences of officers:

	NAME	ADDRESS	CITY
President	James B.Brown	5th. & MaineSts.	Louisville,Ky.
Vice-President	John Stites	421 W Market St.	Louisville,Ky.
Vice-President	Richard Bean	421 W. Market St..	Louisville,Ky.
Vice-President			
Secretary	W.T.ZurSchmiede	5th. & Main Sts.	Louisville,Ky.
Treasurer	W.T.ZurSchmiede.		

Sheet 2—Stocks

Exhibit 74

OFFICERS

James B. Brown	President
John Stites	Vice President
Richard Bean	Vice President
W. T. Zurschmiede	Secretary and Treasurer

DIRECTORS

John S. Akers	Saunders P. Jones
Henry J. Angerneier	Kilburn P. Kelley
Richard Bean	Walter I. Kohn
William Bleck	Brainard Lemon
Dr. Oscar E. Bloch	S. Clay Lyons
Charles H. Bohmer	Charles C. Mengel
George O. Boomer	Ben J. Metcalfe
R. R. Boswell	J. Tm. Miller
James B. Brown	Thomas J. Minary
R. Lee Callahan	David C. Morton
Anthony J. Carroll	Edward J. O'Brien, Jr.
George M. Clark	Henry D. Ormsby
Samuel W. Coons	John B. Pirtle
Allen P. Dodd	Ben Robertson
Nicholas H. Dosker	Arthur M. Rutledge
Stuart E. Duncan	William Short
Joseph H. Durham	William S. Speed
C. Oscar Ewing	John Stites
James Garnett	Sam H. Stone
Walter H. Girdler	E. Leland Taylor
Angereau Grey	Horace A. Taylor
James J. Hayes	Robert F. Vaughan
T. Kennedy Helm	Henry Vogt
Baylor O. Hickman	E. Weinstock
C. C. Hieatt	

Exhibit 74

Other Officers:

	None	

13. Names, residences and terms of directors:

NAME	RESIDENCE	TERM EXPIRES
See List in The BancoKentucky Books appended	Louisville, Ky.	January each year

14. Name and address of Transfer Agents: The Louisville Trust Co. Louisville, Ky.
Harris Trust & Savings Bank, Chicago, Ills.

15. Name and address of Registrars: National Bank of Kentucky, Louisville, Ky.
Continental Illinois Bank & Trust Co., Chicago, Ills.

16. Location and brief description of property and equipment:

Sheet 1—Banks

Exhibit 74

17. History of company:—

18. Constituent companies—Name, description and how each is controlled:

National Bank of Kentucky, Louisville, Ky.

Louisville Trust Co., Louisville, Ky.

Memo: The BancoKentucky Company owns the stock of the National Bank of Kentucky - Louisville Trust Company.

19. Supplementary information not included above:—

20. Depreciation policy:—

Banks depreciate in accordance with Banking Department Regulations

Exhibit 74

AGREEMENTS

The above named Company does hereby agree:

(1) Not to dispose of an integral asset, nor its stock interest in any constituent, subsidiary, owned or controlled company, except in the regular course of business, or allow any of said constituent, subsidiary, owned or controlled companies to dispose of an integral asset or stock interest in other companies, except in the regular course of business, without notice to The Chicago Stock Exchange.

(2) To publish once in each year and submit to the stockholders and The Chicago Stock Exchange, a statement of its financial condition, a consolidated income account covering the previous fiscal year, a consolidated balance sheet showing assets and liabilities at the end of the year, or an income account and balance sheet of the parent company and of all constituent, subsidiary, owned or controlled companies.

(3) To maintain, in the City of Chicago, within the vicinity of the Exchange a transfer office or agency (which may be the Company), where all listed securities shall be directly transferable.

(4) Also to maintain, in the City of Chicago, within the vicinity of the Exchange a registry office, not identical with the transfer office, where all listed securities shall be registered and which shall be a responsible bank or trust company satisfactory to the Committee on Stock List.

(5) In case it makes transfers of its shares in other cities as well as in Chicago, all certificates of stock shall be interchangeably transferable and bear a legend reciting the right of transfer in Chicago and other cities. All such certificates shall be identical in color and form, except as to names of transfer agent and registrar, and the combined amounts of stocks registered in all such cities shall at no time exceed the amount authorized to be listed.

(6) To give The Chicago Stock Exchange at least fifteen (15) days' notice of any proposed increase in the authorized or outstanding capital stock of the corporation and forthwith to apply for the listing thereof, if the original issue of the same class of stock has previously been listed.

(7) Not to make any change without the approval of the Committee on Stock List:

(a) In listed securities,
(b) Of a transfer agency,
(c) Of a registrar of its stock.

(8) To notify The Chicago Stock Exchange in the event of the issuance or creation in any form or manner of any rights to subscribe to or to be allotted its securities, or of any other rights or benefits pertaining to ownership in its securities, so as to afford the holders of its securities a proper period within which to record their interests and so that all rights to subscribe or to receive allotments and all other such rights and benefits shall be transferable, and shall be transferable and deliverable in the City of Chicago.

(9) To publish promptly to holders of stocks any action in respect to dividends on shares, or allotment of rights for subscription to securities, notice thereof to be sent to the Stock Exchange, and to give The Chicago Stock Exchange at least ten (10) days' notice in advance of the closing of the transfer books or extensions, or of the time of the taking of a record of holders for any purpose.

(10) To furnish to The Chicago Stock Exchange, at any time, on demand, such reasonable information concerning the company, or its condition, as may be required.

(11) To have on hand at all times a sufficient supply of certificates to meet the demands for transfer.

The above named Company hereby applies to have the stocks mentioned above listed on The Chicago Stock Exchange, and the undersigned hereby certify that the answers given by them above and in the papers hereto annexed or referred to, are true to the best of their knowledge and belief.

{Company's Seal}

James B. Brown
President.

W. G. Ensemende
Secretary.

This space reserved for Committee on Stock List

APPROVED

Chairman

COMMITTEE ON STOCK LIST

STATE OF [redacted] } ss.
COUNTY OF [redacted] }

On the 26 day of Sept 1924 personally appeared before me W. G. Ensemende and James B. Brown and severally made oath that they are respectively, President and Secretary of the above named Company, and that the foregoing statement by them subscribed is true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

Jno. D. Reynolds Jr
Notary Public.

My Commission [illegible]

Exhibit 74

HISTORY OF THE COMPANY

The BancoKentucky Company was incorporated in Delaware in July 1929, with an authorized capital of 2,000,000 shares of $ 10.00 par value stock, for the purpose of owning controlling interest in state and national banks located primarily in Kentucky, Ohio and Indiana. Broad powers are conferred by charter.

July 1929, the stockholders of the National Bank of Kentucky-Louisville Trust Company were offered the opportunity of exchanging one share of $ 10.00 par value National Bank of Kentucky-Louisville Trust Company stock for two shares of The BancoKentucky Company $10.00 par value stock. They were also offered the opportunity of subscribing for The BancoKentucky Company shares at $ 25.00 per share. As a result nearly 100% of the National Bank of Kentucky-Louisville Trust Company shares were deposited which require 1,150,000 shares of The BancoKentucky Company shares in exchange. In addition the stockholders also subscribed for cash, 480,000 shares of The BancoKentucky Company which provide The Corporation with $ 12,000,000.00 in cash. The assets of the Corporation on its inception, therefore, consists of the stock of the National Bank of Kentucky-Louisville Trust Company and $ 12,000,000.00 in cash.

8 F 61-N

It is the intent of the management to employ its cash for acquiring additional banks. To this end offers have been made for acquiring controlling interest in the Brighton Bank & Trust Company and the Pearl Market Bank & Trust Company, both of Cincinnati. These offers have been approved by the Boards of Directors of the banks, whose combined resources exceed $ 30,000,000.00

The National Bank of Kentucky was organized in 1834. In 1927 an exchange of stock was effected with the Louisville Trust Company and later , with the Louisville National Bank in 1929. As a result, the Certificates of the National Bank of Kentucky-Louisville Trust Company which were exchanged for The BancoKentucky stock represented the ownership of the combined banks whose total footings exceed $ 85,000,000.00

EXHIBIT "D"

CERTIFIED COPY OF RESOLUTION

STATE OF Kentucky
COUNTY OF Jefferson } ss.

The undersigned certifies that he is the Secretary of The Standard Kentucky Company, a corporation organized and existing under the laws of [redacted]; that he has the custody and control of the corporate seal and the corporate records, including the minutes of meetings, of said corporation; that at a meeting of the Board of Directors of the September 29 duly held on the 27, 1929 day of [redacted], 19[redacted], at which a quorum was present, the following resolution was duly adopted:

"RESOLVED, That application be made to The Chicago Stock Exchange for the listing of 1,000,000 shares of the common stock of the Standard Oil Company of Kentucky of this corporation and that [redacted] be and he hereby is designated by the corporation to appear before the Committee on Stock List of said Exchange with authority to furnish such information and to make such changes in said application, or in any agreements relative thereto, as may be necessary to conform with the requirements for listing."

IN WITNESS WHEREOF, The undersigned has hereunto set his name as Secretary of The Standard Oil Company and affixed the corporate seal this [redacted] day of September, 1929.

[redacted]
Secretary

(Corporate Seal)

P1824-0

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Exhibit 74

EXHIBIT "B"

The BancoKentucky Company

CERTIFIED SCHEDULE OF DISTRIBUTION

of Stock on the 27th Day of Sept'b, 1929

Number of Shareholders		Shares
	Holders of 1- 25 share lots	
	Holders of 26- 50 share lots	
	Holders of 51- 100 share lots	
	Holders of 101- 200 share lots	
	Holders of 201- 300 share lots	
	Holders of 301- 400 share lots	
	Holders of 401- 500 share lots	
	Holders of 501-1000 share lots	
	Holders of *1001 up share lots	

STOCKHOLDERS

*The ten highest holders on the above date were as follows:

1. 82,000	Shares	6. 6,400	Shares
2. 7,760	Shares	7. 6,000	Shares
3. 7,000	Shares	8. 5,980	Shares
4. 6,972	Shares	9. 5,000	Shares
5. 6,967	Shares	10. 4,720	Shares

All stock is free for sale and is held under no syndicate, agreement or control.

Certified correct.

[signature] Secty Treas

(To be made out for each class of stock applied for.)

The above ten highest amounts represent the largest holders of Participation shares of The National Bank of Kentucky-Louisville Trust Company for which they will receive two shares of The Banco Kentucky Company for each one owned. It is impossible at this date to make this schedule on the basis desired because subscriptions have been made to the new stock by the present shareholders and until the books reveal all of the issue both on account of stock deposited and stock subscribed to. The 975,000 shares of the National Bank of Kentucky Louisville Trust Company are owned by 2400 stockholders. Schedule B. will be filed completely as soon as all of the stock is issued.

PLBL-P

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Exhibit 74

1-1-0

CONTINENTAL ILLINOIS BANK AND TRUST COMPANY
CHICAGO, ILLINOIS

CO-TRANSFER AGENTS AND REGISTRARS

CERTIFIED COPY OF RESOLUTIONS
of the
BOARD OF DIRECTORS
of

The Bank of Kentucky Company

WHEREAS, This Company is a corporation organized and existing under and by virtue of the laws of the State of Delaware and has an authorized capital consisting of Twenty Million Dollars ($20,000,000) shares of Common stock, of $10 par value a share

and

WHEREAS, This Company desires to appoint Transfer Agents and Registrars for the issuance, transfer and registration of certificates of its capital stock and to define their duties:

NOW, THEREFORE, BE IT RESOLVED:

FIRST: That the following Banks, Trust Companies or Corporations be, and they hereby are, appointed Transfer Agents and Registrars of certificates representing the shares of the stock of this Corporation, as hereinafter set forth, in the following cities, viz.:

CHICAGO, ILLINOIS

TRANSFER AGENT	REGISTRAR
Harris Trust and Savings Bank	Continental Illinois Bank & Trust Co.

LOUISVILLE, KENTUCKY

TRANSFER AGENT	REGISTRAR
The Louisville Trust Company	The National Bank of Kentucky

SECOND: That this Board of Directors hereby certifies to said Transfer Agents and Registrars that this Corporation's authorized stock, its stock outstanding and stock about to be issued, are as follows:

CLASS	PAR VALUE	SHARES AUTHORIZED	SHARES OUTSTANDING	SHARES ABOUT TO BE ISSUED
Common	$10	2,000,000	None	1,000,000

and that all of such shares now outstanding or about to be issued have been duly authorized to be issued, and are, or when issued will be, fully paid and non-assessable in the hands of the respective holders thereof.

THIRD: (1) That, for the purpose of the original issue of certificates (either in temporary or in permanent form) representing shares, not heretofore outstanding, the Transfer Agents are hereby directed (a) to record and countersign as Transfer Agent certificates for not exceeding:

CLASS	SHARES
Common	Two Million (2,000,000)

when signed by* the President or a Vice President, and the Secretary or an Assistant Secretary of this Corporation, issued in such names and for such number of shares as the Transfer Agents, or any one of them, may be directed in written orders signed in the name of this Corporation by its President or a Vice President and attested by its Secretary or an Assistant Secretary under its corporate seal, (b) to deliver the certificates when so recorded and countersigned to the Registrar of this Corporation in the same city as the Transfer Agent so countersigning or any successor Registrar appointed by this Corporation, for registration and countersignature, and (c) to deliver such certificates as directed in such written orders.

* These resolutions should correspond to the provisions of the charter or certificate of incorporation and by-laws.

(2) That, for the purpose of the original issue of certificates representing shares not heretofore outstanding, the Registrars, or any one of them, are hereby directed (a) to register and countersign as Registrar certificates for not exceeding:

Class	Shares
Common	Two Million (2,000,000)

when signed by the President or a Vice President, and the Treasurer or an Assistant Treasurer or Secretary or an Assistant Secretary of this Corporation, when countersigned and delivered to it for that purpose by the Transfer Agent of this Corporation in the same City as the Registrar so registering such certificates, or any successor Transfer Agent appointed by this Corporation, and (b) to redeliver the certificates, so registered, to such Transfer Agent;

PROVIDED, HOWEVER, That the number of shares of stock of each class to be issued and registered originally by each Transfer Agent and Registrar is hereby limited as follows:

In Chicago .....

In Louisville .....

In ..... ,

FOURTH: (1) That each of said Transfer Agents be, and it hereby is, authorized and directed from time to time, when surrendered to it for such purpose properly endorsed or accompanied by instruments of assignment and duly stamped as may be required by law, and signed by the President or a Vice President, and the Treasurer or an Assistant Treasurer or Secretary or an Assistant Secretary of this Corporation, to make transfers on the books of this Corporation of

(a) the certificates, if any, issued pursuant to the foregoing paragraph *"THIRD"* of these resolutions,

~~and (b) the certificates of stock of this Corporation, if any, heretofore issued and now outstanding, namely, ... shares of ..... stock, ... shares of ..... stock, including power to register substitute certificates when countersigned by the Transfer Agent in the manner hereinabove provided;~~

(b) certificates thus issued in transfer or substitution of other certificates for a like number of shares of the same class of stock by any of said Transfer Agents and countersigned by any of said Registrars, or any successor or additional Transfer Agent or Registrar appointed by the Corporation; and to record and to countersign new certificates accordingly when they shall have been signed by said officers of this Corporation and to deliver the new certificates to the Registrar of this Corporation in the same city for registration and countersignature,

making the total authorization to date of said Transfer Agents, including the additional issue mentioned in paragraph *"THIRD"* hereof and all previous authorizations, cover:

Class	Shares
Common	Two Million (2,000,000)

(2) That each of said Registrars be, and it hereby is, authorized and directed from time to time, upon the cancellation of certificates for a like number of shares of the same class signed by the President or a Vice President, and the Treasurer or an Assistant Treasurer or Secretary or an Assistant Secretary of this Corporation, to register transfers of

(a) the certificates, if any, registered pursuant to the foregoing paragraph *"THIRD"* of these resolutions,

~~and (b) the certificates of stock of this Corporation, if any, heretofore issued and now outstanding, namely, ... shares of ..... stock, ... shares of ..... stock, including power to register substitute certificates when countersigned by the Transfer Agent in the manner hereinabove provided;~~

(b) certificates theretofore registered and delivered upon transfers by any of said Registrars, or any successor or additional Registrar appointed by this Corporation, and countersigned by any of said Transfer Agents, or any successor or additional Transfer Agent appointed by this Corporation; and to register and to countersign new certificates accordingly when they shall have been signed by said officers of this Corporation and countersigned and delivered to them for such purpose by the Transfer Agent in the same city, provided, however, that no Registrar shall be under any duty whatever in connection with the names in which certificates are issued or the correctness of any transfer from one name to another;

making the total authorization, to date, of said Registrars, including the additional issue mentioned in paragraph *"THIRD"* hereof and all previous authorizations, cover:

Class	Shares
Common	Two Million (2,000,000)

* Paragraph (b) to be voided if no stock has been previously issued.

(3) That each Transfer Agent and Registrar shall be fully protected in conclusively relying upon any certificate as to the number of shares, if any, now outstanding, or other information or data concerning the certificates of stock representing such shares furnished to it by any prior Transfer Agent and Registrar respectively or by an officer of this Corporation.

(4) The certificates of stock may be delivered at the option of the Transfer Agents and Registrars, either by the Registrar to the transferee or his agent, or returned to the Transfer Agent for delivery to the transferee or his agent.

FIFTH: That said Transfer Agents may establish such rules and regulations governing the issuance and transfer of the certificates of stock as may seem advisable to them, and as may not be inconsistent with the provisions of these resolutions and may open and keep such stock or transfer book or books as may be required by law or for their own convenience in the performance of said agency. It is the intention and purpose of these resolutions that said The National Bank of Kentucky shall act as the principal Transfer Agent of this Corporation, and maintain consolidated stockholders ledgers, which will be a record of all of the certificates issued and cancelled by itself and the Co-Transfer Agent respectively; and it will be expected to furnish the stockholders lists for annual meetings, dividend or other purposes upon a written request of the President or Vice President, Secretary or Assistant Secretary of the Company.

PPG-1-R

SIXTH: It is the intention and purpose of these resolutions that certificates of the stock of this Corporation shall be interchangeably transferable in the cities of Chicago, Illinois, and Louisville, Kentucky. The fact of the recording, registration and countersignature of new certificates, whether by way of an original issue or upon a transfer, shall be advised daily by mail by the Transfer Agent countersigning them to the other Transfer Agents and by the Registrar registering and countersigning them to the other Registrars, and each Transfer Agent and Registrar shall be fully protected and held harmless by this Corporation in relying on any such advice, and in its failure or refusal to transfer or register respectively any certificates countersigned by another Transfer Agent or Registrar when it shall not have received such notice of the issue or registry and countersignature of such certificates.

SEVENTH: That specimens or facsimiles of the signatures of the officers of this Corporation now authorized to sign stock certificates as aforesaid, or heretofore authorized to sign stock certificates which are outstanding, be lodged forthwith with each of the Transfer Agents and Registrars to be used by them for the purpose of comparison with signatures appearing on the certificates of stock of this Corporation presented to them or any of them for issue, transfer or registration respectively. When any officer of this Corporation shall no longer be vested with authority to sign for the Corporation, written notice thereof shall immediately be given to each of the Transfer Agents and Registrars and until receipt of such notice the Transfer Agents and Registrars shall be fully protected and held harmless in recognizing and acting upon certificates bearing the signature of such officer or signatures believed by them or any of them in good faith to be such genuine signature.

EIGHTH: That from time to time additional officers may be appointed by resolutions of the Board of Directors of this Corporation not inconsistent with its By-Laws to sign certificates of stock on behalf of this Corporation, and in every such case certified copies of the resolutions of this Board effecting such appointment, and specimen signatures of such officers, shall forthwith be lodged with each of the Transfer Agents and Registrars.

NINTH: That the authority of the said Transfer Agents and the Registrars respectively shall also extend to the authentication by such Transfer Agents and Registrars of any certificate or certificates of stock which may be issued by the authority of this Corporation, evidenced by a certified copy of a resolution of the Board of Directors of this Corporation, in lieu of a lost or destroyed certificate or certificates of stock. A satisfactory indemnity bond shall be required in such amount as the Directors may designate or as may be provided by the By-Laws of this Corporation, and in any event for not less than the value of such certificate, wherein this Corporation, the Transfer Agents and the Registrars shall be named as the obligees. The bond shall be in a form and amount and with surety or sureties satisfactory to this Corporation, the Transfer Agents and the Registrars.

TENTH: That when any Transfer Agent or Registrar deems it expedient, it may apply to any officer of this Corporation or to counsel for this Corporation, or to its own counsel, for instructions and advice and for any action taken in accordance with such instructions or advice this Corporation will fully indemnify, protect and hold harmless such Transfer Agent and such Registrar from any and all liability. None of the Transfer Agents and Registrars shall be in any manner liable for any act or omission of any other Transfer Agent and Registrar.

ELEVENTH: That each of the Transfer Agents and Registrars shall be entitled to the usual and customary compensation for all services rendered in the execution of its duties, and to reimbursement for all reasonable expenses incurred in the performance of such duties, including fees of its counsel for advice rendered in connection with such agency, and the proper officers of this Corporation are hereby authorized to pay all bills therefor when rendered.

TWELFTH: That the Transfer Agents and Registrars may employ agents or attorneys in fact, and shall not be answerable for the default or misconduct of any agent or attorney appointed by them in pursuance hereof, if such agent or attorney shall have been selected with reasonable care; nor shall any Transfer Agent or Registrar be liable for anything whatever in connection with this agency, except its willful misconduct. This Corporation shall indemnify and hold harmless each Transfer Agent and Registrar for any act done by it in good faith in reliance upon any instrument, order or stock certificate believed by it to be genuine and to be signed, countersigned or executed by any person or persons authorized to sign, countersign or execute the same.

THIRTEENTH: That the authority of the Transfer Agents and Registrars, and each of them as such Transfer Agent and Registrar, shall also extend to the issue and registration of such additional shares of stock as may be authorized by this Corporation within the limits of its charter or certificates of incorporation or any amendments thereto.

FOURTEENTH: That the President or Vice President and the Secretary or an Assistant Secretary of this Corporation be, and they hereby are, directed to certify copies of these resolutions under the seal of this Corporation and to lodge a certified copy with each Transfer Agent and Registrar, together with:

(1) specimens of certificates of each class of stock covered by these resolutions in the form adopted by this Corporation; (2) specimen signatures of all of the officers of this Corporation duly authorized to sign or countersign any stock certificates hereafter issued; (3) specimens of facsimiles of the signatures of all of the officers of this Corporation, heretofore authorized to sign or whose signatures appear upon stock certificates now outstanding, if any; (4) a certified copy of the Charter or Certificate of Incorporation of this Corporation, including all of the amendments thereto; (5) a certified copy of the By-Laws of this Corporation, as at present in force, and to furnish each Transfer Agent and Registrar certified copies of any amendments that may, from time to time be made to the Charter or Certificate of Incorporation or By-Laws, and (6) an opinion of Counsel for this Corporation as to (a) the validity of its organization and (b) its authority to issue the shares of stock herein authorized to be transferred and registered.

We the undersigned, ... Vice ..... President,

and ..... Secretary of .....

The BancoKentucky Company (Name of Corporation), do hereby certify that said Corporation is duly

organized and existing under the laws of the State of Delaware; that at a meeting of the Board of Directors of said Corporation duly held and convened according to the By-Laws of said Corporation on the ..... day of ....., 19 59, a quorum being present and voting thereon, the foregoing resolutions were unanimously adopted, and that the foregoing is a true, full and correct copy of such resolutions as they appear on the records of said Corporation.

We further certify that the signatures of the officers referred to in said resolutions and authorized thereby to sign certificates of stock for and in behalf of said Corporation are as follows:

President James B. Brown will sign .....

Vice President John Stites will sign .....

Vice President Richard Bean will sign .....

Secretary W. T. Zurschmiede will sign .....

Treasurer ..... will sign .....

Asst. Secretary ..... will sign .....

Asst. Treasurer ..... will sign .....

and that said officers have been duly elected and qualified and are now serving in their respective official capacities.

We further certify that the seal impressed upon this certificate is the official or corporate seal of this Corporation.

We further certify that nothing set out in these resolutions and authorized thereby is contrary to the terms of the Charter or By-Laws of this Corporation or any amendments thereto.

Hereto attached are the following documents initialed by the undersigned, to wit:

(1) Copy of the Charter or Certificate of Incorporation or Re-Organization of the Corporation and all amendments thereto, certified to by the Secretary of State, marked "Exhibit A."

(2) Copy of the By-laws and Regulations of the Corporation, together with all amendments thereto, marked "Exhibit B."

(3) Specimen certificates of stock of the Corporation in the forms duly adopted by it, marked "Exhibit C."

(4) An opinion of ..... counsel for this Corporation as to (a) the validity of this Corporation's organization and (b) its authority to issue the shares of stock called for by the foregoing resolutions, marked "Exhibit D."

The office and place of business of said Corporation is located at .....

.....

In Witness Whereof, we have hereunto signed our names in our official capacities and affixed the seal of the Corporation this ..... day of September, ... 1959.

..... President

..... Secretary

(Corporate Seal)

Exhibit 74

EXHIBIT "J"

September 27, 1929

KNOW ALL MEN BY THESE PRESENTS, That for and in consideration of the acceptance by The Chicago Stock Exchange of the undersigned as a satisfactory registrar of the capital stock of The BancoKentucky Company

the undersigned by its auditor hereby agrees that it will not register, except as hereinafter provided, the stock of said company to a greater amount than two million shares

which amount 1,500,000 already registered, and that it will not hereafter register any additional amount of said stock until it shall have first been notified by said Exchange that such additional stock has been added to the list of said Exchange.

The National Bank of Kentucky

By [signature]

Its

National Bank of Kentucky

To

Pursuant to a resolution or vote of the Board of Directors of The BancoKentucky Company the said company hereby authorizes you as its registrar for the common stock to sign a contract of the terms of the foregoing draft as submitted by The Chicago Stock Exchange.

The BancoKentucky Company

By [signature]

Its

September 27, 1929

Dated , 19

Exhibit 74

EXHIBIT "J"

PX 64-T

Chicago, September 27, 1929, 19

KNOW ALL MEN BY THESE PRESENTS, That for and in consideration of the acceptance by The Chicago Stock Exchange of the undersigned as a satisfactory registrar of the capital stock of The Insolubenty Company

the undersigned by its hereby agrees that it will not register, except as hereinafter provided, the stock of said Company to a greater amount than

which amount is not already registered, and that it will not hereafter register any additional amount of said stock until it shall have first been notified by said Exchange that such additional stock has been added to the list of said Exchange.

CONTINENTAL ILLINOIS BANK AND TRUST COMPANY

By

Its Assistant Secretary

To Continental Illinois Bank and Trust Company

Pursuant to a resolution or vote of the Board of Directors of The Insolubenty Company the said Company hereby authorizes you as its registrar for the Common Stock to sign a contract of the tenor of the foregoing draft, as submitted by The Chicago Stock Exchange.

The Insolubenty Company

{Corporate Seal}

By

Its Secretary

Dated September 27, 1929

Shares

NJ

Exhibit 74

PROJECTED BALANCE SHEET - AS OF OCTOBER 1,1929.

THE BANCOKENTUCKY COMPANY.

CAPITAL	20,000,000.00
SURPLUS	30,000,000.00
TOTAL	50,000,000.00

CASH	12,000,000.00
INVESTMENT	28,750,000.00
TREASURY STOCK	9,250,000.00
TOTAL	50,000,000.00

(National Bank of Kentucky-
Louisville Trust Co.

Secty-Treas. The Bancokentucky Co.

Exhibit 74

National Bank of Kentucky

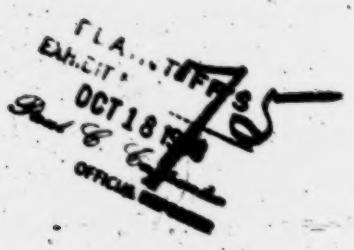
61 E 41-V.

THE FOLLOWING REPRESENTS THE COMBINED EARNINGS OF THE NATIONAL BANK OF KENTUCKY AND THE LOUISVILLE TRUST COMPANY AVAILABLE FOR DIVIDEND PURPOSES.

YEAR -	1924	1,093,000.00
	1925	1,205,000.00
	1926	1,253,000.00
	1927	1,212,000.00
	1928	1,213,000.00

I hereby certify that to the best of my knowledge and belief the above statement of earnings is true.

Exhibit 75



Pl Exh (1)

October
Second
1929

Mr. W. P. Hutchinson, Secretary.
The [illegible] Company,
Louisville, [illegible].

Dear Sir:

Referring to the application of your Company to list on The Chicago Stock Exchange 2,000,000 shares of Common stock, $10 par value, of which 1,600,000 shares are to be admitted to trading upon notice, said application having been submitted to us through Chapman and Cutler, Chicago.

Please be advised that at a meeting of the Governing Committee held today the above stock was admitted to the list in the form of temporary stock certificates, with further authority to admit the engraved stock certificates upon official notice of their availability; to be admitted to trading on notice.

Acknowledgment is hereby made of check for $30,000 in payment of the listing fee.

Attached hereto are several blank forms which you will kindly use in notifying the Exchange of the declaration of dividends. These notices must be filed with the Exchange ten days prior to the stock of record date.

Very truly yours,

[illegible] Assistant to Secretary.
Enclosures.

C.c. -- Mr. Ralph P. Reed,
Chapman and Cutler,
Chicago, Illinois.

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Exhibit 76

The
BancoKentucky
Company

PLAINTIFF
EXHIBIT No. 76
OCT 15 1918
Reed & Carpenter
OFFICIAL REPORTER

76

1733

Louisville, Kentucky

Exhibit 76

March 10, 1930.

TO THE SHAREHOLDERS:

The BancoKentucky Company was incorporated July 16, 1929, and controls the following banks and trust companies:

National Bank of Kentucky,
The Louisville Trust Company,
of Louisville, Ky.

The Brighton Bank and Trust Company,
The Pearl-Market Bank and Trust Company,
of Cincinnati, Ohio

The Peoples Liberty Bank and Trust Company,
The Central Savings Bank and Trust Company,
of Covington, Ky.

On completion of the exchange of its shares for shares of the above banks and trust companies there will be outstanding 1,750,000 shares ($10.00 par value) of an authorized issue of 5,000,000 shares.

The Company was originally capitalized for 2,000,000 shares $10.00 par common stock. On January 14, 1930, the stockholders ratified and approved an increase to 5,000,000 shares to provide for expansion.

The earnings for the quarter ending December 31, 1929, were at the rate of 13.1% per annum, out of which the initial quarterly dividend of 2% or 20c per share was paid January 1, 1930.

Your corporation and its banks, since December 31, 1929, have liquidated all bills payable and now have no indebtedness.

The BancoKentucky Company has propositions pending at this time, which, when consummated will more than double the total resources of the Company and materially increase its earnings.

J. B. Brown
PRESIDENT

Exhibit 76

THE BANCOKENTUCKY COMPANY

DIRECTORS

WILLIAM BLACK,
President B. F. Avery & Sons

DR. OSCAR E. BLOCH,
Physician and Surgeon

CHARLES H. BOHMER,
President The Security Bank

GEORGE O. BOOMER,
President and Treasurer Pittsburgh Fuel Co.

JAMES B. BROWN,
President National Bank of Kentucky

R. LEE CALLAHAN,
President Callahan and Sons

ANTHONY J. CARROLL,
Attorney

GEORGE M. CLARK,
President Ohio Falls Iron Co.

SAMUEL W. COONS,
Chairman of Board, Standard Oil Company of Kentucky.

ALLEN P. DODD,
Attorney

STUART E. DUNCAN,
President Peaslee Gaulbert Corp.

JOSEPH H. DURHAM,
Chairman Board Franklin Title and Trust Co.

C. OSCAR EWING,
President D. H. Ewing's Sons

JAMES GARNETT,
Attorney

WALTER H. GIRDLER,
President Girdler Corporation

T. KENNEDY HELM,
Attorney

BAYLOR O. HICKMAN,
Vice President Ewald Iron Company

Exhibit 76

C. C. HIEATT,
President Consolidated Realty Company

120 SAUNDERS P. JONES,
President Jones-Dabney Company

740 MILBURN P. KELLEY,
President Louisville Bedding Company

2420 WALTER I. KOHN,
Capitalist

5760 CHARLES C. MENGEL,
President The Mengel Company

1400 J. WM. MILLER,
President Grocers Baking Company

8200 THOMAS J. MINARY,
Chairman Board, Louisville Rwy. Co.

700 DAVID C. MORTON,
President Ballard & Ballard

3820 EDWARD J. O'BRIEN, JR.,
Manager E. J. O'Brien & Co.

60 yr. Lease 1000 sh

0 BEN ROBERTSON,
President Reliance Varnish Company

640 ARTHUR M. RUTLEDGE,
Attorney

14000 WILLIAM S. SPEED,
President Louisville Cement Company

2500 SAM H. STONE,
President Sam H. Stone & Company

1650 E. LELAND TAYLOR,
President Wright and Taylor

1150 HORACE A. TAYLOR,
Capitalist

1000 ROBERT F. VAUGHAN,
Attorney

2145P HENRY VOGT,
President Henry Vogt Machine Company

OFFICERS

9800 JAMES B. BROWN, *President*
1700 C. F. JONES, *Vice President*
W. T. ZURSCHMIEDE, *Secretary-Treasurer*

Exhibit 76

THE BANCOKENTUCKY COMPANY

BALANCE SHEET

DECEMBER 31, 1929

ASSETS

Investments	$34,643,376.21
Bills Receivable	2,000,000.00
Cash	3,012,478.14
	$39,655,854.35

LIABILITIES

Capital	$15,326,690.00
Surplus and Profits	23,329,164.35
Bills Payable	1,000,000.00
	$39,655,854.35

Exhibit 76

COMBINED STATEMENT
OF
THE BANCOKENTUCKY COMPANY BANKS
DECEMBER 31, 1929

ASSETS

Loans	$ 82,638,975.78
Securities	18,061,935.19
Real Estate, etc.	2,671,695.07
Cash	17,296,064.40
TOTAL	$120,668,670.44

LIABILITIES

Capital	$ 7,560,000.00
Surplus and Profits	7,120,336.78
Circulation	2,071,330.00
Real Estate Mortgage Bonds	4,212,600.00
Money Borrowed	5,123,335.69
Deposits	94,581,067.97
TOTAL	$120,668,670.44

EARNINGS

For the quarter ending December 31, 1929

Of The BancoKentucky Company and its pro rata part of the earnings of its banks and trust companies.

TOTAL INCOME		$ 1,655,511.18
Less:		
Expenses and taxes	$ 456,101.66	
Interest Paid	698,133.27	
	$1,154,234.93	
		1,154,234.93
Net Income for quarter endine Dec. 31. 1929		$ 501,276.25

Exhibit 76

NATIONAL BANK OF KENTUCKY

LOUISVILLE, KY.

DIRECTORS

JOHN S. AKERS,
Vice Pres. National Bank of Kentucky

HENRY J. ANGERMEIER,
Vice Pres. National Bank of Kentucky

JAMES B. BROWN,
President National Bank of Kentucky

R. LEE CALLAHAN,
President Callahan and Sons

ANTHONY J. CARROLL,
Attorney

GEORGE M. CLARK,
President Ohio Falls Iron Co.

SAMUEL W. COONS,
Chairman of Board, Standard Oil Co. of Ky.

STUART E. DUNCAN,
President Peaslee Gaulbert Corp.

JOSEPH H. DURHAM,
Chairman Board, Franklin Title & Trust Co.

JAMES J. HAYES,
Vice Pres. National Bank of Kentucky

BAYLOR O. HICKMAN,
Vice Pres. Ewald Iron Co.

C. F. JONES,
Vice Pres. National Bank of Kentucky

SAUNDERS P. JONES,
Pres. Jones Dabney Varnish Co.

CHARLES C. MENGEL,
President The Mengel Company

THOMAS J. MINARY,
Chairman Board Louisville Rwy. Co.

EDWARD J. O'BRIEN, JR.,
Manager E. J. O'Brien Company

HENRY D. ORMSBY,
Vice Pres. National Bank of Kentucky

WILLIAM S. SPEED,
President Louisville Cement Company

HENRY VOGT,
President-Henry Vogt Machine Company

17-41-1

Exhibit 76

STATEMENT

NATIONAL BANK OF KENTUCKY

DECEMBER 31, 1929

ASSETS

Loans	$37,646,035.57
Bonds and Securities	6,870,411.14
Real Estate	35,000.00
Cash	10,150,186.65
TOTAL	$54,701,633.36

LIABILITIES

Capital	$ 4,000,000.00
Surplus and Profits	3,235,673.27
Circulation	2,071,330.00
Money Borrowed	4,248,835.69
Deposits	41,145,794.40
TOTAL	$54,701,633.36

Exhibit 76

LOUISVILLE TRUST COMPANY

LOUISVILLE, KY.

DIRECTORS

RICHARD BEAN,
President, Louisville Trust Co.

WILLIAM BLACK,
Pres. B. F. Avery & Sons

DR. OSCAR E. BLOCH,
Physician and Surgeon

CHARLES H. BOHMER,
Ch'm Board, The Security Bank

GEORGE O. BOOMER,
Pres. and Treas.
Pittsburgh Fuel Co.

R. R. BOSWELL,
Vice Pres. Louisville Trust Co.

JAMES B. BROWN,
Pres. National Bank of Ky.

ALLEN P. DODD,
Attorney

NICHOLAS H. DOSKER,
Vice Pres. Louisville Trust Co.

C. OSCAR EWING,
Pres. D. H. Ewing's Sons

JAMES GARNETT,
Attorney

WALTER H. GIRDLER,
Pres. Girdler Corporation

ANGEREAU GRAY,
Vice Pres. Louisville Trust Co.

T. KENNEDY HELM,
Attorney

C. C. HIEATT,
Pres. Consolidated Realty Co.

MILBURN P. KELLEY,
Pres. Louisville Bedding Co.

WALTER I. KOHN,
Capitalist

BEN. J. METCALFE,
Vice Pres. Louisville Trust Co.

J. WM. MILLER,
Pres. Grocers Baking Co.

DAVID C. MORTON,
Pres. Ballard & Ballard Co.

JOHN B. PIRTLE,
Vice Pres. Louisville Trust Co.

BEN ROBERTSON,
Pres. Reliance Varnish Co.

ARTHUR M. RUTLEDGE,
Attorney

JOHN STITES,
Ch'm Board Louisville Trust Co.

SAM. H. STONE,
Pres. S. H. Stone & Co.

E. LELAND TAYLOR,
Vice Pres. Semonin Goodman Co.

HORACE A. TAYLOR,
Capitalist

ROBERT F. VAUGHAN,
Attorney

E. WEINSTOCK,
Vice Pres. Louisville Trust Co.

Exhibit 76

STATEMENT

LOUISVILLE TRUST COMPANY

DECEMBER 31, 1929

ASSETS

Loans	$12,659,642.09
Securities	3,970,990.53
Real Estate Mortgages	5,006,713.53
Bank Building, etc.	1,368,393.08
Other Real Estate	93,034.58
Cash	2,082,989.91
TOTAL	$25,181,763.72

LIABILITIES

Capital	$ 1,750,000.00
Surplus	1,506,269.11
Reserves	97,407.94
Mortgage Bonds Outstanding	4,212,600.00
Money Borrowed	200,000.00
Deposits	17,415,486.67
TOTAL	$25,181,763.72

Exhibit 76

THE BRIGHTON BANK & TRUST COMPANY

CINCINNATI, OHIO

DIRECTORS

C. H. M. ATKINS,
Pres. The Warner Elevator Mfg. Co.

GEORGE BENTEL,
Contractor

JAMES B. BROWN,
Pres. The BancoKentucky Company

CHAS. EISEN,
Capitalist

MAURICE L. GALVIN,
Attorney

J. J. HEIDACHER,
Vice Pres. Brighton Bank & Tr. Co.

G. E. HUMMEL,
The David Hummel Building Co.

M. E. LYONS,
Pres. J. H. Day & Co.

G. M. MOSLER,
Pres. Brighton Bank & Tr. Co.

EDWARD NAGEL,
Henry Nagel & Son

RICHARD A. POWELL,
Attorney

GEORGE SCHMIDT,
Retired

M. C. WEIGLEIN,
Retired

FRED E. WESSELMANN,
Attorney

Exhibit 76

STATEMENT

THE BRIGHTON BANK & TRUST COMPANY

CINCINNATI, OHIO

DECEMBER 31, 1929

ASSETS

Loans	$10,216,797.01
Securities	2,572,041.27
Banking Houses	300,000.00
Cash	2,572,392.93
TOTAL	$15,661,231.21

LIABILITIES

Capital	$ 500,000.00
Surplus and Profits	437,814.06
Deposits	14,723,417.15
TOTAL	$15,661,231.21

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Exhibit 76

THE PEARL-MARKET BANK AND TRUST COMPANY

CINCINNATI, OHIO

DIRECTORS

ABE BLOOM,
Retired

JAMES B. BROWN,
Pres. The BancoKentucky Company

MAURICE L. GALVIN,
Attorney

WM. D. GRUBER,
Cincinnati Cloak & Suit Co.

J. J. HEIDACHER,
Vice Pres. Pearl Market Bk. & Tr. Co.

JOSEPH A. HELMERS,
Vice Pres. and Cashier Pearl Market Bk. & Tr. Co.

POLK LAFFOON,
Vice Pres. Union Gas & Elec. Co.

JOHN W. LEWIS, JR.,
McAplin Company

P. LINCOLN MITCHELL,
F. A. Schmidt Co.

G. M. MOSLER,
Pres. Pearl Market Bank & Tr. Co.

WALTER A. RYAN,
Attorney

OSCAR SCHWARTZ,
Schwartz Realty Company

G. S. WEIL,
Retired

SIDNEY WEIL,
Cincinnati Baseball Club

Exhibit 76

STATEMENT

THE PEARL-MARKET BANK AND TRUST COMPANY

CINCINNATI, OHIO

DECEMBER 31, 1929

ASSETS

Loans	$ 5,338,615.19
Securities	2,461,628.78
Real Estate Mortgages	3,875,332.37
Bank Building, etc.	525,437.52
Cash	1,242,763.44
TOTAL	$13,443,777.30

LIABILITIES

Capital	$ 600,000.00
Surplus and Profits	1,283,151.57
Money Borrowed	674,500.00
Deposits	10,886,125.73
TOTAL	$13,443,777.30

Exhibit 76

THE PEOPLES LIBERTY BANK AND TRUST CO.

COVINGTON, KY.,

DIRECTORS

JOHN J. BELL,
Interior Decorator

JAMES B. BROWN,
President The BancoKentucky Co.

CHAS. E. CLARK,
Attorney

J. N. CUNI,
Trust Officer, Peoples Liberty

J. A. DOWNARD,
Capitalist

GEO. E. ENGEL,
Vice Pres. Peoples Liberty

FRANK R. EVANS,
Cashier Peoples Liberty

MAURICE L. GALVIN,
Attorney

T. S. HAMILTON,
Capitalist

GEO. L. HILL,
Grocer

HERBERT JACKSON,
Attorney

EDWARD C. KELLEY,
Plumber

POLK LAFFOON,
V. P. Union Gas & Elec. Co.

FRED MACKE,
Moeschl Edwards Corrugating Co.

F. L. MICHAELS,
Pres. Michaels Art Bronze Wks.

ANTHONY MONDIEK,
Retired

HARRY M. PENNY,
Advance Millwork Co.

H. W. PERCIVAL,
Real Estate and Insurance

EDWIN W. PIEPER,
Capitalist

JEROME B. RESPESS,
Stock-Farm

JAS. A. RYAN,
Physician

H. W. SCHLEUTKER,
Wholesale Grocer

H. A. SCHROETTER,
Real Estate and Insurance

JOHN H. SCHULTE,
Pres. Central Sav. Bk. & Tr. Co.

C. D. SEILER,
Pres. Seiler Motor Car Co.

W. H. TABELING,
Dry Goods Company

F. F. THORPE,
Pres. John R. Coppin Co.

I. D. VAN WINKLE,
Post Glover Elec. Co.

L. B. WILSON,
President Peoples Liberty

RAY JOHNSON,
Pres. Johnson Battery Co.

Exhibit 76

STATEMENT

THE PEOPLES LIBERTY BANK AND TRUST CO.

DECEMBER 31, 1929

ASSETS

Loans	$ 6,704,557.01
Securities	1,192,420.08
Banking House, etc.	349,829.89
Cash	793,590.53
TOTAL	$ 9,040,397.51

LIABILITIES

Capital	$ 650,000 00
Surplus and Profits	371,919.73
Deposits	8,018,477.78
TOTAL	$ 9,040,397.51

Exhibit 76

CENTRAL SAVINGS BANK & TRUST CO.

COVINGTON, KY.

DIRECTORS

JOHN L. BRADY,
Master Car Builder, L. & N. R. R. Co.

JAMES B. BROWN,
President The BancoKentucky Company

FRANK BROERING,
Vice Pres. Central Savings Bank & Trust Co.

H. S. CALCUTT,
Supt. Dining Car Department C. & O. Ry.

MAURICE L. GALVIN,
Attorney

R. E. HENNESSY,
Tobacco Broker

H. B. MACKOY,
Attorney

GEORGE C. RILEY,
Bond Broker

JOHN H. SCHULTE,
President Central Savings Bank & Trust Co.

GEORGE C. STAHEL,
Retired

JOSEPH B. THEISEN,
Secretary-Treasurer Central Savings Bank & Tr. Co.

CHARLES W. ZWEIGART,
Retired

under which [illegible] (a) an independent unit bank, (b) a member of a group and (c) a branch can operate profitably, measured as to

Population of the community,
Volume of deposits,
Volume of loans and investments,
Volume of other business, if any?

6. Is there a need for any financial services which your form of organization has enabled you to supply, but which the independent banks because of their isolation and size could not? If so, what are they?

III. Management and supervision

1. To what extent does your holding company share in the management of banks? Has it a staff devoted to supervising them and to coordinating their activities?

2. To what extent are the local directors and management free to determine policies and carry on operations? If they are given a free hand how would you prevent a local group from adopting policies inharmonious with those of the group as a whole?

3. What proportion of the present directors of the local banks live in the communities where the banks are located?

4. What changes of personnel in the staffs and directorates of banks were made when they were acquired by your group, or reasonably soon thereafter? What is the usual policy as regards retention of local staffs and directorates? If you have acquired banks which formerly were in difficulties, were you obliged to retain the same managing officers so as to hold community good will?

5. Are all the members of the group audited by a central auditing force? If so, to whom is the auditing force responsible? Do auditors or special inspectors investigate loans from a credit standpoint?

IV. Policies and operations

1. What are you doing in general to attain uniformity in the activities, policies, and practices of the banks in your group?

150

2. What method, if any, is used to coordinate the lending policies of the banks, so as to bring about some degree of uniformity?

3. Has a uniform policy for investments been worked out, or does each bank make its own investments without advice or directions from the controlling agency?

4. What essential changes, if any, have been made in the lending policies of the banks since they were taken over? How is this reflected in their loans and investments? Has the ratio of aggregate loans and discounts (not investments) to deposits changed materially in any of your banks since they were taken over. If so, how much?

5. Has your group actually achieved a diversity of loans not possible for the unit banks before their association in the group? Explain.

6. What changes have been made in rates charged on loans by your banks since they entered your group? What is the usual rate charged by your banks on commercial loans? On agricultural loans?

7. How do the rates charged by members of your group compare with the rates of the independent unit banks in the same communities?

8. Do all your banks charge the same interest rates? If not, what factors determine the rates and why the differences?

9. Do your banks have any minimum size for loans? If so, what is it? Is this any different from the practice of independent unit banks in the same communities?

10. Do all your banks pay the same rate of interest on deposits? If not, what factors determine the rates and why the differences?

11. What changes have been made in rates paid on deposits by the banks which have entered your group? What is the usual rate paid by your banks on checking accounts? On savings deposits? On time certificates?

12. How do the rates paid on deposits by members of your group

Exhibit 76

STATEMENT

CENTRAL SAVINGS BANK & TRUST CO.

DECEMBER 31, 1929

ASSETS

Loans	$ 1,191,283.01
Securities	994,443.39
Cash	454,140.94
TOTAL	$ 2,639,867.34

LIABILITIES

Capital	$ 60,000.00
Surplus and Profits	188,101.10
Deposits	2,391,766.24
TOTAL	$ 2,639,867.34

Exhibit 77

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY
Louisville, Kentucky

SUMMARY OF INTERLOCKING DIRECTORS
NATIONAL BANK OF KENTUCKY, LOUISVILLE TRUST COMPANY AND BANCOKENTUCKY COMPANY
YEARS 1927 to 1930 INCLUSIVE

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 77

SUBJECT OF INTERLOCKING DIRECTORS

NATIONAL BANK OF KENTUCKY, LOUISVILLE TRUST COMPANY AND BANCO KENTUCKY COMPANY

YEARS 1927 to 1939 INCLUSIVE

	Elected to Board of Directors National Bank of Kentucky January 11,1927	Elected to Board of Directors Louisville Trust Company. June 14, 1927	Elected to Board of Directors National Bank of Kentucky January 10,1928	Elected to Board of Directors Louisville Trust Company. January 11,1928	Elected to Board of Directors National Bank of Kentucky January 8, 1929	Elected to Board of Directors Louisville Trust Company. January 8, 1929	Elected to Board of Directors Banco Kentucky Company July 10,1929	Elected to Board of Directors National Bank of Kentucky January 14,1930	Elected to Board of Directors Louisville Trust Company. January 14, 1930	Elected to Board of Directors Banco Kentucky Company. January 14, 1930
John S. Atherton	Yes	Yes	Yes	Yes						
Miles B. Brown	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
B. Lee Culleton	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Anthony J. Carroll	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
George H. Clark	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Samuel M. Cowan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Stuart H. Duncan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Joseph H. Durham	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Baylor O. Hickman	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Alexander P. Humphrey	Yes	Yes (1)	Yes	Yes	Yes	Yes	Yes	Yes (1)		Yes
Saunders P. Jones	Yes	Yes	Yes	Yes						
Brainard Lamon	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Charles D. Mengel	Yes	Yes	Yes	Yes	Yes (1)	Yes (1)	Yes (1)			
Thomas J. Minary	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Edward J. O'Brien Jr.,	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Richard S. Reynolds	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
William S. Speed	Yes	Yes	Yes	Yes	Yes (2)	Yes (2)				
Anthony V. Thomson	Yes (2)		Yes	Yes	Yes	Yes	Yes	Yes		Yes
Henry Vogt	Yes		Yes	Yes						
John S. Ahern	May 27,1927	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
James J. Hayes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Henry W. Crosby	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Henry J. Augenstein	May 30, 1927	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Charles P. Jones								Yes		
Oscar H. Block	May 27, 1927	Jan.11, 1927	Yes	Yes	Yes	Yes	Yes			
Charles H. Palmer	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes
William G. Crawford	Yes (2)	Yes (2)							Yes	Yes
Allen P. Dodd	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Edwin H. Drummond	Yes	Yes	Yes (1)	Yes (1)					Yes	Yes
George L. Everheath	Yes	Yes								
James Garnett	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Augustus Gray	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes
T. Kennedy Helm	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Clarence C. Hewitt	Yes	Yes	Yes	Yes	Yes	Yes	Yes			Yes
Milburn P. Kelly	Yes	Yes	Yes	Yes	Yes	Yes	Yes			Yes
Walter L. Lehn	Yes	Yes	Yes	Yes	Yes	Yes	Yes		(2)	Yes (2)
H. Clay Lyons	Yes	Yes	Yes	Yes	Yes	Yes	Yes			Yes
John B. Pirtle	Yes	Yes	Yes	Yes	Yes (3)	Yes (3)	Yes			
Hanson Quin	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Arthur H. Rutledge	Yes	Yes	Yes	Yes	Yes (4)	Yes (4)				
William Short	Yes	Yes	Yes	Yes	Yes	Yes	Yes			Yes

Exhibit 77

Page 2.

	Elected to Board of Directors National Bank of Kentucky	Louisville Trust Company.	Elected to Board of Directors National Bank of Kentucky	Louisville Trust Company.	Elected to Board of Directors National Bank of Kentucky	Louisville Trust Company.	Kentucky Company.	Elected to Board of Directors National Bank of Kentucky	Louisville Trust Company.	Kentucky Company.
John Stites	Yes	Yes	Yes	Yes	Yes *	Yes	Yes		Yes	
E. H. Norvell						April 19,1929	Yes		Yes	
Richard Dunn						Yes	Yes		Yes	
William Klenk						April 26,1929	Yes		Yes	Yes
George O. Denner						Yes	Yes		Yes	Yes
Nicholas Dunbar						April 19,1929	Yes		Yes	
C. Oscar Ming						April 26,1929	Yes		Yes	Yes
Walter H. Pirtle						Yes	Yes		Yes	Yes
Ben J. Hetzelfe						Yes	Yes		Yes	
J. William Miller						Yes	Yes		Yes	Yes
David C. Horton						Yes	Yes		Yes	Yes
Ben Robertson						Yes	Yes		Yes	Yes
Sam H. Stone						Yes	Yes		Yes	Yes
E. Leland Taylor						Yes	Yes		Yes	Yes
Horace H. Taylor						Yes	Yes		Yes	Yes
Robert A. Vaughan						Yes	Yes		Yes	Yes
Samuel Weinstock						Yes	Yes		Yes	Yes

(1) Resigned July 12, 1927
(2) Died April 20, 1927
(3) Resigned December 15, 1927

(1) Died January 22, 1928

(1) Died July 23, 1929
(2) Resigned February 8,1929
(3) Resigned January 10,1930
(4) Resigned May 17, 1929

(1) Resigned July 25, 1930
(2) Died May 9, 1930

FEDERAL RESERVE BANK
OF
ST. LOUIS

July 22, 1930

Mr. J. T. Burchmiede, Cashier
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Burchmiede:-

The Committee on Branch, Group and Chain Banking of the Federal Reserve Board has prepared a schedule for collecting information regarding the operation of group banking which it is anxious to have submitted to the more important groups in the several Federal Reserve districts.

The Committee wishes to secure as much information as possible bearing on the actual operations of group banking systems and such information as is available regarding their merits as contrasted with other forms of banking organizations. To this end cooperation of the controlling agencies of the groups is solicited. However, this is purely a request and in no sense a requirement, and we will be greatly obliged for any help you may feel disposed to give in the undertaking.

In view of the universal interest in this general subject and the importance given to the development of group banking systems, it occurred to the Committee that those responsible for their operations will doubtless welcome the opportunity to state their views and to give the benefit of their experience.

I enclose a copy of the schedule for your consideration and can assure you of my personal appreciation, as well as that of the Committee, for any information you may give.

Very truly yours,

Federal Reserve Agent.

1. Name of

2. Location of
Incorporation

3. Describe fully the structure of your group, indicating where the ultimate controlling authority lies and through what channels this authority is exercised.

4. General powers of the holding company or controlling agency. (Submit as exhibit copy of charter, articles of incorporation, by-laws.)

5. Capital structure:
Classes of stock, par value and book value of each class, number of shares of each class authorised and issued, voting power of each class and the number of stockholders of each class.

6. Stock distribution:
What proportion of the stock is held in the city where the holding company or controlling agency is located? In the cities and towns where the banks of the group are located? In the state of the holding company or controlling company? What proportion held by stock exchange houses and houses of issue and distribution?

7. Has any stock of the corporation been issued for cash, either by public offer or otherwise? If so, state amount of cash so realised and furnish prospectus of offering.

8. What liability, if any, have the stockholders of the holding company for the debts of the company in excess of their share ownership? If none, is there any other provision safeguarding the double liability attaching to the shares of banks owned. Has the protection offered bank creditors by double liability been impaired by transferring ownership to the holding company?

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9. List the officers and directors of the holding company and their principal business affiliations.

10. Furnish statement of the resources and liabilities of the holding company.

13. What methods have you used to determine the values upon which exchange of stock or purchase has been made?

14. Describe the method of handling slow and doubtful assets of banks acquired by you, and indicate what success you have had in liquidating such assets.

II. Economic background

1. Outline briefly the development of your group, indicating what considerations and conditions were most influential. Has the development been largely a matter of choice with you, or has it been impelled by social and economic changes? If the latter, please describe them as specifically as possible.

2. Presumably many formerly independent enterprises (stores, factories, etc.) operating in your region have been absorbed in recent years by larger companies, with the result that the local banking connections have been disturbed. If so, can you give a representative list of such cases? Are your banks seriously affected by the tendency?

3. Have you taken over any weak or unprofitable banks that are now being operated successfully? If so, to what do you attribute the fact that they are now successful?

4. Have you established any banks in communities which would probably not support independent unit banks? Have such banks been profitable? What advantage have such banks that enables them to succeed where the independent banks would not?

5. Have you been operating any banks at a loss in the expectation that community growth would make them profitable? If so, describe the conditions.

6. Describe the economic character of the territory covered by your organization, indicating what diversification of business is secured by your system.

7. According to your experience what is the minimum condition

compare with those of the independent banks in the same communities?

13. In case the credit demands on a particular bank are in excess of the funds available, what assistance is rendered by the controlling interest or by other banks of the group? Describe in some detail the mechanism and process by which this assistance is rendered.

14. Through the process of shifting funds from one bank to another as the needs determine are you able to meet all the credit demands on the various banks without going outside your group, or do you sometimes borrow from the Federal reserve bank or your metropolitan correspondents?

15. What is the maximum ratio of capital to deposits among your banks? The minimum? The average?

16. Do you make up a daily or weekly summary of the condition of all banks in your group? If so, please attach a copy of the form used for such summary.

17. Have you a fixed rule as to the proportion of deposits that must be carried as cash in vault by your banks? If it varies for different banks, give the reason therefor. For your entire group how much cash in vault is carried in proportion to deposits?

18. What, if any, economies have been effected in the operation of your banks since they were acquired? If possible, give specific evidences of such economies in

Salaries and payroll,
Forms, supplies and equipment,
Other costs - specify

19. How do the costs of operating the banks in your group compare with the costs of the same institutions when operating as independent unit banks?

20. Have you prepared a combined profit and loss statement for all your banks? If so, please attach a copy.

21. How many of your banks do a personal trust business? Taking the banks as a whole, how important are the trust operations in your system? Give figures to illustrate. What supervision of trust operations do you exercise?

22. How many of your banks sell securities? Are your banks important outlets for the sale of securities? Do you originate issues, either directly or through an affiliate?

23. Do your banks lend on the stock of the other members of the group as collateral or on the stock of the holding company? Do you think such loans should be prohibited?

24. When an independent bank enters your group, how are correspondent relations affected? Do members as a rule close all correspondent accounts except with other members of the group? Taking the group as a whole are balances carried by the system with outside correspondents greater or less than they would be if there were no group?

25. What effect, in your opinion, would the general development of group banking have upon correspondent relationships as they have developed under the independent unit banking system?

26. When a member of the Federal Reserve System joins your group, are its relations with its Federal reserve bank modified in any way? What effect does membership in the group have upon borrowing or rediscounting with the Federal reserve bank?

27. What effect would the general development of group banking have upon the Federal Reserve System?

28. Describe your method of clearing checks, indicating particularly whether your units clear with one another, or whether checks on other banks of your group are collected through the Federal reserve banks and/or correspondents.

V. Public relations

1. Is there any general prejudice in your territory against chain, group, or branch banking?

2. Do your banks offer any services to the public in addition to those offered by them before they were taken over? What are they?

3. Have there been any changes in the credit policies of any of your banks since they were acquired, with the result that certain types of borrowers find it more difficult to get credit? If so, have you had an undue amount of protest from these quarters with perhaps some propaganda against your group system?

4. What in general is the size and type of community served by your banks? In what size communities do the branches, if any, of your banks operate?

5. If the law permitted, would the management prefer to organize this group into a branch banking system? If not, would your banks organize branches in the smaller communities?

6. What in your opinion is the major cause of failure of so many banks in small rural communities? Will independent unit banks be able to operate successfully in most of these communities in the future? If not, do you think group banks can safely furnish deposit and credit facilities to such communities or can they be more satisfactorily taken care of by branch banking systems?

7. Has the Comptroller of the Currency or the State banking department been consulted at any time with respect to the formation of your group or its policies and activities?

8. Do you think that bank holding companies such as yours should be under the supervision of either the Comptroller of the Currency or the State banking department?

Exhibit 79

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

--oOo--

I, L. P. Bethea, Assistant Secretary of the Board of Governors of the Federal Reserve System (formerly the Federal Reserve Board), do hereby certify that the photostatic copies, which are attached hereto, of the following letters and documents are true and correct copies of letters and documents among the records of the Board of Governors of the Federal Reserve System:

1. Letter dated July 18, 1930, from J. H. Riddle, Secretary, Committee on Branch, Group and Chain Banking, to Mr. Rolla Wells, Federal Reserve Agent, Federal Reserve Bank of St. Louis, St. Louis, Missouri;

2. Schedule of information on group banking systems;

3. Letter dated August 7, 1930, from Mr. John S. Wood, Federal Reserve Agent, Federal Reserve Bank of St. Louis, to Mr. J. H. Riddle, Secretary, Committee on Branch, Group and Chain Banking, Federal Reserve Board, Washington, D. C.;

4. Letter dated August 2, 1930, from [illegible]. T. ZurSchmiede, Secretary-Treasurer of the BancoKentucky Company, Louisville, Kentucky, to Mr. John S. Wood, Federal Reserve Agent, Federal Reserve Bank of St. Louis, and its inclosures.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Board of Governors of the Federal Reserve System to be affixed at the city of Washington, District of Columbia, on this 12th day of October, 1936.

L. P. Bethea

Assistant Secretary,
Board of Governors of the Federal Reserve System

July 18, 1930.

Mr. Rolla Wells,
Federal Reserve Agent,
Federal Reserve Bank of St. Louis,
St. Louis, Missouri.

Dear Mr. Wells:

The Committee on Branch, Group and Chain Banking has prepared a schedule for collecting information regarding the operation of group banking systems and would like to have it submitted to the more important groups of the country.

It is the desire of the Committee to secure as much information as possible as to the actual operations of group banking systems and such information as is available regarding their merits as compared with other forms of banking organizations. In the collection of this information the cooperation of the controlling executive of the groups is solicited. This is purely a request, however, and in no sense a requirement. The purpose of the schedule is to insure the specific information which is desired and to insure the collection of comparable data in some systematic form from the various institutions.

In view of the universal interest in this subject and the importance given to the development of group banking systems, those responsible for their operations will doubtless welcome the opportunity to state their views and to give the Committee the benefit of their experience.

Following its usual procedure the Committee would like you to present the schedule to the group systems in your district. The method of submission is a matter of your own discretion. In most cases it may be sufficient to send the schedule by mail, but in some cases better results might be secured by a personal visit from some representative of the Federal Reserve Bank to the head of the group system. When these schedules are completed and returned to you, perhaps you may wish to look them over and supplement them with any special information or views which you may have.

Mr. Rolla Wells #2 July 18, 1930.

A number of copies of the schedule are enclosed, and if additional copies are desired they can be readily supplied. I suggest it be submitted to the institutions in your district listed below or to any others which you think would be productive of results. As a rule the names on the list are holding companies, but in a few cases the names of banks which control other banks directly were included.

First National Corp., Louisville, Ky.
Rogers Caldwell, Memphis and Nashville, Tenn.
Hooe Kentucky Corp., Louisville, Tenn.

Very truly yours,

J. W. Riddle,
Secretary, Committee on Branch,
Group and Chain Banking.

Enc.

SCHEDULE OF INFORMATION
ON
GROUP BANKING SYSTEMS

I. Organization and history

1. Name of holding company or controlling agency.

2. Location of head office, state of incorporation, date of incorporation and law under which organized.

3. Describe fully the structure of your group, indicating where the ultimate controlling authority lies and through what channels this authority is exercised.

4. General powers of the holding company or controlling agency. (Submit as exhibit copy of charter, articles of incorporation, by-laws.)

5. Capital structure:
   Classes of stock, par value and book value of each class, number of shares of each class authorized and issued, voting power of each class and the number of stockholders of each class.

6. Stock distribution:
   What proportion of the stock is held in the city where the holding company or controlling agency is located? In the cities and towns where the banks of the group are located? In the state of the holding company or controlling company? What proportion held by stock exchange houses and houses of issue and distribution?

7. Has any stock of the corporation been issued for cash, either by public offer or otherwise? If so state amount of cash so realized and furnish prospectus of offering.

8. What liability, if any, have the stockholders of the holding company for the debts of the company in excess of their share ownership? If none, is there any other provision safeguarding the double liability attaching to the shares of banks owned. Has the protection offered bank creditors by double liability been impaired by transferring ownership to the holding company

9. List the officers and directors of the holding company and their principal business affiliations.

10. Furnish statement of the resources and liabilities of the holding company.

13. What methods have you used to determine the values upon which exchange of stock or purchase has been made?

14. Describe the method of handling slow and doubtful assets of banks acquired by you, and indicate what success you have had in liquidating such assets.

III. Economic background

1. Outline briefly the development of your group, indicating what considerations and conditions were most influential. Has the development been largely a matter of choice with you, or has it been impelled by social and economic changes? If the latter, please describe them as specifically as possible.

2. Presumably many formerly independent enterprises (stores, factories, etc.) operating in your region have been absorbed in recent years by larger companies, with the result that the local banking connections have been disturbed. If so, can you give a representative list of such cases? Are your banks seriously affected by the tendency?

3. Have you taken over any weak or unprofitable banks that are now being operated successfully? If so, to what do you attribute the fact that they are now successful?

4. Have you established any banks in communities which would probably not support independent unit banks. Have such banks been profitable? What advantage have such banks that enables them to succeed where the independent banks would not?

5. Have you been operating any banks at a loss in the expectation that community growth would make them profitable? If so, describe the conditions.

6. Describe the economic character of the territory covered by your organization, indicating what diversification of business is secured by your system.

7. According to your experience what is the minimum condition

under which (a) an independent unit bank, (b) a member of a group and (c) a branch can operate profitably, measured as to

Population of the community,
Volume of deposits,
Volume of loans and investments,
Volume of other business, if any?

8. Is there a need for any financial services which your form of organization has enabled you to supply, but which the independent banks because of their isolation and size could not? If so, what are they?

III. Management and supervision

1. To what extent does your holding company share in the management of banks? Has it a staff devoted to supervising them and to coordinating their activities?

2. To what extent are the local directors and management free to determine policies and carry on operations? If they are given a free hand how would you prevent a local group from adopting policies inharmonious with those of the group as a whole?

3. What proportion of the present directors of the local banks live in the communities where the banks are located?

4. What changes of personnel in the staffs and directorates of banks were made when they were acquired by your group, or reasonably soon thereafter? What is the usual policy as regards retention of local staffs and directorates? If you have acquired banks which formerly were in difficulties, were you obliged to retain the same managing officers so as to hold community good will?

5. Are all the members of the group audited by a central auditing force? If so, to whom is the auditing force responsible? Do auditors or special inspectors investigate loans from a credit standpoint?

IV. Policies and operations

1. What are you doing in general to attain uniformity in the activities, policies, and practices of the banks in your group?

2. What method, if any, is used to coordinate the lending policies of the banks, so as to bring about some degree of uniformity?

3. Has a uniform policy for investments been worked out, or does each bank make its own investments without advice or directions from the controlling agency?

4. What essential changes, if any, have been made in the lending policies of the banks since they were taken over? How is this reflected in their loans and investments? Has the ratio of aggregate loans and discounts (not investments) to deposits changed materially in any of your banks since they were taken over? If so, how much?

5. Has your group actually achieved a diversity of loans not possible for the unit banks before their association in the group? Explain.

6. What changes have been made in rates charged on loans by your banks since they entered your group? What is the usual rate charged by your banks on commercial loans? On agricultural loans?

7. How do the rates charged by members of your group compare with the rates of the independent unit banks in the same communities?

8. Do all your banks charge the same interest rates? If not, what factors determine the rates and why the differences?

9. Do your banks have any minimum size for loans? If so, what is it? Is this any different from the practice of independent unit banks in the same communities?

10. Do all your banks pay the same rate of interest on deposits? If not, what factors determine the rates and why the differences?

11. What changes have been made in rates paid on deposits by the banks which have entered your group? What is the usual rate paid by your banks on checking accounts? On savings deposits? On time certificates?

12. How do the rates paid on deposits by members of your group

Exhibit 79

compare with those of the independent banks in the same communities?

13. In case the credit demands on a particular bank are in excess of the funds available, what assistance is rendered by the controlling interest or by other banks of the group? Describe in some detail the mechanism and process by which this assistance is rendered.

14. Through the process of shifting funds from one bank to another as the needs determine are you able to meet all the credit demands on the various banks without going outside your group, or do you sometimes borrow from the Federal reserve bank or your metropolitan correspondents?

15. What is the maximum ratio of capital to deposits among your banks? The minimum? The average?

16. Do you make up A daily or weekly summary of the condition of all banks in your group? If so, please attach a copy of the form used for such summary.

17. Have you a fixed rule as to the proportion of deposits that must be carried as cash in vault by your banks? If it varies for different banks, give the reason therefor. For your entire group how much cash in vault is carried in proportion to deposits?

18. What, if any, economies have been effected in the operation of your banks since they were acquired? If possible, give specific evidences of such economies in

Salaries and payroll,
Forms, supplies and equipment,
Other costs - specify

19. How do the costs of operating the banks in your group compare with the costs of the same institutions when operating as independent unit banks?

20. Have you prepared a combined profit and loss statement for all your banks? If so, please attach a copy.

21. How many of your banks do a personal trust business? Taking the banks as a whole, how important are the trust operations in your system? Give figures to illustrate. What supervision of trust operations do you exercise?

22. How many of your banks sell securities? Are your banks important outlets for the sale of securities? Do you originate issues, either directly or through an affiliate?

23. Do your banks lend on the stock of the other members of the group as collateral or on the stock of the holding company? Do you think such loans should be prohibited?

24. When an independent bank enters your group, how are correspondent relations affected? Do members as a rule close all correspondent accounts except with other members of the group? Taking the group as a whole are balances carried by the system with outside correspondents greater or less than they would be if there were no group?

25. What effect, in your opinion, would the general development of group banking have upon correspondent relationships as they have developed under the independent unit banking system?

26. When a member of the Federal Reserve System joins your group, are its relations with its Federal reserve bank modified in any way? What effect does membership in the group have upon borrowing or rediscounting with the Federal reserve bank?

27. What effect would the general development of group banking have upon the Federal Reserve System?

28. Describe your method of clearing checks, indicating particularly whether your units clear with one another, or whether checks on other banks of your group are collected through the Federal reserve banks and/or correspondents.

V. Public relations

1. Is there any general prejudice in your territory against chain, group, or branch banking?

2. Do your banks offer any services to the public in addition to those offered by them before they were taken over? What are they?

3. Have there been any changes in the credit policies of any of your banks since they were acquired, with the result that certain types of borrowers find it more difficult to get credit? If so, have you had an undue amount of protest from these quarters with perhaps some propaganda against your group system?

4. What in general is the size and type of community served by your banks? In what size communities do the branches, if any, of your banks operate?

5. If the law permitted, would the management prefer to organize this group into a branch banking system? If not, would your banks organize branches in the smaller communities?

6. What in your opinion is the major cause of failure of so many banks in small rural communities? Will independent unit banks be able to operate successfully in most of these communities in the future? If not, do you think group banks can safely furnish deposit and credit facilities to such communities or can they be more satisfactorily taken care of by branch banking systems?

7. Has the Comptroller of the Currency or the State banking department been consulted at any time with respect to the formation of your group or its policies and activities?

8. Do you think that bank holding companies such as yours should be under the supervision of either the Comptroller of the Currency or the State banking department?

FEDERAL RESERVE BANK
OF
ST. LOUIS

Aug. 7, 1930

Mr. J. M. Riddle, Secretary,
Committee on Branch, Group and Chain Banking,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Riddle:-

Complying with request in your letter of July 18, we forwarded the Committee's "Schedule of information on group banking systems" to five groups in this district with letter explaining the Committee's purpose and asking that they supply the information called for.

Two of the groups addressed have replied, and I am enclosing herewith their letters.

I will be pleased to forward any additional responses as they arrive.

Very truly yours,

Geo. S. Wood

Federal Reserve Agent.

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The Banc-Kentucky Company

Louisville, Kentucky

FEDERAL RESERVE BA

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AGENT

August 2, 1930.

Mr. John S. Wood,
Federal Reserve Agent,
Federal Reserve Bank of St. Louis,
St. Louis, Mo.

Dear Mr. Wood:-

Enclosed herein find answers to your inquiries and copy of By-laws and Charter.

Caldwell and Company are furnishing direct, list of banks in which they have an interest.

Very truly yours,

W. P. ZurSchmiede,
Sec'y-Treas.

WPZ:CE
enc'l.

Exhibit 79

THE BANCOKENTUCKY COMPANY

I.

1. The BancoKentucky Company.

2. Louisville, Kentucky - July 16, 1929 - Delaware.

3. The ultimate controlling authority lies with The BancoKentucky Company. For practical operation this authority is exercised through its president to the chief executives of the constituent Banks.

4. Charter and By-laws appended.

5. Common stock only - $10.00 par value - 5,000,000 shares authorized - 2,500,000 shares issued; about 6,500 stockholders.

6. 47% held in Louisville - 53% held in cities where banks are located - none held by stock exchange houses.

7. Yes. Approximately 400,000 shares were sold by the Company at $25.00 per share or $10,000,000. No prospectus was furnished.

8. Stockholders have no liability other than their share ownership. Protection offered bank creditors has not been impaired by transferring ownership to the holding company.

9. James B. Brown, President.
Chas. F. Jones, Vice-President.
W. T. ZurSchmiede, Secretary-Treasurer.
See annual statement for list of directors.

10. Statement May 1st, appended.

11.

12.

13. Book value as determined by special examinations and earnings.

14.

II.

1. Development has been largely a matter of choice.

2. Have not lost any volume of business in this manner.

3. No.

4. No.

5. No.

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6. Banks owned are located in Louisville, Cincinnati, Covington, Ashland and Paducah, all of which are growing cities.

7. We have not had occasion to make such a survey.

8. Such occasion, so far, has not developed.

III.

1. At the present time a staff is being created, which will supervise the management of the banks.

2. All major transactions are submitted to the Company for approval.

3. The directors live in the communities of their banks with very few exceptions.

4. No changes in personnel of staffs have been made. We have not acquired any banks that were in trouble.

5. A central auditing force is now being formed.

IV.

1 - 9. We expect to have the policies of the banks uniform where possible and will accomplish this through the managing and auditing staffs.

10. No. The rates are governed by the prevailing rate in the community.

11. 2% on Checking - 3% Savings and Certificates.

12. Usually the same.

13. $1.00 for $5.00 - $1.00 for $10.00 - $1.00 for $8.50.

The remainder of your inquiries cannot be answered intelligently, because we are just beginning to reach the point of controlling the operations of the banks from a practical standpoint and these matters have not come to our attention in a practical way.

11. [illegible] affiliated or controlled banks*

Name of bank	Location: City	Location: State	Population of city	Date of acquisition	No. of branches if any: In city	No. of branches if any: Outside city	No. of shares issued	% of issued shares owned by controlling agency	Book value: At time of acquisition	Book value: At present	Price paid per share, if cash	Basis of exchange, if not cash	Paid-in capital	Surplus	Total deposits	Loans and investments	n o a
[illegible]	[illegible]nsville	Ky	38 0000	9-14-29	1		4-0000	47 %			50 00	2 for 1	4000000	3735000	41465000	44656000	
[illegible]	"	"			0		1-300	0- %			50 00						
[illegible]	"	"		5-1-30	-	-	3000	40 %			350 00	for 1	300000	387000	1979000	2486000	
[illegible]	Somerset	Ohio	4-4000	10-1-29	2		60000	60 %			750 00	Stock in cash	600000	1283000	10886000	11674000	
[illegible]	"	"		10-28-24	3		50000	40 %			900 00	" "	500000	4534000	44746000	47237000	
[illegible]	Barrington	Ky	9000	12-28-26	-	-	6500	78 %			250 00	Cash	650000	377000	8018000	7896000	
[illegible]	"	Ky	59000	12-3-24			600	60 %			600 00	Cash	60000	188000	2341000	2185000	
[illegible]	Ashland	Ky	75000	4-2-30			8000	80 %			100 00	8 shs for 1	800000	321000	4638000	4666000	
[illegible]	Paducah	Ky	45000	3-13-30			7500	95 %			50 00	12 shs for 1	150000	267000	2497000	1903000	

*All information listed on this schedule should be as of a current or recent date except where otherwise stated.
**Exchange of stock, purchase of stock or purchase of assets.

Branches any — Outside city	No. of shares issued	% of issued shares owned by controlling agency	Book value: At time of acquisition	Book value: At present	Price paid per share, if cash	Basis of exchange, if not cash	Paid-in capital	Surplus	Total deposits	Loans and investments	Member or nonmember of F.R. at time of acquisition	Member or nonmember of F.R. at present	Method of acquisition**
	40000	97%			50.00	2 for 1	4000000	3735000	41145000	4162000	Member	Member	Exchange of stock
	1500	9.5%			50.00		150000	1604000	1405000	2136000	"	"	of stock and cash
	3000	90%			350.00	1 sh for 1 sh & cash	300000	387000	1979000	2454000	"	"	
	60000	80%			750.00	Stock & cash	600000	1783000	10886000	11644000	member	member	
	50000	40%			900.00		500000	4534000	41240000	17637000			
	6500	38%			250.00	cash	650000	377000	8018000	7896000	non-	non-	
	600	10%			600.00	Cash	60000	188000	2341000	2185000	non-	non-	
	2000	80%			300.00	3 shs for 1	800000	371000	4638000	4666000	member	member	Exchange of stock
	7500	95%			50.00	1½ shs for 1	150000	267000	2497000	1903000			

except where otherwise stated.

12. List of other affiliated or controlled corporations, including securities companies, holding companies, insurance, mortgage, safe deposit, real estate companies, investment trusts, etc.

Name	Paid-in capital and surplus	Year of organization	Year of merger or affiliation	Method of acquisition (Exchange of stock, purchase of stock, purchase of assets)	Per cent of stock held	Form of affiliation*	Function
Caldwell & Co				Exchange of stocks			

*For example, stock trusteed for bank stockholders, direct ownership, ownership by or through another affiliate, etc.

Officers and Directors—

Certificate of Incorporation—

and By-Laws—

of

THE BANCOKENTUCKY COMPANY

Louisville, Ky.

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OFFICERS

JAMES E. BROWN, President
JOHN STITES, Vice President
RICHARD BEAN, Vice President
W. T. ZURSCHMIEDE, Sec'y and Treas.

DIRECTORS

JOHN S. AKERS
HENRY F. ANSCHUTZ
RICHARD BEAN
WILLIAM BLACK
DR. OSCAR L. BLOCH
CHARLES H. BOEHMER
GEORGE O. BOEHMER
R. B. BOSWELL
JAMES E. BROWN
R. LEE CALLAWAY
ANTHONY J. CARROLL
GEORGE M. CLARK
SAMUEL W. CROSS
ALLEN P. DODD
NICHOLAS H. DOSKER
STUART E. DUNCAN
JOSEPH H. DURHAM
C. OSCAR EWING
JAMES GARNETT
WALTER H. GIESELER
ANDREW J. GRAY
JAMES J. HAYES
T. KENNEDY HEIM
BAYLOR O. HICKMAN
C. C. HIGATT
SAUNDERS P. JONES
MILBURN P. KELLEY
WALTER L. KOSTA
BRAINARD LEMON
S. CLAY LONG
CHARLES C. MENGEL
BEN L. MILLARD
J. WM. MILLER
THOMAS J. MINARY
DAVID C. MORTON
EDWARD L. O'BRIEN, JR.
HENRY D. ORMSBY
LOUIS D. PRIEST
BEN ROBERTSON
ARTHUR M. RUTLEDGE
WILLIAM STROUD
WILLIAM S. SPEER
JOHN STITES
SAM H. STONE
J. EDWARD TAYLOR
HERBERT A. TAYLOR
ROBERT E. VAUGHAN
HENRY VOGT
I. WEINSTOCK

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CERTIFICATE OF INCORPORATION
OF
THE BANCOKENTUCKY COMPANY
Incorporated under the Laws of Delaware

Name

FIRST: The name of this corporation is THE BANCOKENTUCKY COMPANY.

Offices

SECOND: Its principal office in the State of Delaware is to be located in the City of Dover, in the County of Kent, in the State of Delaware. The name of its resident agent is the United States Corporation Company, whose address is No. 19-21 Dover Green in said city.

Nature of Business and Powers

THIRD: The nature of the business, or objects or purposes proposed to be transacted, promoted or carried on are:

The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidence of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing, managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for

Buying and Selling stocks or bonds

Buying notes, etc.

Aiding Business Enterprises

Underwriting of stocks and bonds

Advice or Assistance to Persons, Firms, Corporations, Associations, etc. any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation.

Registrar or Transfer Agent The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.

Power to issue bonds, debentures, etc. The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge, deed of trust or otherwise.

Power to purchase own stock, etc. The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase o its own shares of capital stock when such use would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

Power to guarantee obligations of others The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety there'or and to become joint maker, endorser or acceptor of any such obligations and to charge fees and commissions for such services.

Power to acquire, hold and sell Real Estate The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal

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property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

General Powers

In general, the corporation shall have full power to carry on any other business in connection with the foregoing whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The foregoing clauses shall be construed both as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

Capital

FOURTH: The total authorized capital stock of this corporation is Two Million (2,000,000) shares of common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Twenty Million ($20,000,000) Dollars and being a total authorized capital stock of Twenty Million ($20,000,000) Dollars.

FIFTH: The minimum amount of capital with which the corporation will commence business is One Thousand ($1,000.00) Dollars.

SIXTH: The names and places of residence of each of the incorporators are as follows:

NAME	RESIDENCE
M. S. Cook	DOVER, DELAWARE
A. L. Raughley	DOVER, DELAWARE
J. M. Townsend	DOVER, DELAWARE

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Perpetual existence

SEVENTH: This corporation is to have perpetual existence.

Fully paid stock

EIGHTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

NINTH: Subject to the provisions of the "General Corporation Law" the number of Directors of the corporation shall be determined as provided in the By-Laws.

Board of Directors and By-Laws

TENTH: In furtherance, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To make and alter the By-Laws of this corporation, to fix the amount to be reserved as working capital over and above its capital stock paid in, to authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.

Books of Company

From time to time to determine whether and to what extent, and at which times and places, and under what conditions and regulations, the accounts and books of this corporation, (other than the stock ledger), or any of them, shall be open to inspection of stockholders; and no stockholder shall have any right of inspecting any account, book or document of this corporation except as conferred by statute, unless authorized by a resolution of the stockholders or directors.

Executive Committee

If the By-Laws so provide, to designate two or more of its number to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the By-laws of this corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs

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of this corporation, and have power to authorize the seal of this corporation to be affixed to all papers which may require it.

Board's Power to sell, lease, or exchange property and assets of Corporation

Pursuant to the affirmative vote of the holders of at least a majority of the stock issued and outstanding, having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of at least a majority of the holders of the voting stock issued and outstanding, the Board of Directors shall have power and authority at any meeting to sell, lease or exchange all of the property and assets of this corporation, including its good will and its corporate franchises, upon such terms and conditions as its Board of Directors deem expedient and for the best interests of the corporation.

This corporation may in its By-Laws confer powers upon its directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by the statute.

Place of meeting of stockholders

Both stockholders and directors shall have power, if the By-Laws so provide, to hold their meetings, and to have one or more offices within or without the State of Delaware, and to keep the books of this corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the Board of Directors.

Amendments

ELEVENTH: This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the General Corporation Law of the State of Delaware, being Chapter 65 of the Revised Code of Delaware, and the acts amendatory thereof and supplemental thereto, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this the 16th day of July, A. D., 1929.

M. S. COOK (SEAL)
A. L. RAUGHLEY (SEAL)
J. M. TOWNSEND (SEAL)

In the presence of:
L. C. HUTCHINS
as to all.

STATE OF DELAWARE }
} ss:
COUNTY OF KENT }

BE IT REMEMBERED, that on this 16th day of July, A. D., 1929, personally came before me, C. H. Jarvis, a Notary Public in and for the County and State aforesaid, M. S. Cook, A. L. Raughley and J. M. Townsend, parties to the foregoing Certificate of Incorporation, personally known to me to be such and severally acknowledged the said Certificate to be the act and deed of the signers respectively, and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

C. H. JARVIS
Notary Public.

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BY-LAWS
OF
THE BANCOKENTUCKY COMPANY

Office

SECTION 1: The principal office of the corporation outside of the State of Delaware shall be located in Louisville, Jefferson County, Kentucky, and all meetings of stockholders may be held at such office.

Annual Meeting

SEC. 2: The annual meeting of the stockholders shall be held on the second Tuesday in January of each year, at which time there shall be chosen such number of persons as may be determined by the stockholders to be Directors of the corporation for the ensuing year. A notice of such meeting shall be mailed to each stockholder at his post office address appearing on the records of the corporation at least ten days prior to the date of the meeting.

Special Meetings

SEC. 3: Special meetings of stockholders may be called at any time by the President, or it shall become the duty of the President to call special meetings upon the written request of stockholders owning at least fifty per cent of the capital stock of the corporation.

Quorum

SEC. 4: At all stockholders' meetings, stockholders owning at least fifty-one per cent of the capital stock of the corporation, issued and outstanding, and present either in person or by proxy, shall be necessary to constitute a quorum.

Eligibility of Stockholders to Vote

SEC. 5: At all meetings of stockholders, the right of any stockholder to vote shall be governed and determined by the transfer records, only such persons being entitled to vote who appear as stockholders upon the records of the corporation. Votes may be cast either in person or by proxy.

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Vacancies SEC. 6: In case of a vacancy or vacancies by death, resignation or otherwise, occurring in the Board of Directors between annual meetings, the remaining Director or Directors shall fill the vacancy or vacancies by choosing as many persons as may be necessary to fill the vacancies.

Resignations SEC. 7: Any Director may resign his office at any time, and the resignation shall take effect from the time of its acceptance by the Board of Directors.

Election of Officers SEC. 8: The Directors shall immediately after their election hold a meeting at which they shall choose from among their number a President and they shall also choose one or more Vice Presidents and a Secretary and Treasurer who may or may not be members of the Board and such other officers as may be necessary for the proper conduct of the business. The offices of Secretary and Treasurer may be filled by the same person and all of such officers shall hold their office at the pleasure of the Board of Directors.

Rules Regulations SEC. 9: The Directors may adopt such rules and regulations for the conduct of their business and the management of the affairs of the corporation as they may deem proper, not inconsistent with the laws of Delaware or these by-laws.

Directors' Meetings SEC. 10: The Directors may hold their meetings at the principal office of the corporation in Louisville, Kentucky. Notice of each meeting shall be given by mailing a notice thereof to each Director not less than three days before said meeting.

Duties of President

SEC. 11: The President shall preside at all meetings of the Directors and shall perform such other duties as he may be directed to perform by the Directors and he shall have general supervision of the business and affairs of the corporation.

Duties of Vice Pres.

SEC. 12: The Vice Presidents shall perform such duties and have such authority as the Board of Directors may determine.

Duties of Treasurer

SEC. 13: The Treasurer shall deposit the money and securities belonging to the corporation in such bank or banks as may be selected by the Board of Directors. The Treasurer shall also keep such books of account as the Directors may direct and a report of the financial condition of the corporation shall be made by the Treasurer to the President or Board of Directors whenever so requested and a report of like character shall be submitted by the Treasurer at each annual meeting. The officers shall be required to execute such bond as may be required by the Directors.

Duties of Secretary

SEC. 14: The Secretary shall record all the votes of the stockholders and Directors in a book to be kept for that purpose. He shall record all transfer of stock and cancel and preserve all certificates of stock transferred. He shall also keep a list of the stockholders of the corporation showing their places of residence and number of shares of stock held by them respectively from the time when they became the owners of such shares. He shall also keep the seal of the corporation and affix the same to all certificates of stock and such other instruments requiring the seal as may be directed by the Board of Directors. The Secretary shall also keep such other books and perform such other duties as may be assigned to him.

Payments how made

SEC. 15: Payments on behalf of the corporation shall only be made by check of the corporation signed by such officers or other persons as may be designated by the Board of Directors.

Certificates signed

SEC. 16: All certificates of stock shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and be attested by the corporate seal.

Stock Transfers

SEC. 17: Certificates of stock may be transferred or pledged by an endorsement to the proper effect in writing on the back of the certificate and delivery of such certificate by the transferror to the transferee; provided, that until notice given of such transfer to the Secretary of the corporation and the surrender of the certificate of stock for cancellation, and the issue of a new certificate, the corporation may regard and treat the transferror as being still the owner of the stock.

Seal

SEC. 18: The seal of the corporation shall be circular in form with the words "THE BANCO-KENTUCKY COMPANY" on the circumference.

Fiscal Year

SEC. 19: The fiscal or business year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

Dividends

SEC. 20: Dividends may be declared annually or more frequently if the Directors shall so direct, from the surplus or net profits of the corporation.

Agencies

SEC. 21: The corporation may establish such branch offices or agencies in any State of the United States or any foreign country as may be directed by the Board of Directors.

Amendments

SEC. 22. These by-laws may be amended at any directors' meeting by a vote of a majority of the whole Board of Directors. They may also be amended at any stockholders' meeting by a vote of stockholders owning not less than fifty-one per cent of the capital stock issued and outstanding.

CALDWELL & COMPANY

BANKERS

INVESTMENT BONDS

NASHVILLE TENNESSEE

October 21, 1930.

Mr. Charles P. Jones, Vice-President,
Banco Kentucky Company,
Louisville, Kentucky.

My dear Mr. Jones:

As you probably know, the Federal Reserve Board is conducting investigations in regard to branch banking, group banking and bank holding companies and several days ago the Atlanta Reserve Bank's Agent, Mr. J. R. McCravey, Jr., called on us at Nashville to secure detailed information on the Banco Kentucky Company setup and also the banks in Arkansas in which we are interested through the ownership of the Home Insurance Companies of Little Rock. I asked Mr. McCravey if the Banco Kentucky Company would not be approached for this information by the St. Louis Reserve Bank as the major part of your interests are in this bank's district, and he advised me that the Atlanta Bank had been assigned the Banco Kentucky Company and also the Arkansas Banks. Mr. McCravey requested us to forward to you schedule which the Atlanta Bank would like to have filled out for the Federal Reserve Board and I am enclosing same herewith. If the information requested has already been prepared for the St. Louis Reserve Bank, of course it will not be necessary to duplicate same in this instance.

With kind regards, I am

Very truly yours,

Thos. W. Goodloe.
Buying Department.

TWG.PR.
Encl.

F. R. Board
Form ft. 6386d
Nov. 1929

Changes in Group or Chain Banking

Federal Reserve District NO. 6

Name and address of management or controlling interest in banking chain or group ROGERS CALDWELL, NASHVILLE, TENN.

DEGREE OF CONTROLL	Date effective	Name and location of banks added to or withdrawn from chain or groups	Member or non-member	Capital	Surplus and Profits	Loans and Investments
				(in thousands of dollars omitted)		
		Bank of Tennessee, Knoxville, Tenn.	Non.	500	353	6 661
		4th & 1st National Bank, Nashville, Tenn.	Mem.	4 000	6 000	41 000
		Holston Union National Bank, Knoxville, Tenn.	Mem.	760	998	12 704
		Union Planters National Bk. & Tr. Co. Memphis, Tenn.	Mem	3 500	5 [illegible]	25 934
		Memphis Comm. Bk. & Tr. Co., Memphis, Tenn.	Non	700	1 712	8 096
		Exchange National Bank, Little Rock, Ark.	Mem.	400	302	4 522
		Nashville Trust Co., Nashville, Tenn.	Non	80[illegible]	1 [illegible]81	10 615
		American Bank & Trust Co., Lebanon, Tenn.	Non.	100	71	991
		Alexander Bank & Trust Co., Alexandria, Tenn.	Non.	25	5	45
		South Knoxville Bank, Knoxville, Tenn.	Non	35	2	171
		Holston Trust Co., Knoxville, Tenn.	Mem.	750	66	412
97%	9-11-29	National Bank of Ky., Louisville, Ky.	Mem	4 000	3 235	44 [illegible]
97%	9-21-29	Louisville Trust Co., Louisville, Ky.	Mem.	1 750	1 604	21 63[illegible]
80%	8-1-29	Security Trust Co., Lexington, Ky.	Non	300	382	2 25[illegible]
80%	10-1-29	Fourth-Market Bank & Trust Co., Cincinnati, Ohio	Mem	600	1 283	11 67[illegible]
90%	10-29-29	Brighter Bank & Trust Co., Cincinnati, Ohio	Mem	500	464	12 83[illegible]
98%	12-26-21	Security Liberty Bank & Tr. Co., Covington, Ky.	Non	650	372	7 8[illegible]
80%	12-13-29	Central Security Bank & Tr. Co., Lexington, Ky.	Non	80	168	2 10[illegible]
90%	4-2-30	Ashland National Bank, Ashland, Ky.	Mem.	800	321	4 6[illegible]
96%	3-13-30	First National Bank, Paducah, Ky.	Mem	150	367	1 90[illegible]

Maurice L. Galvin
Frank H. Tracy
J. Paul Loughman
Louis Levy
Robt. G. Bowerman

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

February 21, 1930.

Chas. F. Jones, Esq.,
National Bank of Kentucky,
5th & Main Sts., Louisville, Ky.

Dear Mr. Jones:

I have been elected a director of the Central Savings Bank and Trust Company of Covington, and it will be necessary for the Banco Company to put five shares of Central Bank & Trust Company stock in my name so that I may qualify as a director. Will you please have this attended to and oblige.

Very truly yours,

Maurice L. Galvin

Exhibit 82

February 24, 1930

Mr. Maurice L. Galvin
1212 First National Bank Bldg.,
Cincinnati, Ohio

Dear Mr. Galvin:--

Your letter of February 21st, addressed to Mr. Jones, has been handed me for attention.

We are having the Central Savings Bank & Trust Company issue five shares of their stock in your name, which will qualify you as a Director in that Bank and have instructed them to present the certificate to you for endorsement - returning to us when this has been accomplished.

With kindest regards, Sincerely,

Very truly yours,

W. T. JONES
SEC'Y-TREAS

D

Exhibit 83.

Marion L. Galvin
Frank H. Tracy
J. Paul Geoghegan
Lewis Levy
Robt. P. Baumann

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

April 15, 1930.

Tom Zurschneide, Esq.,
5th & Main Streets,
Louisville, Ky.

Dear Sir:

I am sending you herewith dividend check of the Central Savings Bank and Trust Co., payable to my order, for $30.00, which I have endorsed to the order of Barco-Kentucky Co.

Please acknowledge receipt and oblige.

Very truly yours,

Exhibit 54

Law Offices
Frederick J. Fenney
1010-1020 First National Bank Bldg.
Cincinnati

April 25, April 26, 1920

[illegible]

Mr. Maurice L. Calvin,
[illegible] herewith dividend check of the Com-
[illegible] Co., payable to my order, for
Cincinnati, Ohio [illegible] to the order of Hamilton-Eaubusky Co.

Dear Mr. Calvin:— [illegible] receipt and oblige.

We acknowledge receipt of your letter of April 24th enclosing check, payable to your order and endorsed, which represents dividend, due April 25th, on five (5) shares Central Savings Bank and Trust Company capital stock in your name and held by us.

Very truly yours,

[illegible]

1800

Exhibit 85

Maurice L. Galvin
Frank H. Tracy
J. Paul Vaughagan
Lewis Levy
Robt. D. Brinsmade

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

October 17, 1930.

Tom Zurschmiede, Esq.,
Cashier National Bank of Kentucky,
5th & Main, Louisville, Ky.

Dear Sir:

I am sending you herewith check for $30.00, dividend of the Central Bank and Trust Company for stock standing in my name, belonging to Banco-Kentucky Company, which I have endorsed to it.

I am also sending you herewith check for $375.00, being semi-annual dividend on stock of the Union Central Life Insurance Co., belonging to Banco-Kentucky, standing in the name of Mr. Crabbs.

Will you please acknowledge receipt of these checks and oblige.

Very truly yours,

1801

Exhibit 86

March 7th, 1930

Mr. Jesse Weil, Vice-President,
First National Bank
Paducah, Kentucky

Dear Mr. Weil:-

At a meeting of the Board of Directors of THE BANCOKENTUCKY COMPANY, held March 7th, 1930, the plan for exchange of stock of THE BANCOKENTUCKY COMPANY for the stock of the First National Bank of Paducah, Kentucky, was unanimously approved by the Board on the following basis:

Twenty-seven thousand (27,000) shares of THE BANCOKENTUCKY COMPANY at twenty-five ($25.00) dollars per share, making a total of six hundred seventy-five thousand ($675,000.00) dollars for the entire capital stock of the First National Bank of Paducah, Kentucky - par value one hundred fifty thousand ($150,000.00) dollars; or, ninety ($90.00) dollars per share for each share of twenty ($20.00) dollars par value; or, four hundred fifty ($450.00) dollars per share for each share of one hundred ($100.00) dollars par value.

It is understood that while this proposition is made for all the stock of the First National Bank of Paducah, Kentucky, the trade will be effective whenever fifty-one (51%) per cent par value of the outstanding stock has accepted and made the exchange.

This offer is binding on us for a period of thirty days from March 10th, 1930.

Very truly yours,

JAMES B. BROWN
PRESIDENT

JBB-D

173

Exhibit 87

Ashland National Bank

Ashland, Kentucky

JNO. E. BUCKINGHAM, PRESIDENT

PLAINTIFF'S EXHIBIT 87 OCT 1 [illegible] OFFICIAL REPORTER

March 31, 1930

Mr. J. B. Brown, President
The Banco-Kentucky Company
Louisville, Kentucky

Dear Mr. Brown:

I am sending you herewith letter to be sent out to our stockholders tomorrow afternoon. We trust you will approve of this form of letter. We feel that it is the proper way in which to present it to our people and that their reaction to this slant of the transaction will be favorable.

The information will be released for publication in tomorrow afternoon's Independent, and presuming that you might be interested in having a copy of the paper, we will mail one to you.

In your conversation last night you suggested that I come to Louisville one day this week. If Thursday night would suit your convenience, please advise me and I will arrange to see you at that time.

With best wishes, I am

Yours very truly,

Jno E Buckingham

President

JEB:A

Exhibit 87

ASHLAND NATIONAL BANK

ASHLAND, KENTUCKY

April 1, 1930.

To the Stockholders of the Ashland National Bank:

An invitation has been extended to the Ashland National Bank by the Banco-Kentucky Company to become a member of a group of banks being formed by it in Kentucky and nearby states.

The Banco-Kentucky was organized for the purpose of forming such a group.

It is proposed to effect this association between the Ashland National Bank and Banco-Kentucky by an exchange of stock on the basis of eight shares of Banco-Kentucky stock for one share of Ashland National Bank stock.

This proposed association and exchange of stock has received the careful consideration of your executive officers and directors and is unhesitatingly approved by them and they recommend that you exchange your stock on the basis proposed. A resolution to that effect was adopted at the regular meeting of the Board of Directors held today.

Banco-Kentucky stock is listed on the Chicago and Louisville stock exchanges and is traded in daily, thereby affording for it a ready market. Its par value is $25.00 per share. Recent sales have been around $25.00 per share. Its present established dividend rate is $1.00 per share annually, payable quarterly.

An exchange on the basis proposed will afford you the same return that you are now receiving.

All of the stock of the Ashland National Bank can be exchanged on the basis stated above. Fifty-one per cent must be deposited to make the plan effective.

You may exchange all, any part, or none of your stock, as you may determine.

Should you elect to retain your stock and not exchange it, we can assure you that there will be no change in this bank's attitude toward you.

Should the plan become effective, there will be no change in the bank's management. The same officers and directors will continue to manage its affairs. The bank will be conducted along the same lines as heretofore, but with enlarged facilities for doing business and in better position to serve its patrons and the needs of this community.

Should you desire to take advantage of the opportunity presented and exchange your stock, your certificates, assigned in blank and properly witnessed, must be deposited with the Ashland National Bank before the close of banking hours on April 10th, 1930.

If by that time fifty-one per cent of the stock has been so deposited certificates of Banco-Kentucky stock representing eight shares for each share of Ashland National Bank stock deposited by you will be delivered to you, when received from the Banco-Kentucky Company.

If by that time fifty-one per cent of the stock has not been deposited your certificates will be returned to you unless time for receiving deposit of stock is extended, which may be done by your Board of Directors.

Your assignment of Ashland National Bank stock must include your stock in the Ashland National Company. Bank stock that does not carry Ashland National Company stock will only be entitled to receive seven and one-half shares of Banco-Kentucky stock in exchange for each share of bank stock.

If you desire further information, the officers of the bank will be glad to have you call at the bank and discuss this matter with them.

JOHN E. BUCKINGHAM
JOHN RUSSELL
T. A. FIELD
R. R. REVILL
Executive Officers.

Ashland National Bank
Ashland, Kentucky

JNO. E. BUCKINGHAM, President

November 5, 1930

Mr. James S. Brown, President
The BancoKentucky Company
Louisville, Kentucky

Dear Mr. Brown:

I am writing you concerning slump in the market for BancoKentucky stock. We are besieged with inquiries from stockholders who converted their Ashland National Bank stock into Banco. Being unable to give them any satisfactory explanation of the slump in the price of Banco stock, we are writing you in hopes that you may be able to give us something more than the usual explanation we have been giving them,-that it is due to general market conditions.

This does not seem to satisfy them. They feel that Banco stock has slumped more in proportion to other bank stocks and figure that the slump grows out of deal with Caldwell & Company. This situation is not only embarrassing but is hurtful to our business. On this account we trust that you will write us a letter giving us such information as might prove beneficial.

With best wishes, I am

Yours very truly,

Jno E Buckingham

President

JEB:M

Exhibit 89

SECURITY BANK

Louisville
Kentucky

April 3, 1930

To the Stockholders Addressed:

At a meeting of the Board of Directors held on _____, a proposition was submitted to the Board for the purchase of all of the outstanding capital stock of your Company by THE BANCOKENTUCKY COMPANY at a price of three hundred fifty ($350.00) dollars per share, the terms being -

UPON DELIVERY OF STOCK:

(a) Fourteen (14) shares of THE BANCOKENTUCKY COMPANY capital stock, par value ten ($10.00) dollars per share, for each share Security Bank stock of the par value of one hundred ($100.00) dollars; or -

(b) Ten (10) shares of THE BANCOKENTUCKY COMPANY capital stock, par value ten ($10.00) dollars per share, and one hundred ($100.00) dollars cash, for each share Security Bank stock of the par value of one hundred ($100.00) dollars.

The capital stock of THE BANCOKENTUCKY COMPANY to be taken in exchange is on the basis of twenty-five ($25.00) dollars per share.

After due consideration of said proposition by your Board of Directors, it was unanimously resolved to recommend the acceptance thereof; and, in accordance therewith, we are enclosing herein letter of transmittal to which attach your stock - indicating the manner of payment you want for your stock and deliver same to this bank.

Under this plan THE BANCOKENTUCKY COMPANY must receive at least fifty-one (51%) per cent of the outstanding capital stock of your Company.

Kindly let this matter have your prompt consideration.

Very truly yours,

_____

19

1800

Exhibit 89

The Security Bank
Louisville, Ky

I, the undersigned, do hereby agree to exchange ..... shares of the capital stock of the Security Bank under the proposition of the Bancokentucky Company, and do hereby agree to accept in payment thereof at the rate of $350.00 per share, for each share of $100.00 par value.

(a) Fourteen (14) shares of THE BANCOKENTUCKY COMPANY capital stock, par value ten ($10.00) dollars per share, for each share Security Bank of the par value of one hundred ($100.00) dollars per share.

(b) Ten (10) shares of THE BANCOKENTUCKY COMPANY capital stock, par value ten ($10.00) dollars per share and one hundred ($100.00) dollars cash, for each share Security Bank stock of the par value of one hundred ($100.00) dollars per share.

(Sign here).....

P.S. - Indicate above the manner in which you want payment for your stock by putting an X mark opposite (a) or (b). Attach your stock to this acceptance properly endorsed and deliver it to the Bank, receiving receipt therefor.

Maurice L. Galvin
Frank A. Tracy
J. Paul Loughman
John L. Reid
Lewis Levy

Law Offices
Galvin & Tracy
1213-1213 First National Bank Bldg.
Cincinnati

November 23, 1929.

Charles F. Jones, Esq.,
National Bank of Kentucky,
5th & Main Sts., Louisville, Ky.

Dear Sir:

I am sending you herewith certificate IC34 for 80 shares of Brighton Bank & Trust Company, placed in my name by Banco-Kentucky Company so that I may qualify as a director. The stock belongs to the Banco-Kentucky Company.

Please acknowledge receipt and oblige.

Very truly yours,

Maurice L. Galvin

1343

Maurice D. Galvin
Frank N. Tracy
J. Paul Vaughegan
John L. Nash
Lewis Levy

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

December 16, 1929.

Chas. F. Jones, Esq.,
Cashier National Bank of Kentucky,
5th & Main St., Louisville, Ky.

Dear Sir:

I am sending you herewith check for $32.50, payable to my order, being dividend on stock standing in my name in the Brighton Bank & Trust Co. I have endorsed this check to the order of Bancokentucky and am sending same to you herewith, as the dividend on this stock belongs to Bancokentucky.

Will you please acknowledge receipt and oblige.

Very truly yours,

Maurice D. Galvin

18

Exhibit 90 3

December 16, 1929

Mr. Maurice L. Galvin,
1218 First National Bank Bldg.,
Cincinnati, Ohio

Dear Mr. Galvin:—

We have today received your letter of December 14th, addressed to Mr. Jones, enclosing Certificate No. 891 for fifty (50) shares capital stock, The Pearl-Market Bank and Trust Company, endorsed in blank, which represents your director's qualifying shares in this Company.

With kindest regards, I remain,

Very truly yours,

D

W. T. [illegible]
[illegible]-TREAS

1310

Cincinnati, Ohio, Dec. 14, 1929.

Chas. F. Jones, Esq.,
National Bank of Kentucky,
5th & Main Sts., Louisville, Ky.

Dear Mr. Jones:

I am sending you herewith certificate No. 891 for 50 shares of Pearl Market Bank and Trust Co., in my name, which I have endorsed in blank. This stock belongs to Banco-Kentucky, and is in my name to qualify me as a director.

Will you please acknowledge receipt and oblige.

Very truly yours,

Manuel H. Gahm

Maurice L. Galvin
Thomas M. Terry
J. Stuart Gaught, Jr.
John L. Gilbert
Louis Levy

January 8, 1929.

W. T. DuBoismelde, Esq.,
Sec. The BancoKentucky Co.,
8th &Main Sts., Louisville, Ky.

Dear Sir:

I am sending you herewith three separate dividend checks, two from the Pearl Market Bank & Trust Co., one from the Brighton Bank & Trust Co., payable to my order, endorsed to the order of The BancoKentucky Co., these dividends belonging to the BancoKentucky Co., the checks being as follows, to-wit:

Pearl Market Bank & Trust Company, regular dividend $18.00, extra dividend $22.50;
Brighton Bank & Trust Co., $18.00

Please acknowledge receipt and oblige.

Very truly yours,

Maurice L. Galvin

37.
Extra 4½ %

183

April 1, 1938.

Tom Zurschmiede, Esq.,
National Bank of Kentucky,
5th & Main Sts.,

Dear Sir:

to

Letter of April 1st

regards, I remain,

PLAINTIFF'S
EXHIBIT No. 90-L
OCT 18 1938

Exhibit 30 7

Maurice L. Galvin
Frank M. Tracy
J. Paul Baughman
Charles Lang
Robt. D. Simmons

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

April 1, 1930.

Tom Zurschmiede, Esq.,
National Bank of Kentucky,
5th & Main St., Louisville, Ky.

Dear Sir:

I am sending you herewith three separate checks, payable to my order, as follows:

1. Brighton Bank & Trust Co. -$15.00
2. Pearl Market Bank & Trust Co., regular divident-$15.00
3. " " " " " ", extra dividend $15.00

These checks are for dividends on stock from the Brighton Bank and Pearl Market Bank standing in my name, belongong to Banco, and I have endorsed each of the checks to the order of Banco- Kentucky Company.

Please acknowledge receipt and oblige.

Very truly yours,

Maurice L. Galvin

1814

Exhibit 90 8.

Maurice L. Galvin
Frank H. Tracy
J. Paul Geoghegan
Lewis Levy
Robt. D. Brunsman

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

March 25, 1[illegible]

Tom Zurschneide, Esq.,
National [illegible] of Kentucky,
5th & Main Sts., Louisville, Ky.

Dear Tom:

I am sending [illegible] check, the first [illegible] Trust Company for $5.00 [illegible], being extra dividend on the Brighton [illegible] stock, payable March 14th. I have endorse this check [illegible] Bank of Kentucky, and am enclosing same to you herewith.

Very truly yours,

Maurice L. Galvin

Exhibit 90 9

Maurice L. Galvin
Frank H. Tracy
J. Hunt Geoghegan
Louis Levy
Robt. G. Stevenson

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

Davis

April 11, 1930.

Thomas Zurschmeide, Esq.,
Cashier National Bank of Kentucky,
5th & Main Sts., Louisville, Ky.

Dear Sir:

I am sending you herewith my check for $30.00 being dividend received by P. Lincoln Mitchell on stock standing in his name in the Pearl Market Bank & Trust Co. belonging to Banco-Kentucky. Mr. Mitchell gave me the cash for this dividend and asked me to send check to you.

Very truly yours,

Maurice L. Galvin

July 2, 1930.

Mr. Maurice L. Galvin, Att'y.,
1812 First National Bank Bldg.,
Cincinnati, Ohio.

Dear Mr. Galvin:-

Wish to acknowledge receipt of your letter of July 1st, enclosing two dividend checks for $15.00 each on the Brighton Bank & Trust Co., and two dividend checks for $15.00 each on the Pearl-Market Bank & Trust Co., representing 80 shares of stock in these two Banks standing in your name.

Very truly yours,

W. T. Burkhardt,
Sec'y.-Treas.

D:CB

Exhibit 90 -

Maurice L. Galvin
Frank H. Tracy
J. Paul Geoghegan
Lewis Levy
Robt. H. Breitwieser

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

July 1, 19[illegible].

To: Hurstwinde, S.[illegible]
c/o [illegible]
[illegible]th [illegible]ts., [illegible]ville, [illegible].

Dear Sir:

I am sending [illegible] the right[illegible] [illegible] the earl[illegible] [illegible] civilians on st[illegible] [illegible] belonging to [illegible] co-[illegible].

I have [illegible]

1818

Maurice L. Galvin
Frank H. Tracy
J. Paul Bergheger
Lewis Berry
Robt. L. Baumann

Law Offices
Galvin & Tracy
1812-1813 First National Bank Bldg.
Cincinnati

October 7, 1920.

Tom Zurschmeide, Esq.,
Cashier National Bank of Kentucky,
[illegible] Main Str., Louisville, Ky.

Dear Sir:

I enclose herewith four dividend checks, two of the Pearl Market Bank and two of the Brighton Bank, each payable to me for $5.00, which I have endorsed to the order of Barco-Kentucky Company.

Very truly yours,

[signature]

THE BRIGHTON BANK & TRUST CO.

CINCINNATI, OHIO

GUSTAVE H HOELER
PRESIDENT

April 1, 1930.

The DancoKentucky Company,
Louisville, Ky.

Gentlemen:

Enclosed please find two checks for $15.00 each, same representing the regular and extra dividend on the qualifying shares of Pearl Market Bank & Trust Company stock standing in my name.

Yours very truly,

President.

encl.

P. S. I am also enclosing similar checks payable to Mr. Meidnacher and endorsed by him.

April 24, 1930

Mr. Gustave V. Mosler, President,
The Brighton Bank and Trust Co.,
Cincinnati, Ohio

Dear Mr. Mosler:-

We acknowledge receipt of your letter of April 1st enclosing two checks for $15.00 each, payable to your order and endorsed over to us, representing the regular and extra dividend on the qualifying shares of Pearl-" rket Bank and Trust Company stock in your name; also, similar checks of Mr. Weidacher, endorsed over to us.

Thanking you and with kindest regards, I remain,

Very truly yours,

W. T. DU[illegible]CHMIDE
SEC'Y-TREAS

January 14th, 1930

Mr. Joseph A. Holmes, Executive Vice-President,
The Pearl-Market Bank and Trust Company
Cincinnati, Ohio

Dear Mr. Holmes: -

I am sending to you herein, for cancellation and reissuance, Certificate No. 296 for three hundred forty (340) shares capital stock, THE PEARL-MARKET BANK & TRUST COMPANY, registered in the name of THE BANCOKENTUCKY COMPANY, duly endorsed, with signature witnessed.

Please reissue the above certificate, as follows:

JOHN W. LEWIS	-	50 Shares
POLK LAFFOON	-	50 Shares
A. LINCOLN MITCHELL	-	50 Shares
GUSTAVE H. MOELLER	-	50 Shares
J. J. HEIDACKER	-	50 Shares
JAMES D. BROWN	-	50 Shares
THE BANCOKENTUCKY COMPANY	-	40 Shares

We assume you carry the addresses of the above on your books.

The six fifty share certificates issued represents Directors qualifying shares and we would, therefore, appreciate your having all of these gentlemen (with the exception of Mr. Brown, which can be done here) endorse their certificate and have signature witnessed.

When this has been accomplished, kindly return the entire seven certificates, or three hundred forty (340) shares to us at your very earliest convenience.

If there are any charges in connection with the above transfer, kindly advise and we will send check to cover.

Thanking you and, with kindest regards, I remain,

Very truly yours,

W. T. VON SCHRADER
SEC'Y-TREAS

57 1 Incl
Registered

Exhibit 93

April 11, 1929

Mr. P. Lincoln Mitchell,
c/o The Fourth-Market Bank and Trust Co.,
Cincinnati, Ohio

Dear Mr. Mitchell: -

We hold, issued in your name, certificate for fifty (50) shares of the capital stock of The Fourth-Market Bank and Trust Company, representing your Director's Qualifying Shares in that Bank.

The regular dividend of 8% and an extra dividend of 2% on the above stock was paid April 1st.

We would very much appreciate your forwarding to us these checks, duly endorsed.

Thanking you and with kindest regards, I remain,

Very truly yours,

[redacted]

D

55

April 11,1930

Mr. John W. Lewis,
c/o The Fourth-Cincinnati Bank and Trust Co.,
Cincinnati, Ohio.

Dear Mr. Lewis: -

We hold, issued in your name, certificate for fifty (50) shares of the capital stock of The Fourth-Detroit Bank and Trust Company, representing your Director's Qualifying Shares in that Bank.

The regular dividend of 3% and an extra dividend of 4% on the above stock was paid April 1st.

We would very much appreciate your forwarding to us these checks, duly endorsed.

Thanking you and with kindest regards,

I remain,

Very truly yours,

[redacted]

[redacted]

1821

THE PEARL-MARKET BANK & TRUST CO.

SEVENTH & RACE STREETS

CAPITAL SIX HUNDRED THOUSAND DOLLARS

SURPLUS & PROFITS OVER ONE MILLION DOLLARS

SAMUEL LEHMAN, President — JOSEPH A. HELMERS, Cashier

WALTER A. RYAN, Vice Pres't — R. W. STREICHER, Asst. Cashier
CHAS. J. STERN, Vice Pres't — LAWR. S. HELMERS, Asst. Cashier
GEO. P. HARDIG, Asst. Cashier — HUMBERT BAER, Asst. Cashier
LAUR. RITTER, JR. Asst. Cashier — HOWARD J. CASEY, Asst. Cashier

MEMBER FEDERAL RESERVE SYSTEM

BRANCHES
PEARL & MAIN STREETS
READING RD. & ROCKDALE AVE.

CINCINNATI, OHIO

January 17, 1930

BancoKentucky Co.,
Louisville, Ky.

Gentlemen: Attn. Mr. W. T. VanSchmidt, Secy-Treas.

Replying to your letter of January 14th, enclosing certificate number 196 for 340 shares of the capital stock of The Pearl-Market Bank and Trust Company, registered in the name of The BancoKentucky Company, in lieu of which we have issued the following certificates. As per your instructions, we have had all of these certificates endorsed and witnessed.

Cert. #316	John W. Lewis	50	shrs.
" #317	Polk Laffoon	50	"
" #318	P. Lincoln Mitchell	50	"
" #319	Gustave H. Mosler	50	"
" #320	J. J. Heidacher	50	"
" #321	James B. Brown	50	"
" #322	The BancoKentucky Co.	40	"

All Endorsed in Blue

We ask that you kindly furnish us with a resolution authorized by your Board of Directors for the transfer of this stock.

We also kindly ask that you let us have 60¢ in stamps to cover the transfer tax.

Kindly acknowledge receipt of the above certificates, and oblige

Yours very truly,

HB HM
encl
insured
register 276738

HOLBERT BAER
Asst. Cashier

1825

Exhibit 96

THE LOUISVILLE NATIONAL COMPANY

UNITED WITH
THE LOUISVILLE NATIONAL BANK AND TRUST COMPANY
ESTABLISHED 1907
LOUISVILLE, KENTUCKY

PLAINTIFF'S EXHIBIT 96 OCT 18 1929 Chas. C. Thompson OFFICIAL REPORTER

February 1,1929

Mr. Chas. F. Jones,
or
Mr. John Akers,
National Bank of Kentucky,
Louisville,Kentucky.

Gentlemen:-

We have just bought a block of the stock of the National Bank of Kentucky at $45.00 a share from the Hieatt crowd.

This Company can handle some of it but, of course, we can borrow only $125,000.00 from The Louisville National Bank & Trust Co., as that is our legal limit.

This Company would like to borrow $100,000.00, on its plain unsecured note, from you for thirty days. Of, course, we will lodge with you personally, 40 shares of stock and we want you to let us draw that down as we resell this stock to new stockholders.

A few days ago Mr. Jas. B. Brown heard of what we were trying to do and offered to help us on the transaction.

This is our suggestion of the method. Will you kindly let us have as early an answer as practical?

Very truly yours,

RB-LC

President.

Exhibit 97

THE BANCOKENTUCKY COMPANY capitalized at $20,000,000, with a surplus of $30,000,000, was recently organized in Louisville for the purpose of buying, holding and controlling banks in Louisville and surrounding cities. Stockholders of National Bank of Kentucky-Louisville Trust Company Unified stock exchanged their stock for stock in the new company at the ratio of one for two shares. The remaining stock was privately subscribed for by individuals and several large banking houses.

The BancoKentucky Company is the largest company of its kind operating in the South and it is expected that the acquisition of large banks in this section will be announced shortly. The company recently acquired control of the Brighton Bank & Trust Company and the Pearl-Market Bank & Trust Company of Cincinnati. These banks will be merged and operated as the Brighton-Pearl-Market Bank & Trust Company. Gustave M. Mosler, President of the Brighton Bank, will head the combined Brighton-Pearl Market institutions. The $10 par value shares have been listed on the Chicago Stock Exchange and on the Louisville Stock Exchange. The present resources of the new institution are around $215,000,000. Mr. James B. Brown, President of the National Bank of Kentucky, is president of the new company.

The dividend policy of the BancoKentucky Company has not yet been announced.

BancoKentucky stock has advanced rapidly in the Louisville and Chicago markets and has been traded in large volume since BancoKentucky certificates were issued October 1st. The stock should be bought as an investment to be held over a period of time rather than as a speculation, for several points' profit. For the patient holder the stock has tremendous potential value.

(17)

Clipping from market letter of E.W. Hayes & Co.

Oct-Nov. - 29

97

1827

Telephone State 7900

Chicago Statistics Company

Inc.

ROOM 420-137 SO. LA SALLE ST.
CHICAGO, ILL.

November 5, 1929

The BancoKentucky Company
Louisville
Kentucky

Attention: J. B. Brown, President

Gentlemen:

We have been informed by the Chicago Stock Exchange that you have within the past few months listed the Common Stock of your Company upon our local market. We compile and publish, with the cooperation of the Chicago Stock Exchange, a Manual which includes an analysis of every listed security. Our next edition will go to press within a short time and will contain an analysis of your Company.

Accordingly, we are enclosing herewith two tentative copies of the material prepared by us. We should appreciate your checking this material and returning one copy to us either with your approval or with such changes as you deem advisable, at your earliest convenience. We should also appreciate receiving any figures regarding your Company which you might have available at this time.

We feel that it is to your advantage to have the opportunity to examine these figures before we publish them and we are certain that you appreciate the necessity for a careful and complete check of our compilation.

Your kind cooperation with us in this work, we assure you, will be greatly appreciated.

Very truly yours,

CHICAGO STATISTICS COMPANY

J. L. Bott

J. L. Bott
Secretary

21A

THE [illegible] CORPORATION COMPANY

INCORPORATED - In Delaware, July 18, 1929, to acquire a controlling interest in the National Bank of Kentucky-Louisville Trust Company and in other state and national banks located primarily in Kentucky, Ohio, and Indiana.

MANAGEMENT - J. B. Brown, Pres.; John Stites and Richard Beam, V.P.'s; W. T. Zurschmiede, Secy & Treas.

GENERAL OFFICE - Louisville, Kentucky.
TRANSFER AGENT - At Chicago - Harris Trust and Savings Bank.
REGISTRAR - At Chicago - Continental Illinois Bank and Trust Company.
ANNUAL MEETING - Second Tuesday in January.
FISCAL YEAR - Ends December 31.

CAPITALIZATION

COMMON STOCK - $10 Par Value. Auth., 2,000,000 shs.; Outst., 1,750,000 shs.

CONDENSED COMPARATIVE STATEMENTS

The Company, having recently been formed, has not published any statement other than Net Worth as of October 1, 1929 aggregating $40,750,000.

PRICE RANGE FOR YEARS ENDED DECEMBER 31

1930

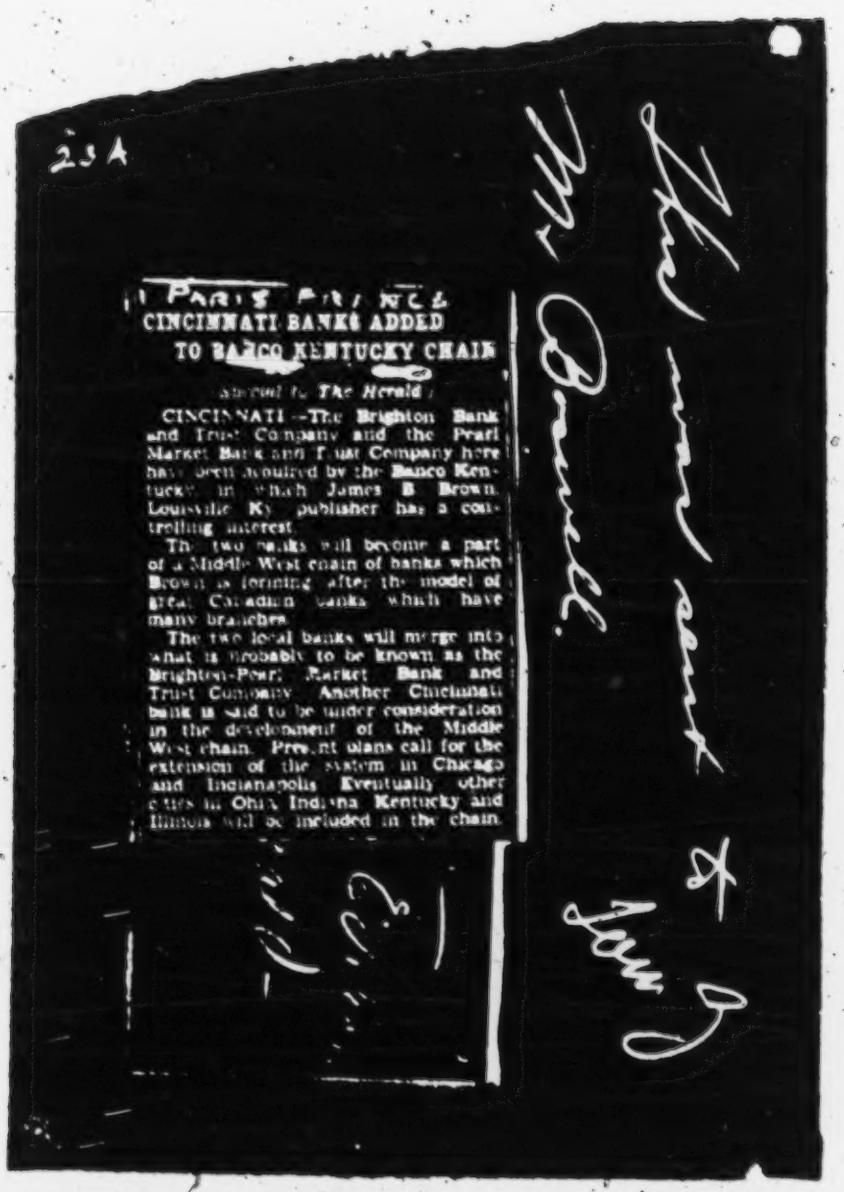
Common stock - High

Present Dividend Rate -
Latest Ex-Dividend Date -

October 10,1929 - Acquired 90% of the stock of The Brighton Bank & Trust Company, Cincinnati,Ohio.

October 10,1929 - Acquired 80% of the stock of The Pearl Market Bank & Trust Company, Cincinnati,Ohio.

Exhibit 99



294

PARIS PRESS

CINCINNATI BANKS ADDED
TO BANCO KENTUCKY CHAIN

Special to The Herald

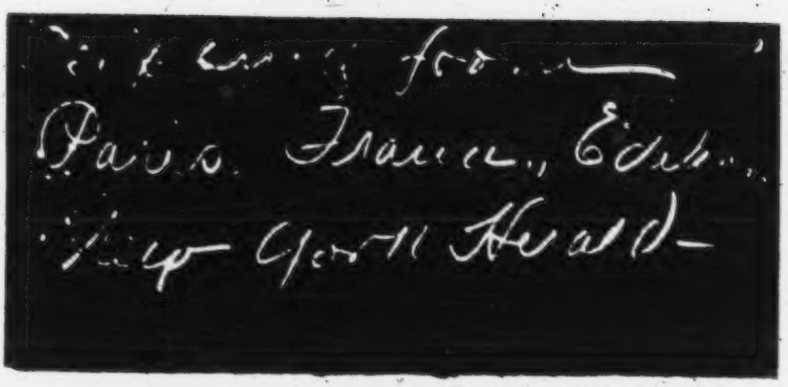
CINCINNATI—The Brighton Bank and Trust Company and the Pearl Market Bank and Trust Company here have been acquired by the Banco Kentucky, in which James B. Brown, Louisville, Ky. publisher has a controlling interest.

The two banks will become a part of a Middle West chain of banks which Brown is forming after the model of great Canadian banks which have many branches.

The two local banks will merge into what is probably to be known as the Brighton-Pearl Market Bank and Trust Company. Another Cincinnati bank is said to be under consideration in the development of the Middle West chain. Present plans call for the extension of the system in Chicago and Indianapolis. Eventually other cities in Ohio, Indiana, Kentucky and Illinois will be included in the chain.

The man next to Jim Brown.

Exhibit 99



1831

TELEPHONE WABASH 0324

CHICAGO STATISTICS COMPANY

INCORPORATED

732 Sherman Street

CHICAGO

January 31, 1930

The BancoKentucky Company
% National Bank of Kentucky
Louisville, Kentucky

Gentlemen:

We are submitting herewith statistics which we intend to insert in the next edition of the "Manual of Securities Listed on The Chicago Stock Exchange" which will go to press within the next ten days.

We are particularly anxious that you check all details at this time inasmuch as we are making a complete revision of the statistics contained in our book. Your cooperation in returning our material to us within the next few days either with your approval or with such changes as you deem advisable will be greatly appreciated.

If any figures are available as of a later date than those which we have included, please send them to us. Annual reports are particularly valuable in the compilation of our publication. We should also welcome any suggestions toward increasing the value of our work.

The previous issues of our Manual have been accorded an excellent reception among the investing public in this locality. It is the belief of the members of The Chicago Stock Exchange and of ourselves that the work we are attempting to do in this territory will be valuable not only from the point of view of increasing brokerage business but also from the point of view of the companies concerned inasmuch as it will develop a broader market for their securities.

As you are undoubtedly aware, The Chicago Stock Exchange is cooperating with us in every way and has asked each company whose securities are listed to supply us with all of the necessary information.

We wish to thank you in anticipation of your prompt attention to this matter.

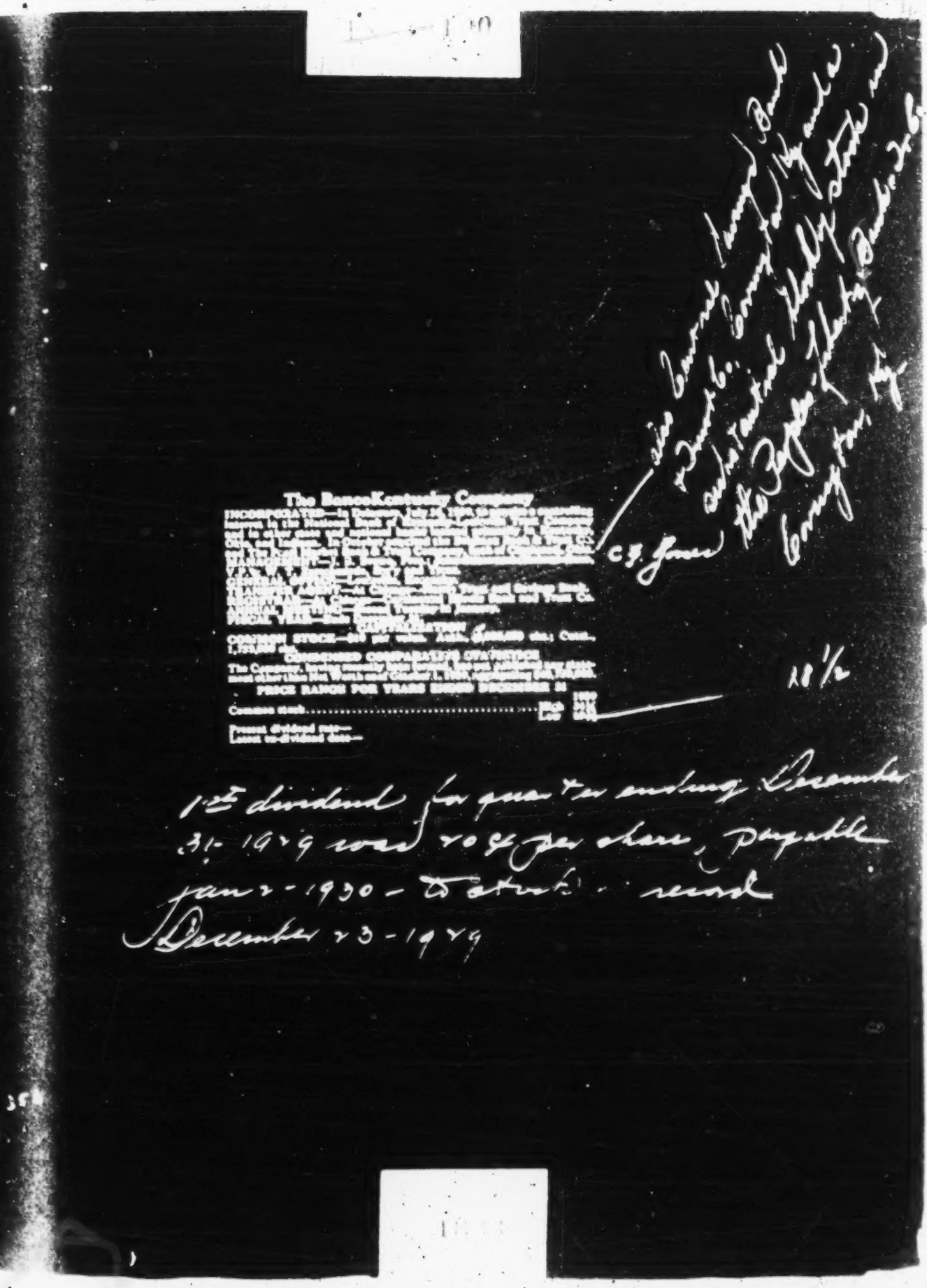
Very truly yours,

CHICAGO STATISTICS COMPANY

J. L. Bott

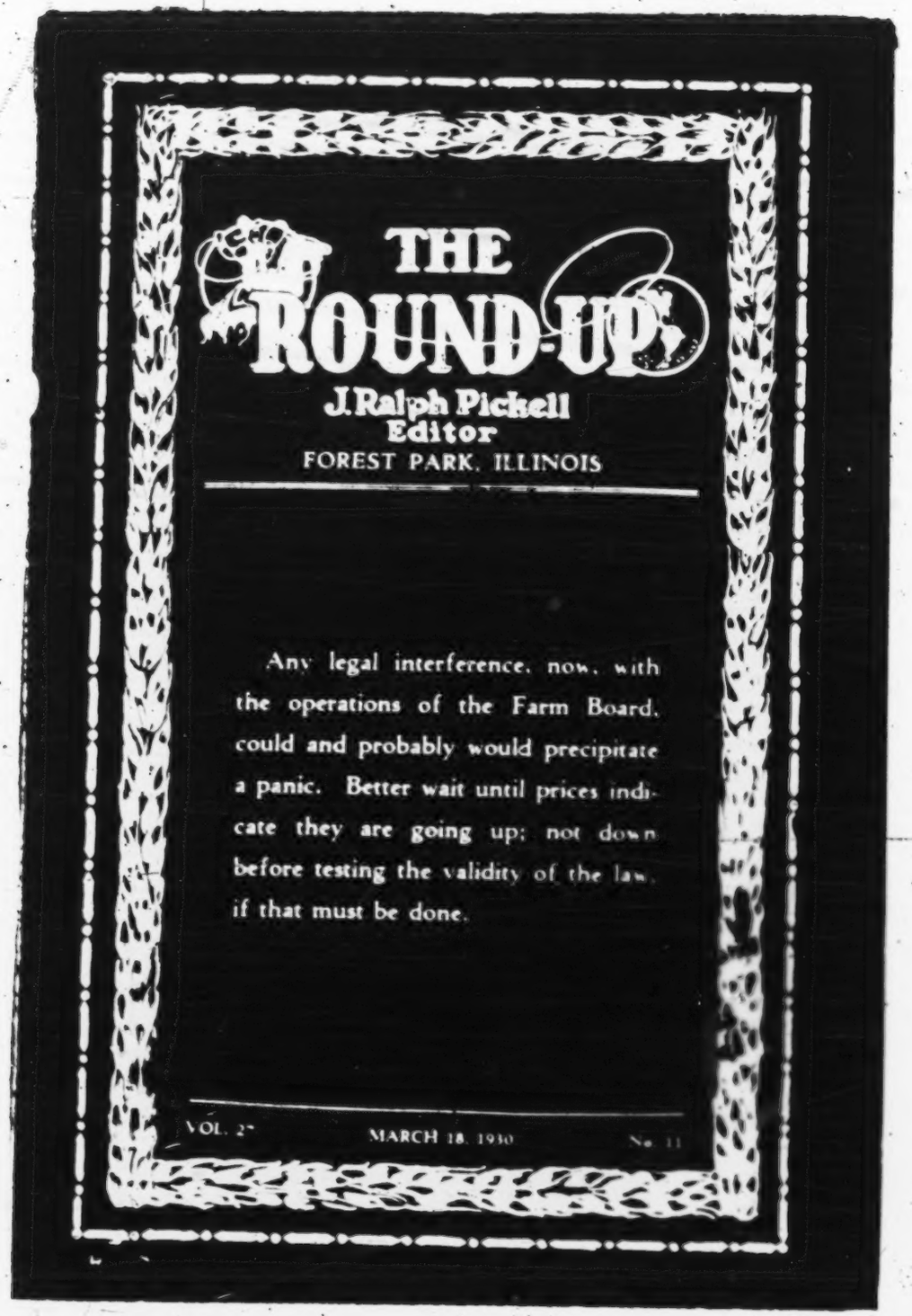
J. L. Bott
Secretary

JLB/B



1st dividend for quarter ending December 31. 1929 voted 70¢ per share, payable Jan 2 - 1930 - to stock record December 23 - 1929

Exhibit 101


THE
ROUND-UP
J. Ralph Pickell
Editor
FOREST PARK, ILLINOIS
Any legal interference, now, with the operations of the Farm Board, could and probably would precipitate a panic. Better wait until prices indicate they are going up; not down before testing the validity of the law, if that must be done.
VOL. 2
MARCH 18, 1930
No. 11

of breeding stock has followed the crash in lambs; that will come next summer unless the market recuperates when it goes on a new crop basis.

WOOL: So far as manufacturers are concerned wool trade will continue on a hand to mouth basis. Until the tariff puzzle is cleared up there will be little doing. The low point may have been uncovered, but no one in the trade is ready to take an unequivocal bullish stand. Like wheat, wool is an international proposition, differing only in one respect, that this is an importing country. A world's surplus is the chief bearish factor at present. Mills are picking up packages of wool here and there, but are content to await tariff and government action. If the Government pool decides to carry any considerable quantity of the new clip along into the latter part of the year to advance prices weavers may be forced to compete on that portion of the clip in dealers hands, exerting a stabilizing influence, temporarily at least. What will happen when the pool starts unloading is anybody's guess. Meanwhile values continue firm at the bottom of the slump. Foreign markets show little change and are firm if anything. London sales open March 18th and will be watched with interest. Dealers are contracting some wool in the West and if the pool operators are veracious they will book about 100 million pounds of the new clip. Dealers are apprehensive, in view of the gyrations of the Farm Board with respect to wheat, that something similar will develop in wool, keeping the trade in a condition of uncertainty.

HIDES: Prices are holding firm, both in the spot and futures market. Variations have been fractional and whenever holders make a half-cent concession they can sell hides. Big packers are well sold up owing to light slaughter. That no tariff will be put on hides is a cinch bet, so that no uncertainty exists on this subject. Country hides have shared the firmness of packer stocks and frigorifico markets are holding up well. Leather business is not entirely satisfactory. New England shoe factories are operating more machinery than recently, but complain of lack of a backlog of orders. Basic conditions do not warrant expectancy of any sharp advance on hide values.

LARD: Considering light current make, low stocks and a considerable volume of weekly exports lard deserves more speculative interest. Hog slaughter is falling far below that of the corresponding period of 1929 and that does not mean normal lard production. The March statement of lard stocks by the Department of Agriculture shows only 112 million pounds in all positions, compared with 173 million pounds a year ago and a 5-year March average of 120 million pounds. The February gain was only 20 million pounds and that is usually a month of heavy production. Stocks of other edible fats are heavy and prices low, relegating lard to a by-product position. March butter stocks were 46 million pounds, against 11 million pounds a year ago and 17 million pounds on a five year average for the month. Low butter prices have probably stimulated consumption as stocks diminished 15 million pounds in February.

STOCK FORECASTS

STOCKS: BancoKy Company a bank holding company organized in September, 1929, as a result of the deposit of the capital stock of the National Bank of Kentucky, that old and well seasoned institution which was founded back in 1834, and the Louisville Trust Co., which

in the combined organization of the original Louisville Trust Co., and the Louisville National Bank, with the latter institution losing its identity through the merger. The stockholders of the National Bank of Kentucky and the Louisville Trust Co., both of Louisville, Ky., received in exchange for their bank stock, shares of the capital stock of BancoKy Company on a basis of 2 shares of BancoKy for one share of the bank stock. This exchange was made on the basis of $25 a share for BancoKy.

Since the company began operations, the acquisition was made of two of the leading progressive banks in Cincinnati, Ohio, the Brighton Bank & Trust Co., and the Pearl Market Street Bank & Trust Co. Both these banks have very good records, with earnings ranging from $35 to $40 a share annually. Directly across the Ohio River from Cincinnati, acquisition was made of the two leading banks in Covington, Ky. It is expected that these institutions will be physically merged in their respective locations, which will bring about certain economies that will result in larger earnings. Already a very large increase in deposits was noted at the Covington, Ky., institution when the larger manufacturers withdrew deposits from commercial institutions in Cincinnati and deposited them in their own home town, feeling that the local institution is very financially sound enough and big enough to thoroughly satisfy their banking needs, since it is now being backed by the powerful BancoKy group.

It is the ambitious plan of the company to make further acquisitions of strong profitable organizations, banking institutions throughout the middle west and in such important centers as Chicago, Ill., Indianapolis, Ind., St. Louis, Mo., Memphis, Tenn., Nashville, Tenn., Atlanta, Ga., and Knoxville, Tenn., and in its finality will control resources well in excess of one billion dollars.

One must bear in mind that all worthwhile achievements are not accomplished overnight. The act of purchasing a strong and profitable metropolitan bank is not an easy task. Of course, anything can be bought if there is no objection as to price, but to make an attractive purchase of a good thing, is the work of a genius. In this particular regard, BancoKy Company is extremely fortunate in having at its head a man, although not yet nationally known, yet is rivalled in achievement only by the great A. P. Giannini, that outstanding financial wizard of the west coast who fought so valiantly for the principles of branch banking and bank holding corporations. Mr. James B. Brown, president of BancoKy Company, in my estimation is a financial genius. He, like Giannini, comes from the bottom of the ladder, and by the hard knocks of experience blazon the way to success. His achievements while up to this time have been more or less confined to his own state, have been remarkable. His ability along financial lines has won for him a place he so well deserves, and that is very strongly in evidence by the fact, that at this time, Mr. Brown is director in the Louisville and Nashville Railroad, the Louisville Gas and Electric Co., American Turf., Southern Bell Telephone Co., Standard Oil of Kentucky and President of the National Bank of Kentucky.

I have elaborated somewhat on the management of BancoKy company for the reason that a bank holding corporation that has to do with banks, is not looked upon as the ordinary operation of a manufacturing concern or kindred organization, but much depends on its

management and popular feeling toward the directorate from a morale standpoint.

While the organization is too young to give a comparative earnings statement, it is well to know, however, that the combined earnings of the original two institutions that go to make up BancoKy under the same management, will show better than 35 percent annually to the stockholders, including cash dividends, stock dividends and price appreciation for the past five years, and on the basis of $20 for the present BancoKy stock, a return of better than 47 percent for the past three years.

At present there are 2,000,000 shares of $10 par value stock outstanding. On the basis of $25 a share for which the stock was sold this gives the company $20,000,000 capital and a reserve of $30,000,000. In January of this year the company was authorized to increase the number of shares from 2,000,000 to 5,000,000 and no stock can be sold at less than $25 per share. This additional increase will be used to make additional acquisitions of banks as outlined previously. As soon as this authorized increase in shares is disposed of the company will then have a capital of $50,000,000 and reserve of $75,000,000.

Dividends on the present outstanding stock is at the rate of eighty cents a share annually or twenty cents a share quarterly. At the price of twenty dollars a share the stock yields four percent, which in my opinion is quite an attractive yield for this type of security. I have reason to believe that the dividend will be increased to twenty-five cents a share in the very near future. In that event stock bought at twenty dollars a share will yield five percent.

This stock sold for a high of 34¼ and a low of 18½. Current market price 20@21. While I have always confined my recommendations to those stocks listed on the New York Stock Exchange where a broad and open market prevails, yet I feel that BancoKy has such wonderful prospects for the future that commitments made around the present level will certainly return handsome profits to those who have a little patience. Do not expect a quick turn as it is not that type stock, but rather make your commitment from a standpoint of high class investment purposes and stay with it. It is a stock that over a period of years will take care of you.

I SAW THE NEW WORLD

By Selby Maxwell

They have found a new world out in space, as you have probably read in the papers. It is a world some fourteen thousand miles in diameter, and weighing about seven times as much as the earth does, and so far from the sun that daylight out there is no brighter than dim moonlight is here. This planet is forty-five times as far from the sun as the earth is. Its year is about 240 of our years long, that is to say, it takes this world nearly two and a half centuries to go around the sun once.

The planet is of course not really new, it is only new to us. It has been there since the beginning of time, and we have seen its effect on our weather cycles by many centuries. It does not affect our daily lives as much as some of the nearer ones, like Saturn with its weather cycle of some 33 years, or Jupiter, with its huge sunspot cycle, or the sun itself with its cycle of 27 days, but the effect is there, and it is plain enough

Exhibit 102

April 3, 19[illegible]

Mr. [illegible]
[illegible]
[illegible]

Dear Sirs:

[illegible]

[illegible] Kentucky [illegible] Louisville Trust Company [illegible] Louisville, Kentucky. [illegible] Brighton Bank & Trust Company [illegible] Central Market Bank and Trust Co. of Cincinnati, Ohio.

All of our holdings are located in Kentucky and Ohio.

Yours very truly,

[illegible]
Secy.-Treas.

[illegible]

Exhibit No. 2

BARRON'S
The National Financial Weekly

Boston
April [illegible], 1960

[illegible] Corp.
[illegible]

[illegible] in regard to a contem-
[illegible] corporation:

In order to [illegible] concerning certain
[illegible] or affiliations in a monthly, we are
desirous of obtaining as soon as possible the follow-
[illegible] information regarding your company:

(1) Banking resources controlled
(2) [illegible] number of banks in group
(3) The three largest banks controlled
(4) The territory covered.

[illegible] address your reply for the attention
of the writer.

[illegible]

[illegible]

12:29

Exhibit 103

OFFICES
NEW YORK
CHICAGO
DETROIT
ST LOUIS
CINCINNATI
NEW ORLEANS
BIRMINGHAM
KNOXVILLE
NASHVILLE
CHATTANOOGA

OFFICE OF
ROGERS CALDWELL
PRESIDENT

CALDWELL & COMPANY
BANKERS
INVESTMENT BONDS
UNION STREET AT FOURTH AVENUE
NASHVILLE, TENNESSEE

January 29th, 1930.

EXHIBIT
OCT 13 1938
OFFICIAL REPORTER
103

Mr. James B. Brown, President,
National Bank of Kentucky,
Louisville, Kentucky.

My dear Mr. Brown:-

I have been wondering lately whether it would be feasible to consider a consolidation between the Banco-Kentucky Corporation and the banks in which we are interested. If I could discuss the matter with you I have a sugrestion to make which, in my opinion, might be very helpful to the market situation on Banco-Kentucky stock. As you know, the banks in which we are interested already have deposits of above $150,000,000 and I believe that a combination of our interests would make one of the most formidable situations in the country.

I am leaving tonight for St. Louis to attend the annual meeting of the Missouri State Life Insurance Company and if you think this suggestion is worthy of our getting together you might wire me there care of the Missouri State Life Company and I could come back by way of Louisville.

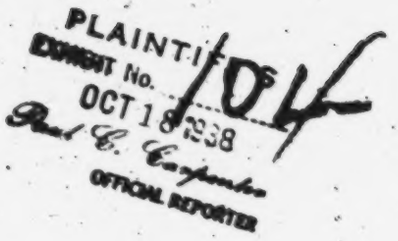
With assurance of my regard and looking forward to discussing this matter with you, I remain,

Very truly yours,

RC/L

103

Exhibit 104



August 14, 1930.

Caldwell and Company,
Nashville,
Tennessee.

Dear Sirs:- Attention: Mr. Thomas W. Goodloe.

Enclosed herein find our check #1884 for $180,000.00, representing dividend on stock in your name as of June 27th.

In order to clear our records, will you kindly endorse same and return to the writer.

Very truly yours,

W.T. ZurSchmiede,
Cashier.

WTZ:CE
enc'l.

Exhibit 105

CALDWELL & COMPANY
BANKERS
INVESTMENT BONDS
UNION STREET AT FOURTH AVENUE
NASHVILLE, TENNESSEE

OFFICES IN
PRINCIPAL CITIES

September 4th
1930

Rec'd OCT 18 1938 105
E. A. Sanders
OFFICIAL REPORTER

The Banco Kentucky Company,
Louisville, Kentucky.

Gentlemen:-

On August 25th, 1930, we returned your check No. 1864, made payable to Caldwell & Company for $180,000.00 and asked that you acknowledge receipt.

We would appreciate acknowledgement at your convenience.

Yours very truly,
CALDWELL & COMPANY

T. C. Donovan,
Secretary.

TCD s

2/7

Exhibit 106

September 8, 1930.

Mr. T. O. Donovan, Secretary,
Caldwell & Company,
Nashville, Tenn.

Dear Mr. Donovan:-

Replying to yours of September 4th, we hereby wish to acknowledge receipt of check for $180,000.00 of The Pennsylvania Company payable to and endorsed by Caldwell and Company.

Very truly yours,

W. T. ZurSchmiede,
Sec'y.-Treas.

WTZ:CH

106

213

69-14 Loubet Street
Forest Hills
New York

April 3rd, 1930.

Banco Kentucky Co.,
Louisville, Kentucky.

Gentlemen:

I am interested in the stock of your Company and would be obliged if you could please let me have a copy of your last annual report containing a Balance Sheet and Statement of Profits and Income.

Yours faithfully,

Ralph Bullick

RALPH BULLICK.

584

April 7, 1930.

Mr. Ralph Bullick,
68-14 Loubet Street,
Forest Hills,
New York City, N. Y.

Dear Sir:

Replying to yours of April 3rd, wish to advise that the BancoKentucky Company has only operated since October 1, 1929. The net earnings for the first quarter, ending December 31, 1929, applicable to the stock of the Banco-Kentucky Company is $601,276.25. The stock outstanding December 31, 1929, was 1,532,669 shares, $10.00 par value. During this quarter the company had not had sufficient time to effect any savings through the inter-operations of the various banks.

We now control the following banks -

National Bank of Kentucky and Louisville Trust Company. Louisville, Kentucky.

Brighton Bank & Trust Company and Pearl Market Bank & Trust Co. Cincinnati, Ohio.

Peoples-Liberty Bank & Trust Company and the Central Savings Bank & Trust Company. Covington, Kentucky.

First National Bank - Paducah, Kentucky.

We presently will acquire control of the Security Bank, Louisville, Ky. and the Ashland National Bank, Ashland, Ky.

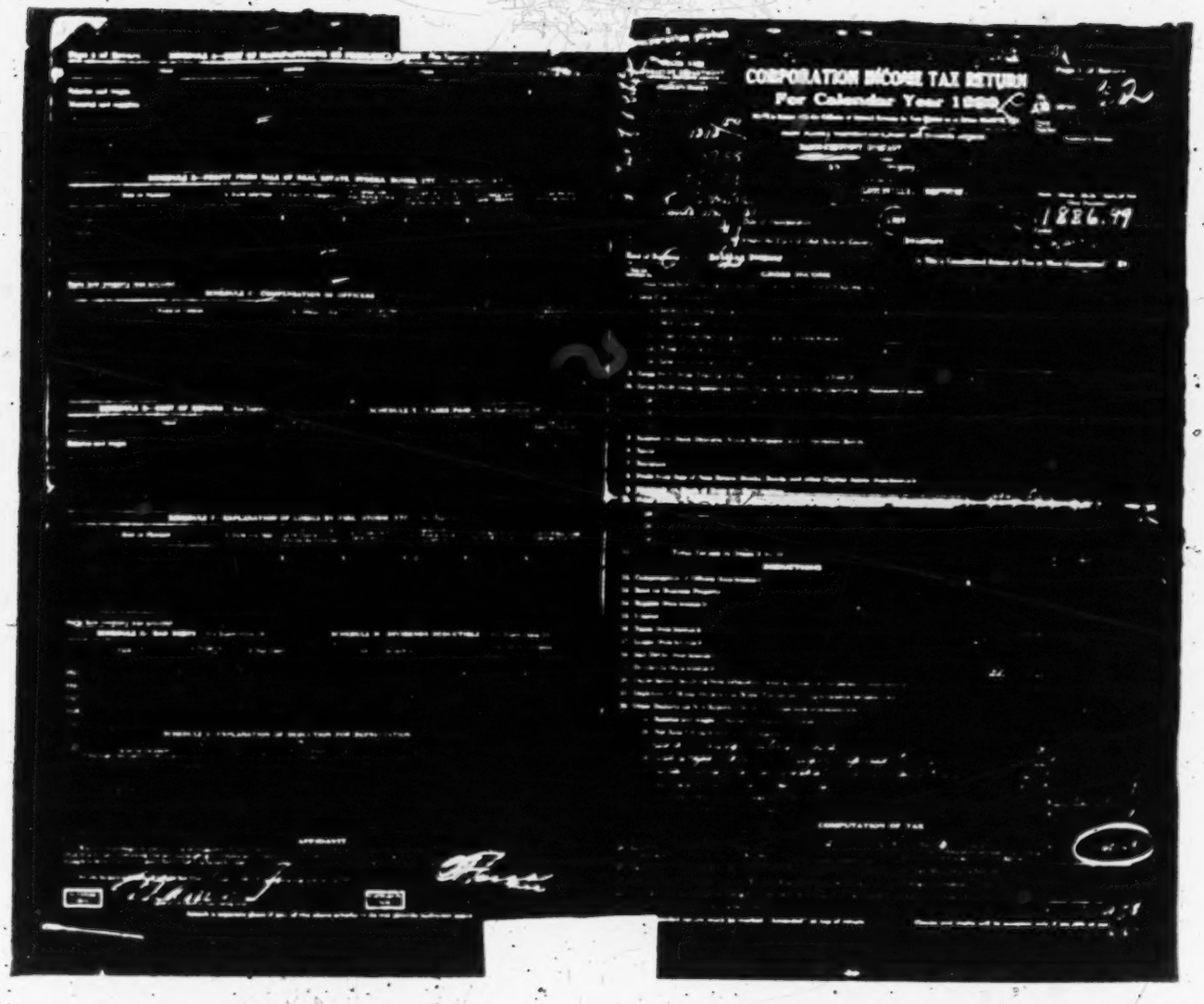
The dividend paid for quarters ending December 31, 1929, and March 31, 1930, was 20 cents per share.

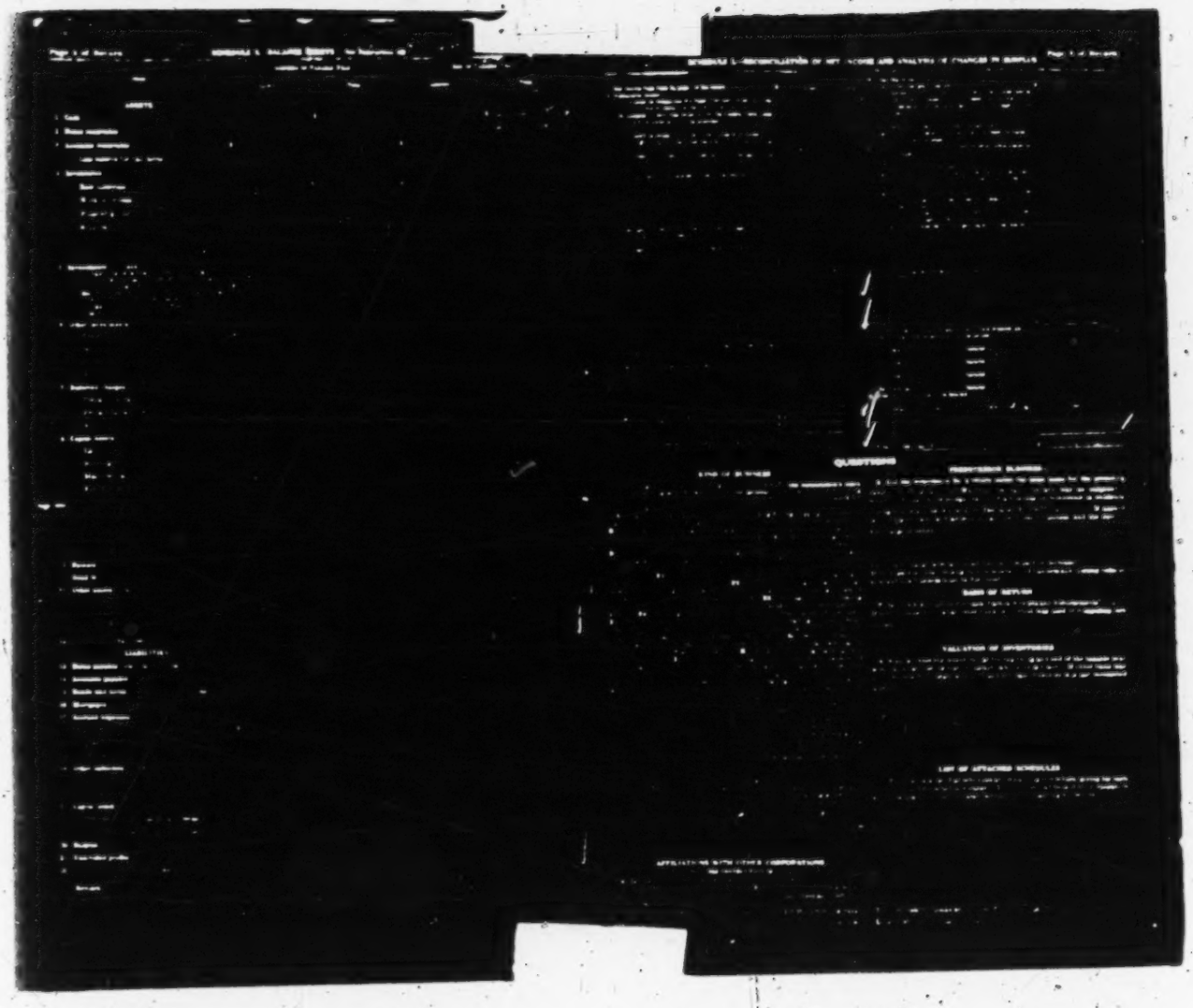
Trusting this information will be of service to you, we are,

Yours very truly,

W. T. Burdsall,
Secty. & Treas.

WTB/E


CORPORATION INCOME TAX RETURN
For Calendar Year 1988
1886.99



December 11,1920.

First National Corporation,
111 West Monroe St.,
Chicago,Ills.

Attention Mr. Tritmale.

Dear Sirs :

Replying to yours of the 7th. wish to advsie this company owns practically the entire capital stock of the following banks :

National Bank of Kentucky-Louisville Trust Company, Louisville,Ky. --- Combined capital -	$	5,750,000 .00
Brighton Bank and Tr. Co. Cincin, O. "		500,000 .00
Pearl Market Bank & Tr. Co. Cinci,O. "		600,000 .00
Central Savings Bank & Tr. Co. Covington,Ky.		80,000 .00

Yours name has been placed on our mailing list to receive future reports of this company.

Yours very truly,

W.T.ZurSchmiede.
Sec'ty-Treas.

7A

BOSTON
HARTFORD
PHILADELPHIA
BALTIMORE

NEW YORK
PITTSBURGH
CLEVELAND
ST. LOUIS

The First National Corporation of Boston

111 West Monroe Street
Chicago

December 7, 1929

J. J. Zarsenhaus, Esq., Secretary & Treasurer,
Bank-Kentucky Company,
401 West Market Street,
Louisville, Kentucky.

Dear Sir:

In order that our files may be complete, we shall appreciate a list of the banks in which your company is interested and whatever other information is readily available concerning the set-up of the Bank-Kentucky Company.

Thanking you in advance for your co-operation in this matter, we note that we may be able to reciprocate at some time in the future.

Very truly yours,

J. M. Trustcott
Assistant Manager.

J91

Exhibit 111-1

December 9, 1929

The Greenhall Company,
561 Fifth Avenue,
New York, N. Y.

Dear Sirs:- Attention: Mr. A. F. Greenhall.

Replying to yours of December 2nd, wish to advise that The BancoKentucky Company controls -

Nat'l. Bank of Ky. - The Lou. Trust Co. Louisville, Kentucky	Combined capital - $5,750,000
Pearl Market Bank & Trust Company, Cincinnati, Ohio.	Capital - $600,000.00
Brighton Bank & Trust Company, Cincinnati, Ohio.	Capital - 300,000.00
Central Savings Bank & Trust Company, Covington, Kentucky	Capital - 60,000.00

This Company owns practically all of the stock of these banks and their trust companies.

Very truly yours,

THE BANCOKENTUCKY COMPANY,

By _____
Secty. & Treas.

WTJ:CK

5A

1330

THE GREENHALL COMPANY
BANK & INSURANCE STOCKS

TEL. MURRAY HILL { 2050 / 2870

551 FIFTH AVENUE

NEW YORK

December 2, 1929

Banco Kentucky Co.
Louisville, Ky.

Gentlemen:-

We are interested in the progress of group, chain, and branch banking in the United States, a movement in which the Banco Kentucky Co. plays such an important part. May we be favored with a list of the banks under your control, or with which you are affiliated, and may we also be placed on your mailing list to receive information as to your future acquisitions.

Thanking you, we are

Yours very truly,

THE GREENHALL COMPANY INC.

A.F. Greenhall

AFG:T

PRESIDENT AND GEN'L MGR. — J. FRANK HUTCHESON, SECRETARY — S. C. SCOTT, TREASURER

The Sponsman

DEVOTED SPECIALLY TO TRIMMERS, PAINTERS AND JOBBERS IN TRIMMING SUPPLIES

PUBLISHED MONTHLY BY THE SPONSMAN PUBLISHING COMPANY 120 OPERA PLACE, CINCINNATI, OHIO

December 6, 1929.

Banco Kentucky,
Louisville, Ky.

Gentlemen:

Will you please send me any literature or information which you may have concerning your Corporation?

I notice that it is listed on the Chicago Stock Exchange, and I wonder why it is not listed on the Curb, or the New York Stock Exchange.

Thanking you for any information, I am

Yours very truly,

J Frank Hutcheson

120 Wallace Ave.,
Covington, Ky.

JFH:BO

D

December 11th, 1929

Mr. J. Frank Hutcheson,
120 Wallace Ave.,
Covington, Ky

Dear Mr. Hutcheson:-

Replying to your letter of December 9th, wish to advise that the operation of this Company began on September 19th, 1929. We have not as yet issued a statement.

As you probably know, THE BANCOKENTUCKY COMPANY owns approximately 98% of the unified capital stock - National Bank of Kentucky - The Louisville Trust Company, capitalized at $8,750,000.00; a majority of the outstanding stock of The Pearl-Market Bank and Trust Company and the Brighton Bank and Trust Company, both of Cincinnati, Ohio; also The Central Savings Bank and Trust Company of Covington, Kentucky.

The stock is listed on the Chicago Stock Exchange and we have not felt the need of listing it elsewhere for the present.

If you will refer to the New York Curb or the New York Stock Exchange, you will find that very few bank stocks are listed.

We are glad to give you the information requested.

Very truly yours,

W. Y. [illegible]
SEC'Y-TREAS

Z-D

294

Exhibit 113-A

ESTABLISHED 1856

J. Kennard & Sons Carpet Company

LINOLEUMS · MATTINGS — CARPETS - RUGS — FURNITURE · CURTAINS

400 WASHINGTON AVENUE

SAINT LOUIS

HUGH RODMAN
1117 West 29th St.
OKLAHOMA CITY, OKLA.

I -17-3[illegible]

[illegible]ansasKentucky.

[illegible]ouisville.

Dear Sirs.

Please advise me what per cent your LansasKentucky stock will pay the investor based on cost to him (25.00)

I hold receipts for [illegible]ne hundred and sixty shares, forty of this were on exchange basis.

The information I ask for is what will you pay on the market value of twenty five dollars per share.

Yours very truly.

[signature]

1851

Exhibit 113-2

October 21,1939.

Mr. Hugh Rodman,
1447 West 29th. St.,
Oklahoma City, Oklahoma.

Dear Sir :

Replying to yours of the 18th. wish to advise that the dividend policy of this Company has not been determined. The bank shares, for which stock of this Company was given in exchange, paid a dividend of $ 1.60 per year on a par value of $ 10.00 per share. Two shares of this Company's stock was given in exchange for one share of the Bank (unified stock). We are putting the first quarterly dividend will be no less than 20¢ per sh. or on the basis of 80¢ per annum which would by the equivalent of the dividend on the Bank shares.

Therefore, the yield, on the basis of an 80¢ dividend will be 3.2%, usin $ 25.00 as cost price.

Yours very truly,

W.T.Kurtzenhmiede.
Sec'ty-Treas.

1855

Exhibit 114-A

October 22, 1929

Milton D. Reiner & Co.,
74 Trinity Place,
New York, N. Y.

Attention: Mr. Edward A. Barry

Gentlemen:--

Replying to your favor of the 14th instant, with reference to THE BANCOKENTUCKY COMPANY, wish to advise that we are not in position, at this time, to give you the items requested, as the Company has only operated since September 19th.

THE BANCOKENTUCKY COMPANY was incorporated on July 16th, 1929 for the purpose of owning and controlling Banks and Trust Companies. This Company offered to the stockholders of the National Bank of Kentucky and The Louisville Trust Company, both local institutions, two shares of its stock in exchange for each share held. As a result, it owns ninety-six per cent of the stock of the National Bank of Kentucky and The Louisville Trust Company; or, approximately 565,000 shares of the par value of ten dollars per share.

In addition, the stockholders of the National Bank of Kentucky and The Louisville Trust Company were given the right to purchase shares of stock in THE BANCOKENTUCKY COMPANY at $25.00 per share; which offer resulted in a subscription and payment of 480,000 shares of stock; thus giving THE BANCOKENTUCKY COMPANY cash of $12,000,000.00.

The Company recently purchased approximately 98% of the stock of the Brighton Bank and Trust Company and The Pearl-Market Bank and Trust Company of Cincinnati, Ohio.

The combined deposits of these four institutions aggregate at this time approximately $81,000,000.00; the total resources $125,000,000.00 and trust estate assets of approximately $100,000,000.00.

THE BANCOKENTUCKY COMPANY intends to purchase other banks in large cities. We are positive we can considerably increase the earnings of the banks in our group, which already are exceptionally good. We have about six thousand stockholders on our books at this time - the total issue being two million shares of the par value of $10.00 per share.

Very truly yours,

W. T. ZUR SCHMIEDE
Sec'y-Treas.

2-D

P.S.-There is enclosed booklet and circular letter to stockholders which will give Certificate of Incorporation, by-laws and other information.

MILTON E. REINER & COMPANY

MEMBERS NEW YORK CURB MARKET

74 TRINITY PLACE

TELEPHONE WHITEHALL 8898

MILTON E. REINER
IRVING REINER
EDWARD E. BARRY

NEW YORK, Oct. 14, 1929.

The BancoKentucky Company,
Louisville,
Ky.

Gentlemen:

We are in receipt of an inquiry from a client of ours who is interested in the securities of your Company.

Will you kindly forward to us the latest available balance sheet and earning statement of your Company.

Also, if possible, will you kindly advise us as to the approximate number of stockholders of your Company, and furnish us with any additional information that you may be able to give us at this time.

Thanking you in advance for your attention to this matter, we are

Very truly yours,

Milton E. Reiner

EE /DJ

Exhibit 115

115

OCT 18 1938

OFFICIAL REPORTER

Aug. 25, 1930.

Mr. T. A. Field, V.P.,
Ashland National Bank,
Ashland, Ky.

Dear Mr. Field:-

I am enclosing herewith Oath of Director signed by Mr. James B. Brown and duly acknowledged before a notary.

As you probably know, Mr. Brown is now a director of all the banks that are in the Bank Kentucky group and the Treasury Department has questioned the legality of his serving on the Board of so many banks and this may have to be changed later. However, we will let it stand this way until we hear from Washington.

With kind personal regards,

Yours very truly,

Vice President.

CFJ:SBA

115

v30

Exhibit 116

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Statement Showing Comparison of Quarterly Net Earnings, Loans Charged Off Less Recoveries and Net Additions to Reserve for Taxes With Dividends Paid as Shown by Books of National Bank of Kentucky

April 1, 1927 to September 30, 1928

Plaintiff's Exhibit No 111

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 116

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

HUGH A WHITE C P A
EDWIN H BOWER C P A
HARRY M PREVO C P A
L B McLAUGHLIN C P A

TELEPHONE
CADILLAC 4820

NATIONAL BANK BLDG
DETROIT, MICH.

October 14, 1938

Mr. A. K. Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions, we have examined certain of the books and records of

The National Bank of Kentucky

for the period from April 1, 1927 to September 30, 1930.

We have made an analysis of the operations of the bank for the above period as shown in the undivided profits and reserve for taxes accounts. We have prepared and appended hereto a statement showing a comparison of quarterly net earnings, loans charged off less recoveries and net additions to reserve for taxes, with dividends paid as shown by the books of the National Bank of Kentucky for the quarters ended June 30, 1927 to September 30, 1930, inclusive.

Our examination was limited to an analysis of the undivided profits account and the reserve for taxes account and did not include a detailed verification of the amounts shown in these accounts.

Very truly yours,

White, Bower & Prevo

Certified Public Accountants

Exhibit 116

Statement Showing Comparison of Quarterly Net Earnings, Loans Charged Off Less Recoveries and Net Additions to Reserve for Taxes With Dividends Paid as Shown by Books of National Bank of Kentucky

April 1, 1927 to September 30, 1930

Quarter Ended	Quarterly Net Earnings	Loans Charged Off Less Recoveries, etc.	Addition to Reserve for Taxes Less Taxes Paid	Net Profit Loss	Dividends Paid	Excess or Deficiency of Net Earnings Over Dividends Paid
June 30,1927	$ 166,940.17	$ 2,981.53	$ 68,831.19	$ 216,789.76	$ 160,000.00	$ 56,789.76
Sept.30,1927	170,999.88	134,340.70	44,[illegible]18	81,381.34	160,000.00	78,618.66
Dec. 31,1927	217,996.10	184,022.77	82,[illegible]	106,922.60	160,000.00	53,077.40
Mar. 31,1928	122,856.12	22,536.47	23,038.45	123,356.10	160,000.00	36,643.90
June 30,1928	127,564.32	173,718.78	61,926.64	15,772.18	160,000.00	144,227.82
Sept.30,1928	133,782.75	1,756.89	44,493.41	180,082.05	160,000.00	20,082.05
Dec. 31,1928	174,718.42	108,194.94	24,389.32	90,909.80	160,000.00	69,090.20
Mar. 31,1929	156,060.47	1,987.22	21,386.89	179,414.58	160,000.00	19,414.58
June 30,1929	127,100.13	8,869.74	89,676.86	180,907.25	160,000.00	20,907.25
Sept.30,1929	143,944.21	117.81	48,753.43	192,579.83	160,000.00	32,579.83
Dec. 31,1929	182,482.89	1,646.71	21,822.70	202,728.88	160,000.00	42,728.88
Mar. 31,1930	138,028.90	199,742.66	21,778.94	39,987.72	160,000.00	199,987.72
June 30,1930	127,264.28	138,080.18	39,853.74	29,087.81	160,000.00	130,982.19
Sept.30,1930	138,096.78	1,825.76	39,247.73	179,170.27	160,000.00	19,170.27
	$2,127,766.17	$ 945,540.37	$ 558,849.73	$ 1,739,084.73	$2,240,000.00	$ 500,915.27

Exhibit 117

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Bills Payable, Rediscounts and Securities Sold Under Repurchase Agreement of National Bank of Kentucky for Period From

January 1,1929 to November 15,1930

Plaintiff's Exhibit No 117

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 117

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

HUGH A. WHITE, C.P.A.
EDWIN H. BOWER, C.P.A.
HARRY M. PREVO, C.P.A.
L. B. McLAUGHLIN, C.P.A.

TELEPHONE
CADILLAC 4820

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14, 1938

Mr. A. M. Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions, we have examined certain books of account and records of

National Bank of Kentucky

and herewith present a statement of the borrowings of the Bank on an average daily basis for the months indicated during the period from January 1, 1929 to November 16, 1930.

Very truly yours,

White Bower & Prevo
Certified Public Accountants

Exhibit 117

Bills Payable, Rediscounts and Securities sold under Repurchase Agreement of National Bank of Kentucky for period from January 1, 1929 to November 16, 1930, showing for each month the number of days on which borrowings existed and the average amount of such borrowings.

	Year 1929		Year 1930	
	Number days in-debted	Average Daily Borrowings	Number days in-debted	Average Daily Borrowings
January	31	$ 6,968,217	31	$ 3,854,976
February	28	3,830,018	28	669,964
March	31	6,759,677	31	322,581
April	30	10,846,997	30	1,215,000
May	31	12,546,262	31	2,489,355
June	30	12,254,192	30	2,755,500
July	31	11,844,319	31	2,163,710
August	31	11,693,459	31	1,855,161
September	30	11,829,834	30	1,550,000
October	31	12,970,806	31	2,578,226
November	30	15,026,711	15	3,179,334
December	31	7,215,526		

Exhibit 118

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Deficiency in Legal Reserve and Borrowings
of National Bank of Kentucky During Period

January 1, 1929 to July 15, 1929

Plaintiff's Exhibit No 118

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 118

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

HUGH A. WHITE, C.P.A.
EDWIN H. BOWER, C.P.A.
HARRY H. PREVO, C.P.A.
L. B. McLAUGHLIN, C.P.A.

TELEPHONE
CADILLAC 4880

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14, 1938

Mr. A.M.Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions, we have made an examination of certain books of account and records of

National Bank of Kentucky

pertaining to legal reserves and borrowings for the period from January 1, 1929 to July 15, 1929.

We have prepared and appended hereto a statement showing the amount of deficiency in the legal reserves and the borrowings of the National Bank of Kentucky for each day from January 1, 1929 to July 15, 1929 on which the legal reserve was below the legal requirements, as shown by the daily statement record.

The borrowings of the bank include bills payable, rediscounts and securities sold subject to repurchase agreement.

The amounts shown on the schedule may be summarized as follows:

Month		Days of Deficiency in Legal Reserves	Average Amount of Deficiency in Legal Reserves *	Average of Borrowings
January	1929	9	$349,907.00	$6,390,116.00
February	1929	12	256,887.00	3,656,479.00
March	1929	10	214,342.00	5,834,082.00
April	1929	10	326,917.00	10,173,807.00
May	1929	13	336,897.00	12,263,043.00
June	1929	12	526,290.00	11,679,273.00
July 1 & 15,	1929	6	453,503.00	11,155,345.00

* Only for days on which there was a deficiency in the legal reserve.

Very truly yours,

White, Bower & Prevo
Certified Public Accountants

Exhibit 118

Statement of Deficiency in Legal Reserve and Borrowings of National Bank of Kentucky on Dates Indicated During Period From January 1,1929 to July 15,1929

Date	Deficiency In Legal Reserve	Borrowings
Jan. 4,1929	$ 342,330.00	$ 5,940,217.48
Jan. 7,1929	250,050.00	5,984,061.51
Jan. 8,1929	243,180.00	6,076,731.50
Jan. 11,1929	308,250.00	5,101,009.50
Jan. 14,1929	80,210.00	6,198,781.17
Jan. 15,1929	401,910.00	6,412,423.84
Jan. 18,1929	625,070.00	8,328,385.90
Jan. 25,1929	826,910.00	5,859,719.42
Jan. 26,1929	71,280.00	6,609,719.42
Feb. 1,1929	156,470.00	4,804,149.75
Feb. 2,1929	36,170.00	5,298,149.75
Feb. 5,1929	286,200.00	4,683,619.75
Feb. 8,1929	53,330.00	4,589,479.20
Feb. 11,1929	772,810.00	2,420,930.76
Feb. 15,1929	155,370.00	2,841,930.76
Feb. 18,1929	356,810.00	3,856,445.34
Feb. 19,1929	261,750.00	3,751,445.34
Feb. 20,1929	25,880.00	4,231,445.34
Feb. 26,1929	610,440.00	2,245,075.83
Feb. 27,1929	254,740.00	2,235,075.83
Feb. 28,1929	115,680.00	2,940,000.00
Mar. 4,1929	28,180.00	3,525,000.00
Mar. 5,1929	554,070.00	2,400,000.00
Mar. 6,1929	275,250.00	2,400,000.00
Mar. 11,1929	23,350.00	4,180,000.00
Mar. 12,1929	478,800.00	3,960,000.00
Mar. 13,1929	193,410.00	4,550,000.00
Mar. 19,1929	336,060.00	7,900,000.00
Mar. 21,1929	36,230.00	9,163,880.16
Mar. 26,1929	128,190.00	10,135,968.92
Mar. 27,1929	90,890.00	10,135,968.92
Apr. 1,1929	165,310.00	10,635,940.28
Apr. 2,1929	510,370.00	9,885,940.28
Apr. 5,1929	9,450.00	10,115,940.28
Apr. 9,1929	736,150.00	8,807,835.28

Exhibit 118

Date	Deficiency In Legal Reserve	Borrowings
Apr. 10,1929	$ 110,380.00	$ 9,803,634.61
Apr. 13,1929	88,540.00	10,284,759.61
Apr. 23,1929	674,830.00	11,037,289.94
Apr. 25,1929	80,970.00	11,464,809.81
Apr. 29,1929	420,070.00	9,571,284.51
Apr. 30,1929	473,100.00	10,130,632.84
May 2,1929	3,310.00	11,416,369.59
May 3,1929	78,840.00	11,161,369.59
May 6,1929	109,380.00	10,099,169.01
May 7,1929	114,800.00	10,648,169.01
May 10,1929	275,270.00	11,483,205.68
May 13,1929	223,920.00	12,108,721.12
May 17,1929	809,670.00	14,463,532.86
May 18,1929	324,320.00	14,460,734.30
May 20,1929	64,440.00	14,335,634.30
May 24,1929	412,360.00	13,[illegible],272.84
May 27,1929	40,900.00	12,538,616.02
May 28,1929	825,900.00	12,031,076.02
May 31,1929	1,096,760.00	11,287,696.55
June 3,1929	33,630.00	11,872,571.35
June 4,1929	[illegible]100.00	11,798,996.51
June 7,1929	7[illegible]300.00	11,561,254.65
June 11,1929	471[illegible]00.00	10,615,265.12
June 13,1929	14,[illegible]00.00	11,026,946.92
June 14,1929	39,9[illegible]0.00	11,500,931.77
June 17,1929	1,367,220.00	11,507,811.74
June 18,1929	1,972,385.00	11,816,677.82
June 20,1929	278,830.00	13,404,193.72
June 25,1929	944,000.00	12,056,643.66
June 28,1929	989,670.00	10,327,493.41
June 29,1929	92,270.00	12,662,493.41
July 2,1929	545,800.00	11,669,570.27
July 5,1929	1,073,190.00	11,076,330.26
July 9,1929	793,200.00	10,456,623.91
July 11,1929	9,580.00	11,217,589.43
July 12,1929	173,720.00	11,150,435.43
July 15,1929	125,530.00	11,361,521.01

Exhibit 120

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

PLAINTIFF'S EXHIBIT 120
OCT 18 1938
Paul E. Carpenter
OFFICIAL REPORTER

Calculation of the Proportionate Ownership of National Bank of Kentucky Stock Represented by Ownership of Each Share of BancoKentucky Company and the Proportionate Part of Assessment on National Bank of Kentucky Stock Allocated to the Ownership of Each Share of BancoKentucky Company Stock.

Plaintiff's Exhibit No. 120

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 120

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

HUGH A. WHITE, C.P.A.
EDWIN H. BOWER, C.P.A.
HARRY H. PREVO, C.P.A.
L. B. McLAUGHLIN, C.P.A.

TELEPHONE
CADILLAC [illegible]

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14, 1938

Mr. A. M. Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions we prepared and have appended hereto a statement setting forth the basis for the calculation of the proportionate ownership of National Bank of Kentucky stock represented by ownership of each share of BancoKentucky Company and the proportionate part of assessment on National Bank of Kentucky stock allocated to the ownership of each share of BancoKentucky Company stock.

Very truly yours,

White, Bower & Prevo
Certified Public Accountants.

Exhibit 120

Calculation of the Proportionate Ownership of National Bank of Kentucky Stock Represented by Ownership of each Share of BancoKentucky Company and the Proportionate part of Assessment on National Bank of Kentucky Stock Allocated to the Ownership of each Share of BancoKentucky Company Stock.

Shares of BancoKentucky Company (Par $10) Outstanding	2,072,468
Shares of National Bank of Kentucky (Par $100) held by Trustees	39,820
Shares of Louisville Trust Company (Par $100) held by Trustees	17,235
Shares of Trustees Participation Certificates (Par $10) outstanding	570,550
Shares of Trustees Participation Certificates held by BancoKentucky Company	540,484

One share Trustees Participation Certificates (Par $10) equals: (.0697923 shares of National Bank of Kentucky (Par $100) ((39,820 ÷ 570,550) (.0302077 shares of Louisville Trust Company (Par $100) ((17,235 ÷ 570,550)

540,484 Shares of Trustees Participation Certificates represents the following shares of stock of National Bank of Kentucky (540,484 x .0697923) 37,721.6214

One Share Banco Kentucky Company stock represents .01820130462 shares National Bank of Kentucky stock (37,721.6214 ÷ 2,072,468)

100% Assessment on 37,721,624 shares of National Bank of Kentucky.	$3,772,162.14
Payment by BancoKentucky Company (December 18, 1934)	90,745.17
Balance -	$3,681,416.97
Interest at 6% per annum from April 1, 1931 (date assessment due) to December 18, 1934 on $3,772,162.14	840,563.52
Interest at 6% per annum from December 18, 1934 (date of BancoKentucky Company payment) to February 16,1936 (date of filing bill of complaint) on $3,681,416.97	255,858.49
Total -	$4,777,838.98
Assessment allocated to owner of each share of Banco Kentucky Company Stock ($4,777,838.98 ÷ 2,072,468)	$2.305586
Rate used in bill of complaint	$2.304909

Herald-Post
April 8-1929

THREE IN FISHING BOAT FEARED LOST IN BAY

Celeste Patterns

Charter No. 3312 Reserve District No. 8

REPORT

Of condition of the National Bank of Kentucky of Louisville, in the State of Kentucky, at the close of business on March 27th, 1929:

RESOURCES.

1. Loans and discounts	$24,513,021.20
2. Overdrafts	97,355.27
3. United States Government securities owned	9,300,000.00
4. Other bonds, stocks and securities owned	3,456,570.00
6. Banking house, $85,000.00; furniture and fixtures, $147,207.87	1,232,207.87
7. Real estate owned other than banking house	12,754.00
8. Reserve with Federal Reserve Bank	2,371,510.48
9. Cash and due from banks	6,814,370.08
10. Outside checks and other cash items	68,720.33
11. Redemption fund with U. S. Treasurer and due from U. S. Treasurer	125,000.00
12. Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	697,726.10
14. Other assets	391,891.66
Total	$50,753,013.74

LIABILITIES.

15. Capital stock paid in	$4,000,000.00
16. Surplus	2,000,000.00
17. Undivided profits — net	402,320.17
18. Reserves for dividends, contingencies, etc.	170,697.50
19. Reserves for interest, taxes, and other expenses accrued and unpaid	370,352.91
20. Circulating notes outstanding	2,000,000.00
21. Due to banks, including certified and cashier's checks outstanding	9,994,202.40
22. Demand deposits	23,455,231.25
23. Time deposits	7,560,359.45
25. Agreements to repurchase U. S. Government, or other securities sold	200,000.00
26. Bills payable and rediscounts	3,000,000.00
27. Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	697,726.10
31. Other liabilities	302,121.12
Total	$50,753,013.74

State of Kentucky, County of Jefferson, ss:

I, C. F. Jones, cashier of the above named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

C. F. JONES, Cashier.

Subscribed and sworn to before me this 8th day of April, 1929.

PHILIP B. WATKINS, Notary Public.

Correct—Attest:
R. C. LYONS,
ALLEN P. BOND,
ARTHUR E. BUTLEDGE,
Directors.

AMATEURS ARE RECLASSIFIED

New Draft Tentative Per- formers, Being Rated Down Slap.

LINFORD NEW ADDITION OF BASEBALL FAMILY

DEEP RIVER IN BRILLIANT WORK AT LEXINGTON PLANT

CELTS ADMIT SECOND TRIUMPH OF SEASON, 15

Herald-Post
July 11-1929

W. L. Lyons & Co

Established 1877

Members
New York Stock Exchange
Chicago Board of Trade
Louisville Stock Exchange
Orders Solicited for Cash
or Carried on Conservative
Margin

Stocks and Securities

Third Floor Kentucky Bldg.

Branch Offices:
DANVILLE, KY.
HENDERSON, KY.
Lebanon Bank

LOANS

ON REAL ESTATE

"To Suit You"

Short Annuals, Semi-Annuals
Terms: Five to Ten Or 15 Years.

THE TRUST COMPANY
LOUISVILLE TRUST CO.

Main between Jefferson and Market.

Capital and Surplus Millions Dollars

Charter No. 3212 Reserve District No. 8

REPORT

Of condition of the National Bank of Kentucky of Louisville, in the State of Kentucky, at the close of business on June 29th, 1929:

RESOURCES

1. Loans and discounts	$23,021,055.07
2. Overdrafts	28,720.88
3. United States Government securities owned	5,350,200.00
4. Other bonds, stocks and securities owned	3,502,500.00
6. Banking house, $50,000.00; furniture and fixtures, $167,206.67	182,200.67
7. Real estate owned other than banking house	12,200.00
8. Reserve with Federal Reserve Bank	2,120,226.58
9. Cash and due from banks	6,227,414.58
10. Outside checks and other cash items	157,002.51
11. Redemption fund with U. S. Treasurer and due from U. S. Treasurer	125,000.00
12. Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	1,000,220.24
14. Other assets	207,207.00
Total	$50,004,451.89

LIABILITIES

13. Capital stock paid in	4,000,000.00
16. Surplus	2,000,000.00
17. Undivided profits—net	204,035.76
18. Reserves for dividends, contingencies, etc.	202,207.06
19. Reserves for interest, taxes, and other expenses accrued and unpaid	201,202.27
20. Circulating notes outstanding	2,000,000.00
21. Due to banks, including certified and cashiers' checks outstanding	10,422,702.20
22. Demand deposits	17,204,204.61
23. Time deposits	7,179,207.20
24. United States deposits	127,000.00
25. Agreements to repurchase U. S. Government or other securities sold	1,000,754.70
26. Bills payable and rediscounts	11,001,720.05
27. Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	1,000,220.24
31. Other liabilities	201,001.00
Total	$50,004,451.89

State of Kentucky, County of Jefferson, ss:

I, C. F. Jones, cashier of the above named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

C. F. JONES, Cashier.

Subscribed and sworn to before me this 10th day of July, 1929.

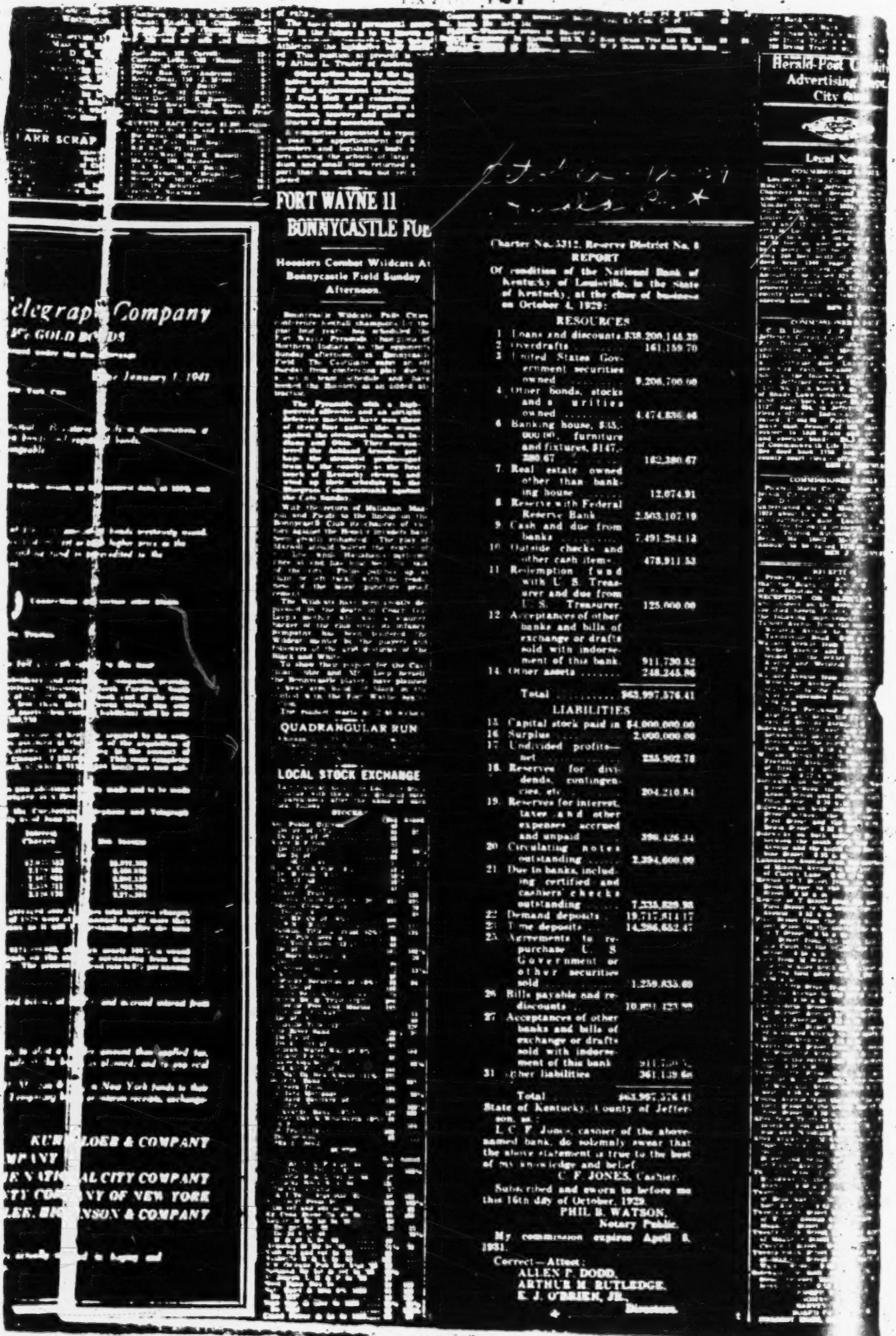
PHILIP E. WATSON,
Notary Public.

My commission expires April 2, 1930.

Correct—Attest:
E. C. LYONS,
ARTHUR M. RUTLEDGE,
J. H. DURHAM,

Directors.

...ONUMENTS



ARR SCRAP

elegraph Company
GOLD BONDS
January 1, 1941

KUHN, LOEB & COMPANY
NATIONAL CITY COMPANY
COMPANY OF NEW YORK
LEE, HIGGINSON & COMPANY

FORT WAYNE 11
BONNYCASTLE FOR

Hoosiers Combat Wildcats At Bonnycastle Field Sunday Afternoon.

QUADRANGULAR RUN

LOCAL STOCK EXCHANGE

Herald-Post
Advertising
City

Legal

Charter No. 5312. Reserve District No. 8

REPORT

Of condition of the National Bank of Kentucky of Louisville, in the State of Kentucky, at the close of business on October 4, 1929:

RESOURCES

1	Loans and discounts	$38,209,145.39
2	Overdrafts	161,159.70
3	United States Government securities owned	9,206,700.00
4	Other bonds, stocks and securities owned	4,474,836.66
6	Banking house, $35,000.00, furniture and fixtures, $147,280.67	182,280.67
7	Real estate owned other than banking house	12,074.91
8	Reserve with Federal Reserve Bank	2,503,107.10
9	Cash and due from banks	7,491,284.13
10	Outside checks and other cash items	478,911.53
11	Redemption fund with U. S. Treasurer and due from U. S. Treasurer	125,000.00
12	Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	911,730.52
14	Other assets	248,245.86
	Total	$63,997,576.41

LIABILITIES

15	Capital stock paid in	$4,000,000.00
16	Surplus	2,000,000.00
17	Undivided profits—net	235,902.78
18	Reserves for dividends, contingencies, etc.	204,210.84
19	Reserves for interest, taxes and other expenses accrued and unpaid	398,426.34
20	Circulating notes outstanding	2,394,600.00
21	Due to banks, including certified and cashiers' checks outstanding	7,233,829.98
22	Demand deposits	19,717,814.17
23	Time deposits	14,396,652.47
25	Agreements to repurchase U. S. Government or other securities sold	1,250,835.00
26	Bills payable and rediscounts	10,891,123.90
27	Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	911,730.52
31	Other liabilities	361,139.66
	Total	$63,997,576.41

State of Kentucky, County of Jefferson, ss:

I, C. F. Jones, cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

C. F. JONES, Cashier.

Subscribed and sworn to before me this 16th day of October, 1929.

PHIL B. WATSON,
Notary Public.

My commission expires April 8, 1931.

Correct—Attest:
ALLEN P. DODD,
ARTHUR M. BUTLEDGE,
E. J. O'BRIEN, JR.,
Directors.

Herald-Post
January-15-1930

Covington Ky.
Water Works Refunding Bonds
Due 1931 to 1939
Price to Yield 4.35%
OTIS & CO.
Established 1899
John W. Smart, Representative
926-927 Inter-Southern Life Bldg.
Members New York, Cleveland and Cincinnati Stock Exchanges.

1853 1930
Investment Service
STOCKS BONDS
Our private wires to New York enable us to give prompt and efficient service on New York Stock Exchange orders.
STEIN BROS. & BOYCE
Established 1853
LOUISVILLE, KY.
Members New York Stock Exchange

We Have Active Trading In
Banco Kentucky Co.
Louisville Gas & Electric Co. Pfd.
Ky. Utilities Pfd.
Various Bond Issues
W. L. LYONS & CO.
MEMBERS
New York Stock Exchange
Louisville Stock Exchange
Chicago Board of Trade
New York Cotton Exchange
Ground Floor Kenyon Bldg.
Branch, Third and Walnut Sts.

Charter No. 3312. Reserve District No. 8

REPORT

Of condition of the National Bank of Kentucky of Louisville, in the State of Kentucky, at the close of business on December 31, 1929:

RESOURCES.

1.	Loans and discounts	$37,001,066.48
2.	Overdrafts	27,520.42
3.	United States Government securities owned	2,575,000.00
4.	Other bonds, stocks and securities owned	4,295,411.14
6.	Banking house, $35,000.00; furniture and fixtures, $147,280.67	182,280.67
7.	Real estate owned other than banking house	11,749.92
8.	Reserve with Federal Reserve Bank	2,178,212.90
9.	Cash and due from banks	7,272,906.02
10.	Outside checks and other cash items	145,268.13
11.	Redemption fund with U. S. Treasurer and due from U. S. Treasurer	125,000.00
12.	Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	644,969.09
14.	Other assets	247,148.67
	Total	$54,701,633.44

LIABILITIES.

15.	Capital stock paid in	$ 4,000,000.00
16.	Surplus	2,000,000.00
17.	Undivided profits—net	220,267.63
18.	Reserves for dividends, contingencies, etc.	302,546.32
19.	Reserve for interest, taxes and other expenses accrued and unpaid	410,113.28
20.	Circulating notes outstanding	2,071,560.00
21.	Due to banks, including certified and cashiers' checks outstanding	3,361,706.27
22.	Demand deposits	21,366,979.08
23.	Time deposits	9,132,582.36
25.	Agreements to repurchase U. S. Government or other securities sold	1,230,856.69
26.	Bills payable and rediscounts	2,500,000.00
27.	Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	644,969.09
31.	Other liabilities	271,371.55
	Total	$54,701,633.44

State of Kentucky, County of Jefferson, ss.:

I, C. F. Jones, cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

C. F. JONES, Cashier.

Subscribed and sworn to before me this 13th day of January, 1930.

PHILIP B. WATSON, Notary Public.

My commission expires April 8, 1931.

Correct—Attest:

ALLEN P. DODD,
E. J. O'BRIEN, JR.,
C. C. MENGEL,
Directors.

Deaths
Employment Agencies
LADDERS
Help Wanted
In Memoriam
Funeral Directors
Albert Neurath & Son
C. SCHILDT & SONS
H. BOSSE & SON
Lee E. Cralle Co., Inc. Removed To
D. J. Dougherty & Son
SCHOPPENHORST BROS.
Lodge Notices
Personals
Hagger Detective Agency
Lost and Found
Miscellaneous
Instruction

Herald-Post
April 9-1930

N. Y. BANK STOCKS

THE EHM COMPANY
Featuring "I ...ION" International Wire Service
BONDS ...9 South Fifth St. STOCKS

WA...EFIELD & Co
...MENT Securities
...WEST MAIN STREET
...CORNER FIFTH
Buy, Sell and Quote
BANC...KENTUCKY CO.
STOCK
AMER...CAN TURF ASS'N
COMMON
...HONE: MAIN 1916

Middle...est Utilities Company
...ice of Dividend on
Common Stock
...ice of Dividend on
...% Preferred Stock, Series A

Charter No. 2012, Reserve District No. 8
REPORT
of condition of the National Bank of Kentucky of Louisville, in the State of Kentucky, at the close of business on March 27, 1930:

RESOURCES.

1. Loans and discounts		$20,651,282.48
2. Overdrafts		58,338.69
3. United States Government securities owned		2,575,400.00
4. Other bonds, stocks and securities owned		3,251,307.21
6. Banking house, $66,000.00; furniture and fixtures, $147,207.67		182,300.67
7. Real estate owned other than banking house		11,494.93
8. Reserve with Federal Reserve Bank		2,023,088.67
9. Cash and due from banks		7,261,087.66
10. Outside checks and other cash items		67,443.03
11. Redemption fund with U. S. Treasurer and due from U. S. Treasurer		125,000.00
12. Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank		484,877.44
14. Other assets		284,840.22
Total		$43,594,588.88

LIABILITIES.

13. Capital stock paid in		$ 4,000,000.00
16. Surplus		2,000,000.00
17. Undivided profits—net		416,088.36
18. Reserves for dividends, contingencies, etc.		202,585.89
19. Reserves for interest, taxes and other expenses accrued and unpaid		232,415.28
20. Circulating notes outstanding		2,500,000.00
21. Due to banks, including certified and cashiers' checks outstanding		3,688,219.29
22. Demand deposits		20,777,324.93
23. Time deposits		8,458,966.86
24. United States deposits		2,491.19
25. Agreements to repurchase U. S. Government or other securities sold		2[illegible].00
27. Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank		484,877.44
31. Other liabilities		210,442.25
Total		$43,594,588.88

State of Kentucky, County of Jefferson, ss.:

I, W. T. Zurschmiede, cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

W. T. ZURSCHMIEDE, Cashier.

Subscribed and sworn to before me this 8th day of April, 1930.

PHILIP B. WATSON,
Notary Public.

Correct—Attest:
ANTHONY J. CARROLL,
J. H. DURHAM,
R. L. CALLAHAN,
Directors.

...Whitney Hopes To ...
...econd Filly To ...
...ich Derby In ...

...WEDNESDA...
...AT WHEE...

...WEALTHY POLO
...PATRONS IN ENGLAND

INDICT...

Herald-Post
July 11-1930

LOCAL MARKETS

NOMY via
EXECUTIVES

Yes, Mr. Executive, know this saving and appreciating ing power. (SEARS ROEBUCK AND COMPANY is the for the benefit of every business and individual). Just any saving on Office Supplies, will use the necessity of quality purchases serves to build economy in the very foundation of your business.

Office Supplies—

Steel

28.95

3x5 Ruled File Cards

8½c

Desk Card Boxes

52c

Pencil Sharpeners

79c

Steel Cash Boxes

98c

Steel Wastebaskets

79c

65c

13.50

ROEBUCK AND CO

Charter No. 3812, Reserve District No. 8

REPORT

of condition of the National Bank of Kentucky, of Louisville, in the State of Kentucky, at the close of business on June 30, 1930:

RESOURCES.

1. Loans and discounts	[illegible]
2. Overdrafts	[illegible]
3. United States Government securities owned	2,000,000.00
4. Other bonds, stocks and securities owned	2,004,000.00
5. Banking house, $600,000.00; furniture and fixtures, $147,000.00	188,000.07
7. Real estate owned other than banking house	3,340.96
8. Reserve with Federal Reserve Bank	2,040,000.00
9. Cash on hand and due from banks	9,764,216.44
10. Outside checks and other cash items	134,002.07
11. Redemption fund with U. S. Treasurer and due from U. S. Treasurer	125,000.00
12. Accounts of other banks and bills of exchange or drafts sent for collection	1,400,045.74
14. Other assets	372,710.00
Total	[illegible]

LIABILITIES.

15. Capital stock paid in	4,000,000.00
16. Surplus	4,000,000.00
17. Undivided profits	100,000.00
18. Reserves for dividends, contingencies, etc.	000,000.00
19. Reserves for interest, taxes and other expenses accrued and unpaid	100,277.04
20. Circulating notes outstanding	2,000,000.00
21. Due to banks, bankers and trust companies and clearing house	11,000,000.00
22. Demand deposits	[illegible]
23. Time deposits	[illegible]
25. Accounts of other banks and bills of exchange or drafts sent for collection	1,200,000.00
27. Acceptances of other banks and bills of exchange or drafts sent for collection	000,000.74
31. Other liabilities	[illegible]
Total	[illegible]

State of Kentucky, County of Jefferson, ss:

I, W. S. Speckenbach, cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

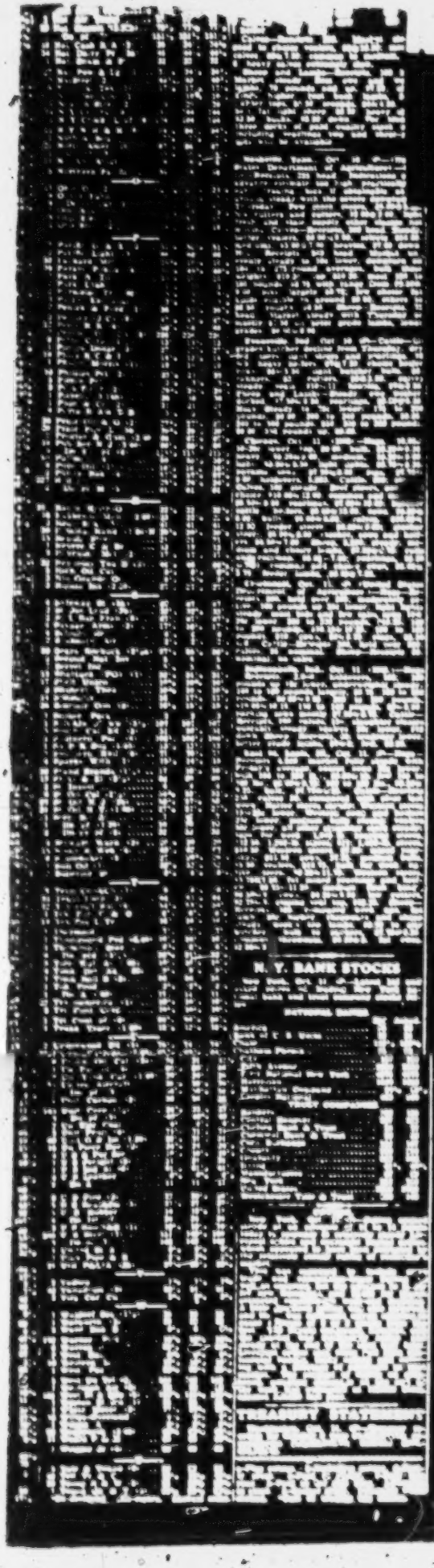
W. S. SPECKENBACH, Cashier.

Subscribed and sworn to before me this 9th day of July, 1930.

PHILIP B. WATSON, Notary Public.

Correct—Attest:

J. H. SHERMAN,
ANTHONY K. CARROLL,



N. Y. BANK STOCKS

Herald-Post
October 11-1930

Charter No. 1312, Reserve District No. 8

REPORT

Of condition of the National Bank of Kentucky of Louisville, in the State of Kentucky, at the close of business on September 30th, 1930:

RESOURCES.

1.	Loans and discounts	829,060,022.45
2.	Overdrafts	60,619.51
3.	United States Government securities owned	2,575,000.00
4.	Other bonds, stocks and securities owned	6,016,329.97
6.	Banking house, $35,-000.00; furniture and fixtures, $147,-380.67	182,380.67
7.	Real estate owned other than banking house	2,804.91
8.	Reserve with Federal Reserve Bank	3,130,989.16
9.	Cash and due from banks	7,300,389.11
10.	Outside checks and other cash items	37,702.22
11.	Redemption fund with U. S. Treasurer and due from U. S. Treasurer	125,000.00
12.	Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	711,697.18
14.	Other assets	304,588.78
	Total	$49,505,129.16

LIABILITIES.

13.	Capital stock paid in	4,000,000.00
14.	Surplus	2,000,000.00
17.	Undivided profits—net	338,547.14
18.	Reserves for dividends, contingencies, etc.	211,125.32
19.	Reserves for interest, taxes and other expenses accrued and unpaid	102,972.88
20.	Circulating notes outstanding	2,300,000.00
21.	Due to banks, including certified and cashiers' checks outstanding	9,363,902.91
22.	Demand deposits	21,542,388.39
23.	Time deposits	4,031,292.57
25.	Agreements to repurchase U. S. Government or other securities sold	1,000,000.00
27.	Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank	711,697.18
31.	Other liabilities	904,221.84
	Total	$49,505,129.16

State of Kentucky, County of Jefferson, ss.:

I, W. T. Burkholder, cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

W. T. BURKHOLDER, Cashier.

Subscribed and sworn to before me this 6th day of October, 1930.

PHILIP B. WATSON,
Notary Public.

My commission expires April 6th, 1931.

Correct—Attest:

B. L. CALLAHAN,
J. H. DORSEY,
ANTHONY J. CARROLL,
Directors.

#205,178 JEFFERSON CIRCUIT COURT
CHANCERY BRANCH
SECOND DIVISION.

COMMONWEALTH OF KENTUCKY ON RELATION, et al., PLAINTIFFS,

vs-

THE LOUISVILLE TRUST COMPANY, et al., DEFENDANTS,

ANNIE BULLITT BREWER, PLAINTIFF and INTERVENOR,

vs-

FILED IN COURT
[illegible] YOUNGMAN, CLERK
[illegible] DEPUTY

FIDELITY & COLUMBIA TRUST COMPANY, RECEIVER OF THE LOUISVILLE TRUST COMPANY, et al., DEFENDANTS.

JOINT ANSWER OF THE LOUISVILLE TRUST COMPANY, TRUSTEE UNDER THE WILL OF CLARA KENNEDY BULLITT, DECEASED, THE LOUISVILLE TRUST COMPANY, INDIVIDUALLY and FIDELITY & COLUMBIA TRUST COMPANY, RECEIVER.

PARAGRAPH I.

The defendants, The Louisville Trust Company, Trustee under the Will of Clara Kennedy Bullitt, deceased, The Louisville Trust Company, individually, and Fidelity and Columbia Trust Company, Receiver of The Louisville Trust Company, named in

the intervening petition of Annie Bullitt Brewer, for answer to said intervening petition deny that The Louisville Trust Company either in its capacity as Trustee under the Will of Clara Kennedy Bullitt, deceased, or in its individual capacity, at any time treated or construed Item 8 of the Will of Clara Kennedy Bullitt as mandatory on the Trustee named in said Will to obtain the advice or consent of C. Malcolm Bullitt before making any reinvestment, investment, sale or change of all of said trust estate, or of any part thereof.

These defendants deny that The Louisville Trust Company as said Trustee had secretly, or without the knowledge or consent of said intervening plaintiff invested funds belonging to the corpus of said trust estate in the sum of $14,500, or in any sum, in 580 shares, or any shares, or share, of the Common Capital stock of the BancoKentucky Company, and deny that said plaintiff did not know of, or discover the fact, that said Trustee had acquired for said trust estate 580 shares of the Capital stock of the BancoKentucky Company.

Defendants deny that The Louisville Trust Company in acquiring for said trust estate said 580 shares of the Banco-Kentucky Company stock wilfully or fraudulently or in bad faith, or utterly, or at all, breached Item 8 of said Will of Clara Kennedy Bullitt, or that it purposely, or at all, concealed or hid from C. Malcolm Bullitt, or from said intervening plaintiff, or from any of the remaindermen under said Will named as defendants in said intervening petition the acquisition of said 580 shares of Banco-Kentucky Company stock for said trust estate, and deny that the sum of $14,500, or any part thereof, belonging to said trust estate was misused, or that The Louisville Trust Company made a secret profit, or any profit, for itself from said alleged funds, or any

part thereof, or from or out of said trust estate in the manner and form as alleged in said intervening petition, or at all.

Defendants deny that at the time of the acquisition by said trust estate of the said 580 shares of BancoKentucky Company stock, the BancoKentucky Company owned or controlled any stock in various or any speculative enterprises; and deny that at the time of the acquisition by the said trust estate of the 580 shares of BancoKentucky Company stock, the BancoKentucky Company had not been in operation more than ten years, as required or contemplated by Section 4706 of Kentucky Statutes; deny that at the time of the acquisition by said trust estate of the said 580 shares of BancoKentucky Company stock, the officers or directors of The Louisville Trust Company were heavy owners of stock of BancoKentucky Company, or that they, or any of them, were speculators on margin or credit of the stock in BancoKentucky Company; and deny that from or by reason of any of the facts alleged, or at all, said The Louisville Trust Company as Trustee was misusing or did misuse the funds, or any fund, of said trust estate when it acquired the said 580 shares of stock of the BancoKentucky Company.

The defendants deny that said intervening plaintiff has been bereft of the income from the said $14,500, or any part thereof, or that the corpus of said trust fund has been bereft of $14,500, or any part thereof, by reason of said alleged breach of trust, or any breach of trust, or the fraudulent or scandalous conduct, or any conduct, of The Louisville Trust Company, or by or through the wilful or illegal acts or any act of The Louisville Trust Company, or to the permanent detriment or harm, or any detriment or harm of said intervening plaintiff, or of said remaindermen, or any of them, or against the conscience of equity, or any breach of the statutes, or any statute, in such case made

and provided.

Defendants deny that for all of the $14,500, or any part thereof, referred to in said intervening petition, said estate of Clara K. Bullitt, or the beneficiaries under her Will, or any of them, are entitled to a preference on the assets of the defendant, The Louisville Trust Company; and deny that said alleged claim is preferred under Sections 598-b-4, or 3868 Kentucky Statutes.

PARAGRAPH II.

For further answer to the intervening petition of Annie Bullitt Brewer, these defendants state:

That the said Clara K. Bullitt, after making certain specific and pecuniary bequests devised and bequeathed under Item 6 of her Will all of the residue of her estate, real and personal, unto The Louisville Trust Company in trust as follows:

"To invest and reinvest the same as often as in its judgment the interests of the estate and the production of a good income may demand, and to that end and for the purpose of distribution and settlement of my estate, it shall have power to sell and convey the real estate, and to sell and transfer the personal estate from time to time and whenever necessary, for the best interests of my estate; to pay to my daughter, Annie Bullitt Brewer, during her life, monthly or quarterly, the net income of the estate, after payment of taxes and all lawful charges and expenses. Should my said daughter anticipate, pledge or attempt to dispose of her estate herein, or should any of her creditors attempt by legal proceedings or otherwise, to subject her said interest to the payment of their demands, then, in any of said events, her said interest in my estate shall thereby and at once cease and terminate, and vest in the devisees in remainder."

That at the time of the death of Clara Kennedy Bullitt, she was the holder and owner of 18 shares of stock of the National Bank of Kentucky; that The Louisville Trust Company made a full and complete settlement of its accounts as Executor of the Will of Clara Kennedy Bullitt, deceased, and thereupon transferred to itself as Trustee under said Will all of the residue of said

estate, and that said 18 shares of National Bank of Kentucky stock were included in said residuary estate that came into the hands of The Louisville Trust Company as Trustee, and that said Trustee never sold the said 18 shares of stock, or any part thereof, but still holds the same, but in the converted form as hereinafter set out.

That thereafter, on the _____day of April, 1927, the National Bank of Kentucky duly and regularly declared a dividend of 60% on all of its then outstanding stock and in payment thereof issued to its stockholders certificates for 60% of the amount of stock then held by each stockholder in the National Bank of Kentucky, and by virtue of the declaration of said dividend and the payment thereof in stock The Louisville Trust Company, as Trustee under the Will of Clara Kennedy Bullitt, became entitled to and received from the National Bank of Kentucky 10.8 shares of its capital stock, in addition to the 18 shares then held by it. The said National Bank of Kentucky did not issue certificates for fractions of shares, and it became necessary for The Louisville Trust Company as Trustee, to sell 8/10 or purchase 2/10 of a share. The said National Bank of Kentucky had regularly paid dividends on its Capital stock in amounts which produced an adequate income on the value thereof and in the judgment of said Trustee the best interests of the estate could be served by purchasing 2/10 of a share rather than selling 8/10 of a share, and it did purchase 2/10 of a share of stock in the National Bank of Kentucky for which it paid the sum of $69.00, which was the fair and reasonable market value of said 2/10 of a share of stock in the National Bank of Kentucky at the time it was purchased. The Louisville Trust Company, as Trustee under the Will of Clara Kennedy Bullitt, was then the owner of 18 shares of the Capital stock in the National Bank of

Kentucky devised to it by the said testator, at the appraised value of $4320.00, of 10.8 shares of said stock which came to it as a stock dividend and 2/10 of a share which it purchased, paying therefor the sum of $69.00.

That on April 22nd, 1927, a large majority of the owners and holders of the Capital stock of the National Bank of Kentucky and a large majority of the owners and holders of the Capital stock of The Louisville Trust Company determined that the interests of these respective institutions as separate corporate entities and of each stockholder therein required closer cooperation of said Bank and Trust Company to be of greater service to their respective patrons and, in order to secure such cooperation, they entered into an agreement by which the stock of said National Bank of Kentucky and the stock of the said The Louisville Trust Company was pooled and placed in the hands of Henry Vogt, Thomas J. Kinary, Stuart E. Duncan, Allen P. Dodd, Edwin M. Drummond and Charles H. Bohmer, and their successors, as trustees, to hold and vote the same on the condition set forth in said trust agreement, a copy of which will be filed herewith as part hereof marked "Exhibit A", and Trustees' Participation Certificates therefor representing the proportion of each share-holder therein were issued and delivered to the respective stockholders; that The Louisville Trust Company, as Trustee of Clara Kennedy Ballitt, delivered to the trustees under said agreement of April 22nd, 1927, certificate for 29 shares of stock in the National Bank of Kentucky and received therefor Trustees' Participation Certificates in lieu of said 29 shares of stock; that said National Bank of Kentucky then had outstanding 40,000 shares of its capital stock, of the par value of $100 per share, and in accordance with the provisions of said pooling agreement under which the ownership of a large majority of the outstanding

stock of the National Bank of Kentucky and The Louisville Trust Company was unified, 39,820 shares of the National Bank of Kentucky were thus deposited with said trustees under the agreement of April 22nd, 1927, and The Louisville Trust Company had outstanding 17,500 shares of its Capital stock, of the par value of $100 per share, and in accordance with said agreement there were deposited with said trustees 17,235 shares of The Louisville Trust Company stock, and said trustees issued and delivered to the depositors of said bank stock and said trust company stock Trustees' Participation Certificates evidencing the ownership of 57,055 Participating Shares, as described in said agreement of April 22nd, 1927; that thereafter, each of said Trustees' Participation Shares was split or divided and 10 shares were issued in place thereof, so that The Louisville Trust Company, Trustee of Clara Kennedy Bullitt, became and was the owner of 290 Trustees' Participation Shares, and the trustees paid to the holders of Participation Certificates regularly thereafter dividends aggregating 16% per annum on the par value of the Capital stock of the National Bank of Kentucky and The Louisville Trust Company, so that The Louisville Trust Company, as Trustee of Clara Kennedy Bullitt, received an annual income of $464.00 from said Trustees' Participation Shares.

That the unification of the shares of Capital stock of the National Bank of Kentucky and of The Louisville Trust Company, through the transfer of the legal title to said shares unto Trustees, and the issue by said Trustees of Participation Certificates at the rate of one share in said unified trust fund for each share of said National Bank of Kentucky stock and for each share of The Louisville Trust Company stock unto the respective owners so transferring their shares of bank stock or trust company stock unto said Trustees, was designed and intended

for the purpose of enabling the National Bank of Kentucky and The Louisville Trust Company each to operate more advantageously and profitably and to enable each of them to facilitate and extend the operations and business of the other; that such unification of the holdings of stock of said two institutions was in accordance with the modern trend of business and was regarded by all persons competent to judge such matters to be to the best interests of both institutions and their respective stockholders.

That any actual merger and consolidation of the National Bank of Kentucky and The Louisville Trust Company into a single corporation was rendered impossible by reason of the fact that said bank was created and existed under an act of Congress providing for the establishment of national banks, while The Louisville Trust Company was organized under the laws of the Commonwealth of Kentucky; that the unification of interests, to the extent that the same was accomplished through the medium of aforesaid unified trust, was resorted to in an effort to secure for both of said institutions and their respective stockholders most of the advantages and benefits that would have accrued from actual consolidation of said two institutions if the same could have been accomplished legally.

That the operation of said two institutions for a period of more than one year under aforesaid unified trust arrangement proved and demonstrated the advantage of said plan to both said bank and said trust company and to their respective stockholders, and that it was thereupon determined by the officers and directors of both of said institutions and by those persons who were in fact the beneficial owners of a large majority of the shares of stock of both institutions, that it would be to the best interests of each of said institutions and of the respective stockholders thereof if a more complete and beneficial

unification of interests and of the operations of said two institutions were accomplished through the formation of a separate corporation for the purpose of acquiring from said Trustees such number of Trustees' Participation Shares as would vest in such new corporation the beneficial ownership of the majority of shares of outstanding stock of both said bank and said trust company; that in order to carry out such purpose, the BancoKentucky Company was organized as a holding corporation and was empowered to acquire and hold the shares of capital stock of both said bank and trust company, including the shares of Trustees' Participation Certificates issued by the trustees as aforesaid, and was further authorized and empowered to acquire and hold the shares of Capital stock of other banks, trust companies and corporations.

That immediately after the organization of the BancoKentucky Company as aforesaid, the beneficial owners of a large majority of the Capital stock of said bank and the beneficial owners of a large majority of the Capital stock of said trust company, constituting a large majority of the owners of said Trustees' Participation Shares, entered into a contract and agreement with the BancoKentucky Company pursuant to which said shareholders exchanged their respective Trustees' Participation Shares, representing their beneficial interests as stockholders in both said bank and trust company, for shares of the Capital stock of the BancoKentucky Company, upon the basis of two shares of BancoKentucky Company stock for one share of Trustees' Participation Certificates.

That in manner as aforesaid, a further and more complete unification of the interests of the stockholders in the Bank of Kentucky and the stockholders in The Louisville Trust Company was accomplished, and that at the time when said

The Louisville Trust Company, as Trustee under the Will of Clara K. Bullitt, exchanged the 290 shares of Trustees' Participation Certificates held in said trust estate for 580 shares of the Capital stock of the BancoKentucky Company, the BancoKentucky Company was the holder and owner of a large majority of said Trustees' Participation Shares and by reason thereof was the beneficial owner of a large majority of the Capital stock of both said bank and trust company; that at the time of aforesaid exchange, the BancoKentucky Company did not own, either directly or indirectly, any shares of stock in any other corporation, and that, while the BancoKentucky Company was in law and in fact a legal entity separate and distinct from both said bank and trust company, and competent to hold and own shares of stock of both said bank and trust company, the exchange of said 290 Trustees' Participation Shares for 580 shares of the Capital stock of the BancoKentucky Company, did not essentially change the nature or character of the interest of the trust estate of said Clara K. Bullitt in either said bank or trust company, save and except that said BancoKentucky Company became the beneficial owner of the shares of bank stock and the shares of trust company stock represented by said 290 Trustees' Participation Shares and became subject to the double liability attaching to both said bank stocks and said trust company stocks.

That neither at the time of the exchange as aforesaid nor at any time during the corporate existence of the BancoKentucky Company did it own or hold any bonds or bond or securities or security of any corporation that at the time of such ownership had not been in operation for more than ten years or that during such time had defaulted in the payment of principal or interest in its bonded debt, and that at no time during the

corporate existence of the BancoKentucky Company did it own the bonds of any county, district, town or city that within ten years had defaulted in the payment of interest or principal of its bonded debt.

That the aforesaid agreement entered into between the BancoKentucky Company and the owners of a large majority of the Trustees' Participation Shares, to exchange said Trustees' Participation Shares for shares of the Capital stock of the Banco-Kentucky Company, brought about a situation where it became apparent that unexchanged Trustees' Participation Shares would not maintain the market price that would attach to the shares of stock of the BancoKentucky Company that would be received therefor if such exchange were effected, and that said The Louisville Trust Company, in its capacity as Trustee under the Will of Clara K. Bullitt, deemed it to be to the best interests of said trust estate and of all the beneficiaries thereof, that such exchange of Trustees' Participation Shares for shares of the BancoKentucky Company be made, and that it did make such exchange for those reasons.

That at the time of the exchange of said 290 Trustees' Participation Shares for 580 shares of stock of the BancoKentucky Company was agreed upon and actually made, the BancoKentucky Company was not engaged in any business or activity other than the owning of the shares of stock of said bank and the shares of stock of said trust company represented by the large majority of the Trustees' Participation Shares that it had theretofore acquired and then owned, and that the fact that the BancoKentucky Company had not been in existence for the period of ten years did not in any way affect the safety of that part of said trust estate of Clara K. Bullitt, Deceased, which was then represented by the 580 shares of stock of the BancoKentucky Company received in exchange

by The Louisville Trust Company as Trustee under the Will of Clara M. Bullitt, Deceased.

That the acquisition by The Louisville Trust Company, as Trustee under the Will of Clara M. Bullitt, Deceased, of said 580 shares of stock of the BancoKentucky Company was a mere change in form of securities, and did not represent or result from any investment of funds by said Trustee except to the extent of $20.00 paid for two-tenths of a share of stock of the National Bank of Kentucky as aforesaid, but that such acquisition represented, and was in its essence, a mere continuation and retention of the ownership of said Trustees' Participation Shares belonging to the estate of Clara M. Bullitt, which in turn, were received by The Louisville Trust Company as Trustee under the Will of Clara M. Bullitt, Deceased, in exchange for the shares of bank stock as augmented by stock dividends, plus the purchase of two-tenths of a share as aforesaid, which belonged to said Clara M. Bullitt at the time of her death and which originally came to the hands of The Louisville Trust Company as Trustee under the Will of Clara M. Bullitt.

That the acquisition by The Louisville Trust Company as Trustee under the Will of Clara M. Bullitt of said 580 shares of BancoKentucky Company stock, under the facts and circumstances as hereinbefore set out, was both lawful and proper, and that in acquiring said 580 shares of BancoKentucky Company stock, The Louisville Trust Company acted in good faith and for the best interests of the complainant, Annie Bullitt Brewer, and all the other beneficiaries under the Will of Clara M. Bullitt, Deceased.

That at the time the aforesaid exchange was made for shares of stock of the BancoKentucky Company, the purchase of stock of the BancoKentucky Company was regarded by prudent

business men generally as constituting a safe and proper investment; that for more than a year after the acquisition of said 580 shares of stock of the BancoKentucky Company, quarter-annual dividends were earned and paid thereon in an amount equal to or greater than any quarter-annual dividends theretofore paid upon either the shares of stock of the National Bank of Kentucky or of The Louisville Trust Company; and that the placing of the affairs of the BancoKentucky Company in the hands of a receiver was brought about and resulted from the closing of the National Bank of Kentucky and The Louisville Trust Company respectively and was not occasioned by any losses sustained by the BancoKentucky Company itself.

That Section 4706 of the Kentucky Statutes, insofar as the same forbids investment of funds held in a fiduciary capacity to be made in dividend-bearing securities of a corporation that has not been in existence for a period of ten years, was designed to prevent the investment of such funds in new and untried corporate enterprises, and was not intended or designed to prevent the investment of trust funds in shares of stock even of a newly-formed corporation which was in fact a mere corporation organized for the purpose of holding the shares of stock of other corporations that had been in existence for a period of more than ten years and which had not during said time defaulted in the payment of principal or interest on their respective bonded debts and which were regarded by prudent business men generally as constituting a safe and proper investment; that the BancoKentucky Company regardless of the fact that it had not been in existence for a period of ten years, was, in fact and in essence, a corporation whose capital stock met all the requirements for investment of funds held in a fiduciary capacity as required by Section 4706

of the Kentucky Statutes; that at the time said exchange was made, the only activity of the BancoKentucky Company consisted in the control of said bank and trust company and the respective businesses thereof, both of which had been in operation for more than ten years; that in the organization of the BancoKentucky Company it was determined to be an essential part of said plan of organization that its shares of stock, or at least a substantial majority thereof, be owned by the Trustees' Participation shareholders, and that the BancoKentucky Company be managed and operated by the Boards of Directors and the officers of said bank and trust company; that said organization plan was in fact carried out and that during the entire time of the corporate existence of the BancoKentucky Company, it was managed and operated by a Board of Directors and by officers who constituted the Boards of Directors and officers of the bank and trust company, respectively.

That the organization of the BancoKentucky Company and the acquisition by it of the control of the National Bank of Kentucky and The Louisville Trust Company, through its ownership of said Trustees' Participation Shares was in fact and in substance a mere reorganization which permitted a continuation of the business of the bank and trust company, respectively, under their former management, and that such reorganization in no way injured said trust estate, but on the contrary it benefited the same.

PARAGRAPH III.

For additional answer to said intervening petition of Annie Bullitt Brewer, these defendants state:

That it was the declared purpose of those who organized the BancoKentucky Company in 1929 that said corporation

would exchange its stock for the stock of the National Bank of Kentucky and The Louisville Trust Company; that said declaration and purpose was published in the newspapers of Louisville and widely discussed throughout the City of Louisville and that The Louisville Trust Company, as such Trustee, on March 29, 1930, caused to be made up and delivered to the plaintiff, Annie Bullitt Brewer, a statement of assets in its hands belonging to said estate, which statement set forth the transaction showing that 290 shares of said Trustees' Participation Certificates had been exchanged for 580 shares of the BancoKentucky Company. Said statement further showed that the BancoKentucky Company had paid into said estate a quarterly dividend on said stock and September 30, 1930, it caused another statement to be made up and delivered to the plaintiff, Annie Bullitt Brewer, which last statement showed that The Louisville Trust Company, as such Trustee, was then holding 580 shares of the BancoKentucky Company stock and that it had received from the BancoKentucky Company dividends thereon and by said written statement so delivered to the plaintiff, Annie Bullitt Brewer, by The Louisville Trust Company, as Trustee, she was notified and knew that said Trustee had exchanged the 18 shares of stock in the National Bank of Kentucky, which came to its hands from the estate of Clara Kennedy Bullitt, and the stock delivered to it by the National Bank of Kentucky as a dividend, together with the 2/10 of a share purchased by it for Trustees' Participation Certificates covering stock in National Bank of Kentucky and The Louisville Trust Company, and that it had exchanged said 290 Trustees' Participation Certificates for 580 shares of the Capital stock of the BancoKentucky Company and she did not at the time either of said statements were delivered to her, or at any time until November 17,1930, object to said

transfer; that the said Trustee received from the BancoKentucky Company dividends on the 580 shares of stock so held by it on January 1, 1930, on April 1, 1930 and on July 1, 1930, and on October 1, 1930, and the dividends so received from the BancoKentucky Company were paid by it to the plaintiff, Annie Bullitt Brewer, and she thereby approved the acquisition by The Louisville Trust Company, as Trustee, of the 580 shares of the BancoKentucky Company.

By reason of the foregoing facts, the plaintiff, Annie Bullitt Brewer, is guilty of laches and is estopped from asserting any claim against the defendants on account of the acquisition or holding of the said 580 shares of stock in the Banco-Kentucky Company, and they plead and rely upon such estoppel in bar of her right to recover herein.

WHEREFORE, the defendants pray that plaintiff's petition be dismissed; for their costs and for all proper relief.

[signature]

[signature]

[signature]

Attorneys for the defendants.

STATE OF KENTUCKY
COUNTY OF JEFFERSON

The affiant, N. H. Dosker, states that he is Vice President of the defendant, The Louisville Trust Company; that he has read the foregoing answer and believes the statements contained therein are true.

N. H. Dosker

SUBSCRIBED AND SWORN to before me by N.H. Dosker this 23rd day of March 1931. My commission expires 12-6-32.

Alvine Luster

Notary Public, Jefferson County, Kentucky

a reasonable time as directed by said will, or that when said stock was sold it did not receive therefor bonds issued by the United States of America or invest the proceeds in said bonds, or that by reason of the alleged failure of said executor and trustee to faithfully carry out its trust in regard to said Van Camp Packing Company stock said estate was damaged in the amount of $10,867, or any sum, and defendant denies that said Van Camp Packing Company stock was sold at all.

PARAGRAPH II.

For further answer to the petition of the Fidelity and Columbia Trust Company, as trustee under the will of said Frank A. Menne, the defendant, the Louisville Trust Company states that the will of the said Frank A. Menne, among other provisions, contains the following:

" . . . . I further direct that my Executor and Trustee convert into cash as soon after my death as its best judgment may direct, the remainder of my estate, both real and personal, except my home-place, "Kenilworth", and invest the same in bonds issued by the United States of America, by it to be held, used and controlled during the period of time hereinafter stipulated for the use and benefit of my said wife, Katie Kissel Menne, and my children, Flora Annette Evans, Bertram Louis Menne, Edwin Charles Menne, Catherine May Menne Cogsins, Mildred Margaret Menne, Clifford Raymond Menne, and any other children hereafter born to me, as hereinafter provided, and my Executor and Trustee is empowered and requested to manage the estate in such a way as may seem to it most to redound to the best interest of my said wife and children and to use profit, increase and income for the benefit of my estate in the same way and as fully as I could lawfully do if living, subject only to the express provision of this my last Will.

"Whenever my Executor and Trustee has on hand any fund for investment, whether realized from unexpended income or from the sale of property, either real or personal, belonging to my estate, whether referred to in this clause or any other clause of my Will, I direct my Executor and Trustee to invest said fund in bonds of the United States of America, and give to said Executor and Trustee no discretion for investment or re-investment in other securities or property."

. . . . . .

"11. I hereby appoint the Louisville Trust Company Executor and Trustee of this my last Will, and expressly authorize it to sell and convey any real or personal estate that may belong to me, and pass a good title thereto with the assent of any one of the Committee provided for in Clause Thirteenth hereof, which assent shall be evidenced by the signature of said member of the

Committee to the writing evidencing such sale, and the purchaser shall not be required to look to the application of the purchase money.

"17. I appoint my friends, August C. Walter of St. Louis and Henry J. Angermeier, of Louisville, Ky., as Advisory Committee, to cooperate with my Executor and Trustee in the management of my estate and supervise all accounts and investments thereof, this Committee also to be consulted as to the disposition of my real estate and my Executor and Trustee is to be governed by their decision. * * * * *"

Defendant states that the said August C. Walter and the said Henry J. Angermeier each accepted the appointment as a member of the said Advisory Committee under the terms of said will, and in accordance with the terms of said will advised this defendant as to the manner of sale of said estate, and further in accordance with said will were kept regularly informed as to the status of said estate, both as to the principal and the income therefrom, said formal statements showing the status of said estate as to principal and income being sent to each of said persons quarterly during each year.

Defendant states that at the time of the qualification of this defendant as the executor of the will of said Frank A. Lerne it was not deemed prudent, because of the prices which it would have been necessary to have accepted for same, to sell either the stock in the National Bank of Kentucky, or the stock in the Jacobsen Divers, Inc., or the stock in the Van Camp Packing Company, which said stock is set out in the petition herein, but that at a later time this defendant recommended to the said August C. Walter and the said Henry J. Angermeier that said stock should be sold, but that this defendant was unable after correspondence and conferences with said Walter and said Angermeier to secure the assent either of said Walter or said Angermeier to the sale of any of said stock, and that at no time up to the closing of the said Louisville Trust Company on November 17, 1930, was this defendant able to secure the assent of either of the members of said committee to the sale of any of said stock.

on the 27th day of March, 1929, it was given all the powers of a combined bank and trust company under the statutes of the State of Kentucky.

That under said trust agreement dated April 22, 1927, referred to above, Henry Vogt, Thomas J. Minary, Stewart E. Duncan, Allen P. Dodd, Edwin K. Drummond and Charles H. Bohmer were created trustees for the purpose of holding in trust the capital stock of the National Bank of Kentucky of Louisville, Kentucky, and the capital stock of the Louisville Trust Company, of Louisville, Kentucky, with the power to issue to the holders of stock in either of said two corporations a certificate representing the same number of shares of said trust estate of the par value of $100 each as said depositing stockholder owned in either the said National Bank of Kentucky or said The Louisville Trust Company, and that under the terms of said trust the said trustees had powers as set out in said trust agreement, among others the following, same being contained in Section III of said trust agreement:

"(4) In addition to the Trust Estate herein presently provided for, the Trustees shall have power to purchase all or part of the stock of any other corporation of similar character and engaged in a like or similar business, but only with the written consent of the Advisory Committee, as to terms, price and conditions of purchase, and any stock so purchased by The Trustees shall become and be a part of the Trust Estate above referred to, and the Trustees may issue Trustees' Participation Certificates in sufficient amount to pay for the stock so purchased by them. The Trustees may issue such new certificates direct to the holders of the stock so purchased by the Trustees in exchange or payment therefor, in whole or in part, or may sell such Trustees' Participation Certificates to the then holders of such Trustees' Participation Certificates in proportion to their then holding thereof, which right of purchase by such holders shall be assignable. If all the certificates so offered to existing certificate holders be not taken and paid for by them or their assigns within the time fixed by the Trustees in their offering of the same, it shall be the duty of the Trustees to offer for sale such certificates not taken or paid for to any other person or persons."

* * * * * * * * *

"(6) The Trustees, with the written consent of the Advisory Committee, may sell any stock acquired under Subsection (4) of Article III and the proceeds of sale when collected shall be disposed of by the Trustees with the written consent of the Advisory Committee by:

(a) - Either dividing the same among the holders of Trustees' Participation Certificates, in which event the Trustees shall have the right to correspondingly reduce pro

rata the number of shares represented by outstanding Trustees' Participation Certificates; or

(b) - Using the same in the purchase of stock of corporations engaging in like or similar business; or

(c) - Adding to the capital or surplus or capital and surplus of any of the corporations the stock of which is owned by the Trustees."

. . . . . .

"(7) The Trustees, with the written consent of the Advisory Committee:

(a) Shall have the right to consent to and take any legal action appropriate for an increase or decrease in the capital stock of any corporation, the stock of which may become a part of the Trust Estate:

(b) In case of an increase in the capital stock of any such corporation, the propor proportionate part thereof to which the Trustee may be entitled, may be purchased by them and same shall be added to and become a part of the indivisible Trust Estate held by the Trustees under the same terms and conditions as are herein provided for the stock acquired hereunder;

(c) The Trustees shall thereupon issue additional Trustees' Participation Certificates equal to the par value of such increase of capital stock so purchased by them and shall offer the same pro rata to the then holders of outstanding Trustees' Participation Certificates at a price which will reimburse the Trustees for the purchase price so paid by them.

If any holder of Trustees' Participation Certificates declines or fails within a reasonable time to be fixed by the Trustees, to take his prorata of such increased issue of certificates, and which right of purchase by such holder shall be assignable, the Trustees shall have the right to sell such certificates to any purchaser for a price not less than that at which the Trustees acquired such stock.

(d) In case either the Bank or Trust Company, or any other institution in which the Trustees shall own stock, shall reduce its outstanding capital stock in the manner provided by law so as to effect a distribution of corporate assets among stockholders, the Trustees shall dispose of said fund as a distribution pro rata among the holders of Trustees' Participation Certificates or, under the written direction of the Advisory Committee, for the benefit of the trust estate, in any other lawful manner.

(8) The Trustees shall have the right, and it shall be their duty subject only to the limitations herein prescribed, to exercise in the interest of the holders of Trustees' Participation Certificates, all of the powers of management and control over any corporation in which they shall hold stock, incident to the ownership of stock held by them hereunder, and their power shall include all rights as stockholders in connection with any corporate purposes or functions whatever and shall authorize them to exercise all voting rights and rights of ownership over such

stock in the election of directors or in the discharge of any other corporate functions.

Provided, however, that the owner of record on the books of the Trustees of any Trustees' Participation Certificate, shall have the right by written directions to the Trustees given at least 5 days before the vote is to be cast, to instruct them how they shall vote in the corporate meetings such proportionate number of shares therein owned by the Trustees as the number of shares represented by the Trustees' Participation Certificate owned by such person giving such directions may bear to the total number of shares represented by outstanding Trustees' Participation Certificates, and the Trustees shall vote such proportion of stock in accordance with such instruction.

(9) Dividends received by the Trustees on any stock held by them shall be distributed among the holders of Trustees' Participation Certificates; provided, however, that upon the written direction of the Advisory Committee, the Trustees may use any extra dividends, or part thereof, received by the Trustees, for the benefit of the trust estate, in any lawful manner."

. . . . . .

"(11) The enumeration of powers herein shall not be held to be exclusive of other powers herein referred to or incidental to the powers herein mentioned."

That said The BenecKentucky Company was, and is, a corporation duly organized under the laws of the State of Delaware, with the following powers, among others, towit:

"THIRD: The nature of the business, or objects or purposes proposed to be transacted, promoted or carried on are:

"The acquiring by purchase or otherwise of all or any portion of the capital stock, property, assets and franchises of any or all corporations transacting business in any State of the United States; the purchasing, holding, selling, assigning, transferring, mortgaging, pledging or otherwise disposing of shares of the capital stock of or any bonds, securities or evidences of indebtedness created by or issued by any other corporation or corporations organized under the laws of any State of the United States or of any foreign country and while the owner thereof to exercise all the rights, powers and privileges of ownership; the purchasing or otherwise acquiring of any promissory notes or other evidences of indebtedness executed by any person, firm, association or corporation; the financing managing or operating of any commercial or manufacturing business or enterprise; the underwriting of any issue of stocks, bonds, debentures or other securities issued by any corporation; the charging of fees or commissions for any or all services rendered or advice or assistance given to any person, firm, association or corporation; acquiring and paying for in cash, stocks or bonds of this corporation or otherwise the good will, rights, assets

and property of any person, firm, association or corporation and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm or corporation.

The corporation shall have power to act as registrar or transfer agent for any other association or corporation and to act as agent in general for any other person, firm, association or corporation.

The corporation shall have full power to issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge, deed of trust or otherwise. The corporation shall have full power to purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital; and provided, further, that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

The corporation shall have full power to guarantee the obligations of any other person, firm, association or corporation and to become surety therefor and to become joint maker, endorser or acceptor of any such obligations and to charge fees and commissions for such services.

The corporation shall have full power without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States of the United States, or any foreign country, subject to the laws of such States or foreign countries.

In general the corporation shall have full power to carry on any other business in connection with the foregoing, whether commercial, manufacturing, financial or otherwise, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The foregoing clauses shall be construed both as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation."

A copy of the Articles of Incorporation of said The BancoKentucky Company, if required, will be filed herewith as part hereof, as if fully copied herein, and marked Exhibit "B".

That at the time the said 80 shares of the capital stock of the National Bank of Kentucky were exchanged by this defendant for said 80 Trustees' Participation shares, the said Trust had as assets of said

No. 205,178-f

JEFFERSON CIRCUIT COURT

CHANCERY BRANCH

SECOND DIVISION

COMMONWEALTH OF KENTUCKY, on relation of O. S. Denny, Banking Commissioner Commonwealth of Kentucky.

FILED IN COURT 1931

ATTEST LOUIS VISSMAN, CLERK

By ____ DEPUTY CLERK

PLAINTIFF

-vs-

LOUISVILLE TRUST COMPANY,

DEFENDANT

ANSWER OF LOUISVILLE TRUST COMPANY

Comes the defendant, Louisville Trust Company, and for its answer to the petition and amended petition of the Fidelity and Columbia Trust Company, as Trustee under the will of Frank A. Kenne, deceased, denies that contrary to the terms of the will of said Frank A. Kenne said Louisville Trust Company did not exercise its best judgment to dispose of said National Bank of Kentucky stock within a reasonable time, and denies that on August 1, 1929 it sold and transferred the same for 800 participating certificates of the National Bank of Kentucky-Louisville Trust Company stock, or that on November 22, 1929 it sold and transferred said participating certificates for 1600 shares of Bancokentucky Company stock, or that the said Louisville Trust Company sold said stock at all, or that by reason of said alleged action, or any action, of the said Louisville Trust Company the terms of said will of said Frank A. Kenne were violated in that said Louisville Trust Company did not exercise its best judgment, or sell same within a reasonable time as directed by said will, or that at any time when same were sold or transferred said Louisville Trust Company did not receive therefor bonds issued by the United States of America and invest the pro-

ceeds in said bonds, or that by reason of said alleged failure of said executor and trustee to faithfully carry out its trust in regard to said National Bank of Kentucky stock, said estate was damaged in the sum of $43,200, or any amount, or that the said Louisville Trust Company violated the provisions of said will in any particular.

Defendant further denies that contrary to the terms of the will of said Frank A. Menne, said Louisville Trust Company did not exercise its best judgment to dispose of said 100 shares of Godchaux Sugars, Inc. preferred stock within a reasonable time, or that on August 9, 1929 it sold and transferred same for other stock of said Godchaux Sugars, Inc., or that by reason of said alleged action of this defendant, or by reason of any action of this defendant the terms of said will of said Frank A. Menne were violated in that said Louisville Trust Company did not exercise its best judgment and sell same within a reasonable time as directed by said will, or that when said stock was sold it did not receive therefor bonds issued by the United States of America or invest the proceeds in said bonds, or that by reason of said alleged failure of said executor or trustee to faithfully carry out its trust in regard to said Godchaux Sugars, Inc. stock said estate was damaged in the amount of $8,000 or any sum, and defendant denies that it sold said Godchaux Sugars, Inc. stock at all.

Defendant further denies that contrary to the terms of the will of said Frank A. Menne said Louisville Trust Company did not exercise its best judgment to dispose of said 207 shares of Van Camp Packing Company preferred stock within a reasonable time, or that on December 21, 1928 it sold or transferred the same for 207 shares of Van Camp Packing Company preferred stock and 103½ shares of common stock of the Van Camp Packing Company, or that by reason of said alleged action of the defendant the terms of said will of said Frank A. Menne were violated in that said Louisville Trust Company did not exercise its best judgment and sell same within

PARAGRAPH III.

Further answering herein, defendant states that the transfer of stock from the original form in which same was received by this defendant in each of the matters sued on herein, towit, stock in the Godchaux Sugars, Inc., stock in the Van Camp Packing Company and stock in the National Bank of Kentucky, was not a sale thereof, but was only an exchange of securities through re-organization of the respective corporations; that as to the said Van Camp Packing Company and the said Godchaux Sugars, Inc., the assets and the corporate entity remained the same, and that said re-organization through re-adjustment of the form of securities in each instance was for the purpose of aiding the corporation and its stockholders in issuing in exchange for the old securities new securities which it was in good faith believed by those interested therein would be more attractive to investors and more saleable, and that as to the National Bank of Kentucky, the re-organization of same was for the same purpose and also for the further purpose of bringing together the National Bank of Kentucky and the Louisville Trust Company, in the hope and expectation that the association of said two institutions under a unified control would result in larger profits to the stockholders of both institutions, as hereinafter set out.

Defendant states that said decedent, Frank A. Menne, during his life time and at the time of his death was the owner of fifty shares of capital stock of the National Bank of Kentucky, of the par value of $100 each; that on the 21st day of February 1922 this defendant qualified as executor of the will of said Frank A. Menne, and that the appraised market value of said shares of stock at said time was $16,250; that thereafter this said defendant transferred to itself as trustee under said will said fifty shares of stock of the National Bank of Kentucky, and on the 28th day of June, 1927, as such trustee, received a stock dividend of thirty shares of stock of the National Bank of Kentucky.

That during the period that this defendant acted as executor and as trustee of the will of said Frank A. Menno the value of the holdings of said estate in the stock of the National Bank of Kentucky increased, and that said increase came about largely, if not entirely, because of the early prospect of some sort of connection or consolidation with the Louisville Trust Company, and that the trust agreement hereinafter referred to dated April 22, 1927, effectuated said connection or consolidation, and as a result thereof said shares of stock and trustees participation shares, hereinafter referred to, enhanced further in value after same came into the hands of this defendant as trustee, and that said shares further enhanced in value because of the formation of the BancoKentucky Company.

That on June 28, 1927, the defendant herein, as such executor, transferred said stock into eighty so-called Trustees' Participation Shares, the certificate issued therefor representing eighty shares of the par value of $100 each of an indivisible trust estate created by a trust agreement dated April 22, 1927, ~~said trust estate consisting~~ at that time solely of shares of the capital stock of the National Bank of Kentucky of Louisville, Kentucky, and The Louisville Trust Company, of Louisville, Kentucky. A copy of said trust agreement, if required, will be filed herewith, as part hereof, as if fully copied herein, marked Exhibit "A".

That thereafter, towit on August 1, 1929, this defendant as such trustee exchanged said 80 Trustees' Participation Shares of the par value of $100 each for 800 of said Trustees' Participation Shares of the par value of $10 each, said trustees having by proper action changed the par value of said shares from $100 to $10 each.

That thereafter, towit on November 22, 1929, this defendant as trustee exchanged said 800 Trustees' Participation Shares for 1600 shares of the common stock of the BancoKentucky Company.

That the Louisville Trust Company at all the times herein mentioned had all powers given to trust companies by the statutes of the State of Kentucky, and by proper amendment of its Articles of Incorporation

[redacted] original stock of the National Bank of Kentucky and of the [redacted] Trust Company; and at the time the 600 shares of the par value [redacted] each of said Trustees' Participation shares, held by their defendant trustee herein, were exchanged for [redacted] shares of stock in The BancoKentucky Company, said The BancoKentucky Company had no assets other than [redacted] Trustees' Participation shares of said Trust and such cash as had been [redacted] as subscriptions to its stock.

That it was the opinion of the directors of said The National [redacted] Bank of Kentucky that it was to the interest of said The National Bank of Kentucky and of its stockholders, including the estate of said Frank A. [redacted] that the reorganization of interest with the Louisville Trust Company [redacted] on the plan of said trust agreement of April 22,1927, [redacted] on the stock and the value of the investment would [redacted] and that it was also the opinion of the directors of [redacted] National Bank of Kentucky that the organization of said The BancoKentucky Company and the exchange of said Trustees' Participation shares [redacted] shares of stock in said The BancoKentucky Company and the carrying on of the corporate purposes of said The BancoKentucky Company would likewise result in increased earnings and increased value of the investment of that portion of the estate of Frank A. Verne formerly represented by said stock in The National Bank of Kentucky.

That the organization of said The BancoKentucky Company and the exchange of said Trustees' Participation shares for shares of stock therein was considered by the stockholders, directors, officers, trustees and other persons involved therein as a reorganization of The National Bank of Kentucky and the Louisville Trust Company, and that the Government of the United States, by a ruling of the Bureau of Internal Revenue, after a hearing of all the facts connected with said transaction, held that same was a reorganization of the institutions above mentioned, and that the exchange of said Trustees' Participation [redacted] for shares of stock in The BancoKentucky Company was not a sale of securities and that no profit or loss resulted

to the owners of said Trustees' Participation shares from said exchange.

That if this defendant, either as executor or as trustee, had sold the said Trustees' Participation shares or the said stock of the BancoKentucky Company received in exchange for said Trustees' Participation shares, said sale would have resulted in a profit to said estate and that said estate would have been forced to pay income taxes thereon.

That at the time of the organization of said The BancoKentucky Company both the said The National Bank of Kentucky and the said Louisville Trust Company had been in successful operation and had paid dividends continuously for a period of more than thirty years, and the Trustees' Participation shares had also paid dividends during the time such shares were in existence, and that for that reason, although said The BancoKentucky Company as a corporation had not been in existence for a period of ten years, the corporations, the stock of which comprised its assets as above set out, had been in existence and in active and successful operation for a period of time much longer than ten years, and during said time had not defaulted in the payment of the interest or principal of any debt, bonded or otherwise.

That very many of the most prudent and successful business men in the City of Louisville and the State of Kentucky and elsewhere, including stockholders, directors and officers of the National Bank of Kentucky and the Louisville Trust Company, and others, regarded the plan by which the affiliation of the National Bank of Kentucky and the Louisville Trust Company was effected, by the trust agreement above mentioned and by the organization of The BancoKentucky Company and the exchange of securities thereunder, as herein mentioned, as very advantageous to all the stockholders of the said bank and the said trust company, and exchanged their own stocks in said bank and said trust company for Trustees' Participation shares, and exchanged their Trustees' Participation shares for stock in The BancoKentucky Company, and that said Trustees' Participation shares and said BancoKentucky stock were then regarded by prudent business men as safe investments, and continued to be so regarded until within a few days of the date of the closing of the

National Bank of Kentucky and the Louisville Trust Company.

That this defendant exchanged said shares as set out herein and purchased said stock in The BancoKentucky Company only after it had received legal opinions from lawyers in whom it had confidence that said exchange of securities and said purchase of stock were legal and not in violation of any statute or other law of the Commonwealth of Kentucky.

That as to the 1900 shares of stock in the BancoKentucky Company which were exchanged for Trustees' Participation shares as above set out, there was no investment of the funds of the estate of Frank A. Menne, deceased, but merely an exchange of securities through reorganization.

That after the exchange of the said stock of The National Bank of Kentucky for Trustees' Participation shares as set out herein, dividends at the rate of sixteen per cent per annum were earned and paid quarterly on said shares, which said dividends were in excess of any dividends theretofore paid on said stock of The National Bank of Kentucky; and after the exchange of said Trustees' Participation shares for said stock in The BancoKentucky Company, dividends were earned and paid on said stock quarterly, up to and including October 30th, 1930, at the rate of twenty cents per quarter on each share of stock, which represented the same total quarterly dividend which had been paid on said Trustees' Participation shares held by this defendant as trustee for the estate of Frank A. Menne, deceased.

That so large a percentage of the stock of The National Bank of Kentucky was exchanged for said Trustees' Participation shares, towit, 39,820 shares out of a total of 40,000 outstanding shares, and so large a percentage of said Trustees' Participation shares was exchanged for stock of The BancoKentucky Company, towit, more than ninety-five per cent thereof, that it was known to this defendant and to all other persons familiar with transactions in investment securities that after the period for the exchange of said respective securities expired, either the stock in The National Bank of Kentucky, or the Trustees' Participation shares would possess little or no marketability, and for that reason would be less desirable, either as a

trust investment or as an investment for a private individual, than would stock in The BancoKentucky Company.

That the BancoKentucky Company was placed in the hands of a receiver solely because of the closing of the National Bank of Kentucky and the Louisville Trust Company and the losses to The BancoKentucky Company which resulted therefrom, and that but for the closing thereof said The BancoKentucky Company would now be a going and prosperous corporation and would be earning and paying dividends.

That had this defendant retained said stock in The National Bank of Kentucky owned by the estate of said Frank A. Menne, either in its original form or as Trustees' Participation shares, same would have been of no greater value than the said BancoKentucky Company stock into which it was converted, and furthermore, either as stock in The National Bank of Kentucky or as Trustees' Participation shares said investment would in all probability have entailed an additional liability against said estate in accordance with the statutes of the Commonwealth of Kentucky relating to the liability of owners of stock in banks and trust companies.

PARAGRAPH IV.

Further answering herein defendant, Louisville Trust Company, says:

That all of the beneficiaries under the will of said Frank A. Menne who had any interest in the question of the retention or early re-investment of the securities held by the said Frank A. Menne, and particularly Mrs. Katie Menne, the widow of said Frank A. Menne, knew of the retention of the stocks referred to herein in the estate of Frank A. Menne and received statements thereof showing said stock as investments and showing the dividends received therefrom, and received and accepted income on account of said dividends, and no complaint of the retention of said stocks or the exchange

thereof, in accordance with the reorganization plans of the companies involved, was ever made by the said Katie Kenne or any other person interested in said estate or by the advisory committee appointed under the will of the said Frank A. Kenne, until after the 24th day of November, 1930, and the dividends on said stock were, with full knowledge of their source, received by said Katie Kenne and the other persons interested in said income without objection.

That because of the facts herein set forth the said Fidelity and Columbia Trust Company as Trustee under the will of the said Frank A. Kenne is estopped to claim any sum in damages against this defendant insofar as the income accruing to the said Katie Kenne and the other recipients of income from said estate is concerned on account of the failure of this defendant to sell the stock of the Godchaux Sugars, Inc., or the stock of the Van Camp Packing Company or the stock of the National Bank of Kentucky, or on account of the exchange of said securities for other securities through reorganizations of said companies.

WHEREFORE, having fully answered, defendant prays to be dismissed hence with its costs, and for all other equitable relief to which it may appear to be entitled.

Attorneys for Defendant,
Louisville Trust Company.

Exhibit 126

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Assets Acquired by BancoKentucky Company and Condensed Statement of Cash Receipts and Disbursements During Period

September 25, 1929 to November 22,1930

Plaintiff's Exhibit No 126

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

1912

Exhibit 126

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

TELEPHONE
CADILLAC 4620

HUGH A. WHITE, C.P.A.
EDWIN H. BOWER, C.P.A.
HARRY H. PREVO, C.P.A.
L. S. McLAUGHLIN, C.P.A.

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14, 1938

Mr. A. M. Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

We have prepared and appended hereto a statement of assets acquired by

BancoKentucky Company

with the cost of those assets either in money or capital stock of the company and a condensed statement of cash receipts and disbursements during the period from September 25, 1929 to November 22, 1930.

The statement appended hereto was prepared from the books of account and records of BancoKentucky Company, now in the custody of the company's receiver, Mr. Shackelford Miller.

We are submitting, under separate cover, a statement of the analysis of operations of BancoKentucky Company from October 1, 1929 to November 22, 1930.

Very truly yours,

White, Bower & Prevo
Certified Public Accountants

Exhibit 1246

Statement of Assets Acquired by BancoKentucky Company, Showing the Acquisition Cost in Money or Capital Stock and a Condensed Statement of Cash Receipts and Disbursements

September 28, 1929 to November 22, 1930

Shares			Cash Received	Cash Paid Out	Shares BancoKentucky Issued
840,484	Trustees Participation Certificates - National Bank of Kentucky and Louisville Trust Company				1,080,968
	OTHER BANK SHARES ACQUIRED				
47,854	Pearl Market Bank and Trust Co., Cincinnati, Ohio, acquired on and after Sept. 30,1929			$ 2,200,296.30	54,936
44,290	Brighton Bank and Trust Co., Cincinnati, Ohio, acquired on and after Sept. 27,1929			2,323,409.90	51,469
848	Central Savings Bank and Trust Co., Covington, Kentucky, acquired on and after Dec. 9,1929			329,372.51	
2,099	Peoples Liberty Bank and Trust Co., Covington, Kentucky, acquired from Dec. 30,1929 to November 14,1930			491,136.89	
6,925	First National Bank, Paducah, Kentucky, acquired after Mar.19,1930				34,930
7,125	Ashland National Bank, Ashland, Kentucky, acquired on and after April 15,1930			87.50	56,930
2,713	Security Bank, Louisville, Kentucky, acquired on and after April 26,1930			217,800.00	29,294
575	Mechanics Trust and Savings Bank, Paducah, Kentucky, acquired Sept. 27,1930				5,175
	OTHER INVESTMENTS				
$2,000,000	Note James S. Brown, acquired Nov. 13,1929			2,000,000.00	
625	Union Central Life Insurance Company, Cincinnati, Ohio, acquired Dec. 17,1929			25,000.00	
10,000	Caldwell & Co., Nashville, Tennessee - Contract dated May 20,1930				800,000
$ 880,000	Notes Murray Rubber Co., Trenton, N.J., acquired Oct. 24,1930			880,000.00	
$ 20,000	Participation in note of Lewis C. Humphrey, acquired Oct.24,1930			20,000.00	
	Total cash paid for investments			$9,296,994.71	
	Dividends paid			1,258,615.00	
	Interest paid			88,972.84	
	General Expenses			60,681.99	
	BancoKentucky Company shares repurchased and cancelled			3,376,137.80	106,000
	Total cash disbursed			$ 12,908,949.44	
	BancoKentucky shares sold for cash		$ 9,869,650.00		894,756
	Dividends received		1,181,608.80		
	Interest earned on deposits and subscriptions		136,068.79		
	Funds borrowed, not repaid at suspension		1,680,000.00	12,887,312.39	
	Excess of expenditures over receipts:				
	Bank overdraft, National Bank of Kentucky	$ 82,637.15			
	Outstanding cheque	900.00			
	Cash items carried by National Bank of Kentucky at suspension	20,000.00		$ 21,537.15	
	Total shares BancoKentucky Company outstanding Nov. 15,1930				2,672,468

Exhibit 127

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Dividends Declared by National Bank
of Kentucky, Louisville Trust Company
and BancoKentucky Company
Subsequent to

October 2, 1929

Plaintiff's Exhibit No. 127

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

1915

Ex. 127.

Exhibit 127

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

HUGH A WHITE, C.P.A.
EDWIN N. BOWER, C.P.A.
HARRY N. PREVO, C.P.A.
L. B. McLAUGHLIN, C.P.A.

TELEPHONE
CADILLAC 4620

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14, 1938.

Mr. A.M.Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions, we have prepared a statement showing the dates on which dividends were declared by

The National Bank of Kentucky,

Louisville Trust Company, and

BancoKentucky Company,

subsequent to October 2, 1929. The statement also shows the dates on which the dividends were payable and the directors of each Bank present at the meetings when the dividends were declared.

The information pertaining to the National Bank of Kentucky and to BancoKentucky Company was taken from the original minutes of the respective Boards of Directors. Inasmuch as we were unable to obtain access to the original minutes of the directors of Louisville Trust Company, the information pertaining to this Bank was prepared from copies of the minutes as shown in the Transcript of Record of the case of National Bank of Kentucky, and A.M.Anderson, Receiver of National Bank of Kentucky vs. The Louisville Trust Company.

Very truly yours,

White, Bower & Prevo

Certified Public Accountants

Exhibit 127

ANALYSIS OF DIVIDENDS DECLARED AND PAID BY NATIONAL BANK OF KENTUCKY, LOUISVILLE TRUST COMPANY AND BANCOKENTUCKY COMPANY SUBSEQUENT TO OCTOBER 2, 1929.

	National Bank of Kentucky	Louisville Trust Company	BancoKentucky Company
Date Dividend Declared	December 13,1929	December 13,1929	December 13,1929
Date Dividend Payable	January 2, 1930	January 2, 1930	January 2, 1930
Rate of dividend per share	$4.00	$4.00	$0.20
DIRECTORS			
John S. Akers	P	P	P
H. J. Angermeier	P	P	P
Richard Bean		P	
William Black			P
Oscar E. Bloch	P	P	P
Charles H. Bohmer	P	P	P
George O. Boomer		P	P
R. R. Boswell		P	
James B. Brown	P		P
R. Lee Callahan	P	P	P
Anthony J. Carroll	P	P	P
George M. Clark	P	P	P
Samuel W. Coons	P	P	P
Allen P. Dodd	P		P
Nicholas H. Doaker		P	P
S. E. Duncan	P		P
Joseph H. Durham	P	P	P
C. Oscar Ewing		P	
James Garnett	P	P	P
Walter H. Girdler			P
Angereau Gray	P	P	P
James J. Hayes	P	P	P
T. Kennedy Helm	P	P	P
Baylor O. Hickman		P	
C. C. Hiatt	P	P	P
Saunders P. Jones	P	P	P
Milburn P. Kelley	P	P	P
Walter I. Kohn	P	P	P
Charles C. Mengel	P	P	P
Ben J. Metcalfe		P	P
T. J. Minary	P	P	P
David C. Morton		P	P
E. J. O'Brien, Jr.	P	P	P
Henry D. Ormsby	P	P	P
Arthur M. Rutledge	P	P	P
William S. Speed	P	P	P
John Stites	P	P	P
E. Leland Taylor		P	P
Horace A. Taylor		P	P
Robert F. Vaughn		P	P
Henry Vogt	P	P	P
E. Weinstock		P	P

Exhibit 127

	National Bank of Kentucky	Louisville Trust Company	BancoKentucky Company
Date Dividend Declared	March 14, 1930	March 14, 1930	March 21, 1930
Date Dividend Payable	April 1, 1930	April 1, 1930	April 1, 1930
Rate of dividend per share	$4.00	$4.00	$0.20
DIRECTORS			
Richard Bean		P	
Oscar E. Bloch		P	P
Charles H. Bohmer		P	P
George O. Boomer		P	P
R. R. Boswell		P	
James B. Brown	P		P
R. Lee Callahan	P		P
Anthony J. Carroll	P		P
George M. Clark	P		P
Allen P. Dodd		P	P
S. E. Duncan	P		P
C. Oscar Ewing		P	P
Angereau Gray		P	
James J. Hayes	P		
T. Kennedy Helm		P	P
Baylor O. Hickman	P		P
C. C. Hieatt		P	P
Charles F. Jones	P		
Saunders P. Jones	P		P
Milburn P. Kelley		P	P
Walter I. Kohn			P
Ben J. Metcalfe		P	
T. J. Minary	P		P
David C. Morton		P	
E. J. O'Brien, Jr.	P		P
Henry D. Ormsby	P		
Ben Robertson		P	P
Arthur M. Rutledge		P	P
William S. Speed	P		P
John Stites		P	
Sam H. Stone		P	P
R. Leland Taylor		P	P
Horace A. Taylor		P	P
Robert F. Vaughn		P	P
Henry Vogt	P		P
E. Weinstock		P	

Exhibit 127

	National Bank of Kentucky	Louisville Trust Company	BancoKentucky Company
Date Dividend Declared	June 20, 1930	June 13, 1930	June 18, 1930
Date Dividend Payable	July 1, 1930	July 1, 1930	July 1, 1930
Rate of dividend per share	$4.00	$4.00	$0.20
DIRECTORS			
John S. Akers	P		
H. J. Angermeier	P		
Richard Beam		P	
Oscar E. Bloch		P	P
Charles H. Bohmer		P	P
R. R. Boswell		P	
James B. Brown			P
R. Lee Callahan	P		
Anthony J. Carroll	P		P
George M. Clark	P		P
Allen P. Dodd		P	
Nicholas H. Dosker		P	
S. E. Duncan	P		P
Joseph H. Durham	P		P
C. Oscar Ewing		P	P
James Garnett		P	
Walter H. Girdler		P	
Angoreau Gray		P	
James J. Hayes	P		
T. Kennedy Helm		P	P
Bayler Q. Hickman			P
Charles F. Jones	P		
Saunders P. Jones	P		P
Walter I. Kohn			P
Charles C. Mengel	P		P
Ben J. Metcalfe		P	
T. J. Minary	P		P
David C. Morton		P	
E. J. O'Brien, Jr.			P
Henry D. Ormsby	P		
Arthur M. Rutledge		P	P
William S. Speed	P		P
John Stites		P	
Sam H. Stone		P	
E. Leland Taylor			P
Horace A. Taylor		P	
Robert F. Vaughn		P	
E. Weinstock		P	

Exhibit 127

	National Bank of Kentucky	Louisville Trust Company	BancoKentucky Company
Date Dividend Declared	September 19,30	September 12,30	September 19,30
Date Dividend Payable	October 1, 1930	October 1, 1930	October 1, 1930
Rate of dividend per share	$4.00	$4.00	$0.20/
DIRECTORS			
John S. Akers	P		
H. J. Angermeier	P		
Richard Bean		P	
Oscar E. Bloch		P	P
Charles H. Bohmer		P	P
George O. Boomer		P	P
James B. Brown	P		P
R. Lee Callahan	P		P
Anthony J. Carroll	P		P
George M. Clark	P		P
Allen P. Dodd		P	P
Nicholas H. Dosker		P	
S. E. Duncan	P		P
Joseph H. Durham	P		P
C. Oscar Ewing			P
James Garnett		P	P
Walter H. Girdler			P
Angereau Gray		P	
James J. Hayes	P		
T. Kennedy Helm		P	P
Charles F. Jones	P		
Saunders P. Jones	P		P
Walter I. Kohn		P	
Ben J. Metcalfe		P	
J. W. Miller			P
T. J. Minary	P		P
E. J. O'Brien, Jr.	P		P
Ben Robertson		P	
Arthur M. Rutledge		P	P
William S. Speed	P		P
John Stites		P	
Sam H. Stone		P	
E. Leland Taylor		P	P
Horace A. Taylor		P	P
Robert F. Vaughn		P	P
Henry Vogt	P		P
E. Weinstock		P	

Exhibit 128

Annual Report—Delaware Corporati

ate of Filing

All Corporations coming under the provisions of the General Corporation Law of the State of Delaware are required to file report with Secretary of State annually.

Resident Agent	Corporate Date	Folio No.
Par Shares	No Par Shares	Tax
U. S. CP. CO.	7-16-1929	2637-23
200,000		$239.17

BANCO-KENTUCKY COMPANY

If name or address is incorrect kindly correct same

RECEIVED AND FILED
JAN 7 1930

CHARLES H. GRANTLAND
SECRETARY OF STATE

DO NOT
USE
THIS SPACE

Sec. 67. FRANCHISE TAX LAW—Every corporation which shall elect by a supplemental affidavit attached to the annual report • • • that it has not been engaged in any of the business activities for which it was granted a certificate of incorporation, shall pay only one-half of the amount of taxes scheduled • • • for such portion of the year as it shall not have been so engaged and of the full rate for the remainder of the year. Any such affidavit shall state fully the particulars upon which the claim for one-half rate is based.

AUTHORIZED CAPITAL STOCK

8. State the number of shares of each class of the total authorized capital stock:

Note—The authorized capital stock is the total number of shares which the corporation is authorized to issue, whether or not the number of shares that may be outstanding at any one time be limited to a less number.

			No. of taxable shares
SHARES HAVING A PAR VALUE			
_____ shares pfd. @ $ _____	equals $ _____	which divided by $100 is	_____
_____ shares pfd. @ $ _____	equals $ _____	which divided by $100 is	_____
2,000,000 shares com. @ $ 10.	equals $20,000,000	which divided by $100 is	200,000
SHARES OF NO PAR VALUE			
_____ shares pfd. (by law each no par share is a taxable share.)			_____
_____ shares com. (by law each no par share is a taxable share.)			_____
Total Number of Taxable Shares. (Both par and no par)			_____

Plaintiff's Exhibit No. 128

9. STATE THE NUMBER AND AMOUNT OF SHARES ACTUALLY ISSUED:

	Par Value		No Par Value
Preferred	_____	$ _____	Preferred _____
Common	1,713,162	$17,131,620.00	Common _____

10. State amount of capital invested in Delaware — Real Estate: none; Manufacturing: none

11. State amount of Taxes paid in Delaware — Real Estate: .00; Manufacturing: .00

12. If exemption claimed from full franchise tax or any part thereof, state facts as provided in Section 67 of the Franchise Tax Law (See Marginal Note).

CERTIFICATE

On this 4th day of January 1930

I (we) do hereby certify as Secretary and Treasurer of the
President, Secretary, Treasurer, or Two Directors, or Two Incorporators if Directors or Officers are not Elected.

Banco Kentucky Company
Name of Corporation

that the foregoing statement is true and correct according to my (our) best knowledge and belief.

W. T. ZurSchmiede
(Signature of person or persons so certifying.

This report is to be filed on or before ~~January 1, 1930~~ first Tuesday in January.

(OVER) Form 194 4M 9-26

1921

Exhibit 128

FULL INFORMATION IS REQUESTED

Name of Corporation THE BANCOKENTUCKY COMPANY

Date of Incorporation JULY 16, 1929

	Name	Address	Term Expires
President	James B. Brown	Louisville, Ky.	Annually
Vice-President	John Stites	"	"
~~Secretary~~	Richard Bean	"	"
Sec'ty Treasurer	W. T. Zurschmiede	"	"
Other Officers:			
	none		

DIRECTORS

Name	Address	Term Expires
	See List Attached	

1. State nature of corporation's business To acquire control and operate Banks and/ or Trust Companies
2. State date of suspension, if not engaged in any business activities ----
3. State activities engaged in, if business not completely suspended ----
4. State location of principal office in Delaware:
   (If in Wilmington)
   Street and Number -----
   (If Outside of Wilmington)
   County of Kent Post Office Address 19-21 Dover Green Dover, Delaware
5. State places of business outside of Delaware:

City or Town	State	Street and Number

6. State name of agent upon whom service of process may be made:
   UNITED STATES CORPORATION COMPANY 19-21 Dover Green, Dover, Delaware
   Name Address
7. State appointed date of next annual meeting of stockholders to elect directors January 14, 1930.

(OVER)

1921-A

Exhibit 128

THE BANCO KENTUCKY COMPANY
Louisville, Kentucky

DIRECTORS OF THE BANCOKENTUCKY COMPANY, LOUISVILLE, KENTUCKY.

John S. Akers	Louisville, Ky.
Henry J. Angermeier	"
Richard Bean	"
William Black	"
Dr. Oscar E. Block	"
Charles H. Bhimer	"
George O. Boomer	"
R. R. Boswell	"
James B. Brown	"
R. Lee Callahan	"
Anthony J. Carroll	"
George M. Clark	"
Samuel W. Coons	"
Allen P. Dodd	"
Nicholas H. Dosker	"
Stuart E. Duncan	"
Joseph H. Durham	"
C. Oscar Ewing	"
James Garnett	"
Walter H. Girdler	"
Angereau Gray	"
James J. Hayes	"
T. Kennedy Helm	"
Baylor O. Hickman	"
C. C. Hieatt	"
Saunders P. Jones	"
Milburn P. Kelley	"
Walter I. Kohn	"
S. Clay Lyons	"
Charles C. Mengel	"
Ben. J. Metcalfe	"
J. Wm. Miller	"
Thomas J. Minary	"
David C. Morton	"
Edward J. O'Brien Jr.	"
Henry D. Grasby	"
John B. Pirtle	"
Ben Robertson	"
Arthur M. Rutledge	"
William S. Speed	"
John Stites	"
Sam. H. Stone	"
E. Leland Taylor	"
Horace A. Taylor	"
Robert F. Vaughan	"
Henry Vogt	"
E. Weinstock	"

1922

Exhibit 128

State of Delaware

Office of Secretary of State

I, Charles L. Terry, Jr., Secretary of State of the State of Delaware, do hereby certify that the above and foregoing is a true and correct copy of Annual Report of "THE BANCOKENTUCKY COMPANY", as received and filed in this office the seventh day of January, A. D. 1930.

In Testimony Whereof, I have hereunto set my hand and official seal at Dover this seventeenth day of October in the year of our Lord one thousand nine hundred and thirty-eight.

Charles L. Terry Jr.
Secretary of State

1923

Exhibit 129

Annual Report—Delaware Corporatio

Date of Filing

All Corporations coming under the provisions of the General Corporation Law of the State of Delaware are required to file report with Secretary of State annually.

RECEIVED AND FILED
DEC. 31, 1930

Charles H. Grantland
Secretary of State.

DO NOT USE THIS SPACE

Resident Agent	Corporate Date	Folio No.
Par Shares	No Par Shares	Tax
U.S. CP.CO. 500,000	7-16-1923	2637-13 $1,238.58 1,177.5

BANCOKENTUCKY COMPANY, THE

If name or address is incorrect kindly correct same

AUTHORIZED CAPITAL STOCK

8. State the number of shares of each class of the total authorized capital stock:

Note.—The authorized capital stock is the total number of shares which the corporation is authorized to issue, whether or not the number of shares that may be outstanding at any one time be limited to a less number.

SHARES HAVING A PAR VALUE — No. of taxable shares

____ shares pfd. @ $____ equals $____ which divided by $100 is ____

____ shares pfd. @ $____ equals $____ which divided by $100 is ____

5,000,000 shares com. @ $ 10 equals $ 50,000,000 which divided by $100 is 500,000

SHARES OF NO PAR VALUE

____ shares pfd. (by law each no par share is a taxable share.) ____

____ shares com. (by law each no par share is a taxable share.) ____

Total Number of Taxable Shares. (Both par and no par) ____

Plaintiff's Exhibit No 129

9. STATE THE NUMBER AND AMOUNT OF SHARES ACTUALLY ISSUED:

	Par Value		No Par Value
Preferred		$	Preferred
Common	2,472,268	$24,722,680	Common

10. State amount of capital invested in Delaware — Real Estate: None; Manufacturing: None

11. State amount of Taxes paid in Delaware — Real Estate: None; Manufacturing: None

12. If exemption claimed from full franchise tax or any part thereof, state facts as ~~Section 8 of the Franchise Tax Law (See Marginal Note)~~ advised in marginal note.

CERTIFICATE

On this 26th day of December 1930

I (we) do hereby certify as Secretary of the
President, Secretary, Treasurer, or Two Directors, or Two Incorporators if Directors or Officers are not Elected.

The Bancokentucky Company.
Name of Corporation

that the foregoing statement is true and correct according to my (our) best knowledge and belief.

W. T. Zurschmiede
Signature of person or ~~persons~~ so certifying.

This report is to be filed on or before the first Tuesday in January.

(OVER)

Form 184 45M 9-26

1924

A claim for reduction of franchise tax will not be considered, unless the full facts regarding the corporation's business activities are set forth in a supplemental affidavit executed by an officer of the corporation.

Exhibit 129

FULL INFORMATION IS REQUESTED

Name of Corporation The Bancokentucky Company

Date of Incorporation July 16, 1929

	Name	Address	Term Expires
President	Henry Vogt	Louisville, Ky.	when successors qualify.
Vice-President	R. Lee Callahan	" "	
Secretary	W. T. Zurschmiede	" "	
Treasurer	W. T. Zurschmiede	" "	
Other Officers:			

DIRECTORS

Name	Address	Term Expires
O. E. Block, C. H. Bohmer, G. O. Boomer, J. B. Brown, R. L. Callahan, A. J. Carroll, G. M. Clark, S. W. Coons, A. P. Dodd, S. E. Duncan, J. H. Durham, C. O. Ewing, Jas. Garnett, W. H. Girdler, T. K. Helm, B. O. Hickman, S. P. Jones, C. C. Mengel, J. W. Miller, T. J. Minary, D. C. Morton, E. J. O'Brien, Jr., Ben Robertson, A. M. Rutledge, W. S. Speed, S. H. Stone, E. L. Taylor, R. F. Vaughan, Henry Vogt, all reside in Louisville, Ky. Terms expire when successors qualify.		

1. State nature of corporation's business holding company
2. State date of suspension, if not engaged in any business activities November 24, 1930
3. State activities engaged in, if business not completely suspended in liquidation under Receivership of Jefferson Circuit Court at Louisville
4. State location of principal office in Delaware:
   (If in Wilmington)
   Street and Number United States Corporation Co.
   (If Outside of Wilmington)
   County of _____ Post Office Address Dover, Del.
5. State places of business outside of Delaware:

City or Town	State	Street and Number
Louisville	Ky.	Joseph S. Laurent, Receiver Marion E. Taylor Bldg.,

6. State name of agent upon whom service of process may be made:

United States Corp. Co. (Name) — Dover, Del. (Address)

7. State appointed date of next annual meeting of stockholders to elect directors January 13, 1931

(OVER)

1925

Exhibit 129

ATTACH TO ANNUAL REPORT TO THE BANCOKENTUCKY COMPANY.

STATE OF KENTUCKY }
COUNTY OF JEFFERSON } SS.

W. T. Zurschmiede, being duly sworn, deposes and says that he is Secretary-Treasurer of The Bancokentucky Company, a Delaware corporation; that exemption from full franchise tax for the year 1930 is claimed due to the fact that the corporation suspended all business activities on November 24, 1930, on which date a receiver for it was appointed and qualified by orders of the Jefferson Circuit Court, a court of general jurisdiction of the State of Kentucky, sitting at Louisville, Kentucky, who immediately took into its custody all of the books, records and properties of the company and has continued to and will hold same under orders of said court for the benefit of its creditors and stockholders as their interests may be later determined.

Theretofore several large banks and trust companies, in which this company held the controlling stock, were closed and put into receiverships, making it impossible for the company to further pursue the business for which it was organized.

The name and address of the receiver appointed for the company is Joseph S. Laurent, Marion E. Taylor Building, Louisville, Kentucky.

IN TESTIMONY WHEREOF said W. T. Zurschmiede has hereunto set his hand and seal this 26th day of December, 1930.

W. T. Zurschmiede

THE BANCOKENTUCKY COMPANY
INCORPORATED 1929
SEAL DELAWARE

Subscribed and sworn to before me,
this December 26, 1930.
Anna Eith

ANNA EITH
NOTARY PUBLIC
JEFFERSON CO. KY.

Exhibit 129

State of Delaware

Office of Secretary of State

I, Charles L. Terry, Jr., Secretary of State of the State of Delaware, do hereby certify that the above and foregoing is a true and correct copy of Annual Report of "THE BANCOKENTUCKY COMPANY", as received and filed in this office the thirty-first day of December, A. D. 1930.

In Testimony Whereof, I have hereunto set my hand and official seal at Dover this seventeenth day of October in the year of our Lord one thousand nine hundred and thirty-eight.

Charles L. Terry, Jr.
Secretary of State

1927

Exhibit 134-1

LAW OFFICES OF

MILLER & CHEVALIER

ROBERT H. MILLER
STUART CHEVALIER
S. LYMAN BARBER
JOSEPH D. PEELER
J. ROBERT SHERARD

WASHINGTON
SOUTHERN BLDG.

LOUISVILLE
MARION E. TAYLOR BLDG.

Note 10

LOUISVILLE

PLAINTIFF'S EXHIBIT No. 133-1
OCT 18 1938
Robert C. Regnier
OFFICIAL REPORTER

August 22nd, 1928.

Personal

John H. Brown, President,
National Bank of Kentucky.

Richard Bean, President,
Louisville Trust Company.

Gentlemen:

We enclose herewith to Mr. Brown the original letter containing the ruling of the Rules and Regulations Section of the Bureau of Internal Revenue, holding that the Trust Agreement entered into on April 23rd, 1927, between the shareholders of the National Bank of Kentucky and the Louisville Trust Company, constitutes an association within the meaning of the various Revenue Acts, and a copy of the same letter to Mr. Bean.

In our judgment this ruling will fortify our opinion that the present plan in connection with the Bancokentucky Company constitutes a reorganization within the meaning of the Revenue Act of 1928.

The original of the letter which is enclosed to Mr. Brown should be carefully preserved.

Yours very truly,

Robert H. Vaughan
Miller & Chevalier
By S. Lyman Barber

SLB/bcrs
(Encl.)

134-1

1928

Exhibit 134-1

(COPY)

TREASURY DEPARTMENT
Washington

Office of Commissioner
of Internal Revenue.
IT:E:RR
WTL

July 30, 1929.

Miller & Chevalier,
922 Southern Building,
Washington, D. C.

Sirs:

Reference is made to your letter of July 15, 1929, enclosing a copy of trust agreement entered into on April 22, 1927 between the owners and holders of capital stock in The National Bank of Kentucky and The Louisville Trust Company, and requesting a ruling with respect to the taxable status of the organization.

The trust agreement recites that the owners and holders of the shares of the capital stock of The National Bank of Kentucky and the owners and holders of the capital stock of The Louisville Trust Company, looking to the best interests of the respective institutions as separate corporate entities and of each stockholder therein, have determined that such interests require closer cooperation of such Bank and Trust Company to be of greater service to their respective patrons and in order to secure such cooperation have agreed upon the plan set forth for creating a trust estate, to consist of their respective shares of stock in the Bank and Trust Company. The trust agreement provides for the creation of an Advisory Committee composed of the individuals who are the then directors of the Louisville Trust Company and The National Bank of Kentucky. Any action taken by the trustees is subject to the approval of the Advisory Committee. The trustee may purchase the stock of any other corporations of similar character engaged in a like or similar business with the written consent of the Advisory Committee. The trustees have power with the written consent of the Advisory Committee to sell certain stock acquired and the proceeds when collected shall be disposed of by the trustees with the written consent of the Advisory Committee, by division among the certificate holders or using same in the purchase of stock of corporations, or adding to capital or surplus, of any of the corporations the stock of which is owned by the trustees. The certificate holder may instruct the trustees how to vote their interest at corporate meetings. Dividends received from stock owned by the trustees shall be distributed among the certificate holders, but with the written consent of the Advisory Committee and all or any part of any extra dividend may be used for the benefit of the trust in any lawful manner. The trust agreement provides for regular and special meetings of the certificate holders. By written direction of the Advisory Committee, the trustees named in the trust agreement may be removed and a corporation authorized to act in a fiduciary capacity, designated in their stead, in which event the corporation so named shall acquire all the powers of the individual trustees. The trust agreement provides for the organization of the

trustees, consisting of a Chairman, Vice Chairman, Secretary and Treasurer, and an Assistant Secretary, and a Transfer Agent and Registrar for the transfer and registration of certificates. The form of participating certificates provided for in the trust agreement is similar to an ordinary stock certificate. The trust may be terminated or modified by a vote of two-thirds of the holders of certificates.

It is apparent that the certificate holders and trustees have undertaken as an organized body to trade in securities owned by the organization. Such activities constitute the carrying on of a business enterprise for income tax purposes. The organization is in quasi corporate form, its trustees, like the directors of a corporation, are carrying on the business for the beneficiaries who only share in the profits. The beneficial interests of the organization are represented by certificates, which like corporate shares and in much the same manner are transferable. The certificate holders through the Advisory Committee control the management and operations of the organization. An organization having these characteristics, engaged in the prosecution of a business enterprise, has the general form, mode of procedure and effectiveness in action of a corporation.

In view of the foregoing, the organization created by the owners and holders of capital stock in The National Bank of Kentucky and The Louisville Trust Company, Henry Vogt, Thomas J. Minary, Stuart H. Duncan, Allen P. Dodd, Edwin H. Drummond and Charles H. Bohmer, Trustees, is taxable as an association within the meaning of the several Revenue Acts and should file returns accordingly.

Respectfully,

C. R. ALLEN,

Deputy Commissioner,

By (Signed) L. Sunderlin

Chief of Section.

Exhibit 134-3

{Letter was also sent to the list of names appearing on the back of this letter}

Sept. 9, 1933

Mr. Thos. L. Barret,
11[illegible] Sa. Second St.,
Louisville, Ky.

PLAINTIFF'S EXHIBIT No. 133-3
OCT 18 1938
[illegible]
OFFICIAL REPORTER

Dear Mr. Barret,

Our stock records show that you have not yet brought in the Interim Receipt for 3 6/10 shares for exchange into the current $10.00 par value participation shares.

Will you be kind enough to look into the matter at once because there have been a number of changes in the form of these securities and unless an exchange is made, you will be holding a certificate that is not of the current form and, therefore, will not enjoy a good market should you ever care to sell it in the years to come.

We feel it our duty to give you this information, because, of course, we want our stockholders to enjoy all of the privileges that come with holding a form of security that is being traded in all the time.

We are registering this letter to be sure that it reaches your hands.

Very truly yours,

Secretary

EDE:W
Registered

134-3

1931

Exhibit
134-3

Bertha L Batton - Lebanon Ky
Mattie A Clark - Frankfort Ky City
Frances Layton Adm: 6-60-42
John White Grimsley Mt Sterling Ky
Eliza S Young - Brownsville Ky
Henry J Leuchheim New Haven Conn
Thos L. Barret - 112 Land
Mrs Pauline H. Christy - Pittsburgh
John E Goodbach - Fifth St
Caroline S McCowan W. Charles Co.
George Brown 610 Columbia Bldge
Mrs Pearl P. Binford - Sovereign Hotel City
Martha L Cheney - Frankfort
Carolyn S Thos Page - Philadelphia Pa
Mr Frances P Cope Lemon Pa
Eliz B Dayling - Shelbyville Ky
Lamar Waliffy -
Mary Brown Humphreys Iowa City - Ia
Saunders Jones - 330 U S -
J. Allison & Co Newport
Samuel B Minor Lexington Ky
State Bd of Education Frankfort Ky
Lane Pleasant Ky - City
Shirley C. O. Trabert & W T Godfrey
Ward H Watson Indianapolis Ind
James B. Brown
Noble C Butler Indianapolis Ind
Wakefield St -
as Anna May P. Parmley Law & C. Bldg
Miss Jamie Galloway Columbia Ky

1932

Exhibit 134-4

PLAINTIFF'S EXHIBIT No. 133-A
OCT 18 1938
Official Reporter

November 4, 1929.

THE BABCOCK/BUCKY COMPANY

10 8
6 2
2 3
3 2
50 2

The stockholders exchanged for about twenty-eight (28) millions in stock and there was paid in in cash about ten (10) millions. Chicago has subscribed for six (6) millions and Cincinnati took about two and one-fourth (2¼) millions. This leaves in the treasury three and three-fourths (3¾) millions, which will handle the remaining Cincinnati and Covington deals probably. If we trade for any more banks, we will have to increase the capital.

The Bank of Kentucky does not know how much was drawn out in deposits to pay for stock and we do not know accurately, but we guess about one-half million dollars.

The Bank of Kentucky loaned $5,300,000.00 and we loaned $1,710,000.00, or a total of $7,000,000.00. From this you will see that only about three millions in cash remain.

The company now has on deposit $550,000.00 with us and $3,500,000.00 or less with the National Bank of Kentucky. The Bank of Kentucky is always flush up to the Seventeenth of the month when the Standard Oil has to be paid and later the L. and N. payment so they are hard up the last of the month.

RICHARD REAR.

134-4

1933

Exhibit 134-5

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

421 WEST MARKET STREET
LOUISVILLE, KENTUCKY

BRANCHES:
HIGHLAND AND BAXTER
SHELBY AND OAK
18TH AND BROADWAY
FOURTH AND OAK
FRANKFORT AND BAYLY
28TH AND DUMESNIL

November 4, 1929.

PLAINTIFF'S
EXHIBIT No. 134-5
OCT 18 1938
Robt. C. Englander
OFFICIAL REPORTER

THE BANCOKENTUCKY COMPANY

The stockholders exchanged for about twenty-eight (28) millions in stock and there was paid in in cash about ten (10) millions. Chicago has subscribed for six (6) millions and Cincinnati took about two and one-fourth (2¼) millions. This leaves in the treasury three and three-fourths (3¾) millions, which will handle the remaining Cincinnati and Covington deals probably. If we trade for any more banks, we will have to increase the capital.

The Bank of Kentucky does not know how much was drawn out in deposits to pay for stock and we do not know accurately, but we guess about one-half million dollars.

The Bank of Kentucky loaned $5,500,000.00 and we loaned $1,710,000.00, or a total of $7,000,000.00. From this you will see that only about three millions in cash remain.

The company now has on deposit $550,000.00 with us and $5,300,000.00 or less with the National Bank of Kentucky. The Bank of Kentucky is always flush up to the seventeenth of the month when the Standard Oil has to be paid and later the L. and N. payment so they are hard up the last of the month.

RICHARD BEAM.

134-5

1934

Exhibit 134-6

PLAINTIFF'S
EXHIBIT No. 133-l
OCT 18 1938
Reed & Clapsaddle
OFFICIAL REPORTERS

January 30, 1935

Mr. J. Zeb Schniede, Sec. & Treas.,
BancoKentucky Company,
Louisville, Kentucky.

Dear Tom:-

The enclosed envelops were left with us by stockholders who signed their proxies here and instead of mailing them are forwarded through us. They may be of some use to you in the conduct of BancoKentucky correspondence.

With best personal regards to you, I remain,

Very truly yours,

RJE-hs
encl.

Vice President

124-6

1935

Exhibit 134-7

PLAINTIFF'S
EXHIBIT No. 133-7
OCT 18 1938
Paul C. Engelsman
OFFICIAL REPORTER

August
Third
1929

Mr. John S. Ahern, Sec. of
the Trustees,
National Bank of Kentucky,
5th & Main Sts.,
Louisville, Kentucky

Dear Mr. Ahern:-

In line with the decision to issue Interim Receipts at the Fifth & Fourth Street Offices of the National Bank of Kentucky, May I make the following suggestions in order to assure accuracy of the Transfer Department records?

I suggest that both of the banks deliver to the Trustees at the close of business each day, all certificates of National Bank of Kentucky The Louisville Trust Company stock, which have been deposited that day, together with a record thereof in quadruplicate prepared similar to the form which we are now using.

In addition to this record, in order that we may be able to keep our postings up to date, I suggest that each day both banks furnish our Stock Transfer Department with a complete record of the Interim Receipts, which have been issued for that day. This record should show the number of the Interim Receipt, the exact name in which it has been issued, the complete address of the registered owner, and the number of shares represented thereby.

134-7

Another suggestion which I believe is of extreme importance is as follows: At the close of business each day that both banks could deliver to our Stock Transfer Department all subscriptions taken in, in that day's work. These subscriptions should be sent to the Trust Company accompanied by a complete list showing the name of the subscriber, his address, and the number of shares subscribed for. The list could be made up in duplicate, and we could sign the duplicate copy, and return to the banks as a receipt for the subscriptions. In other words, I see no necessity for having the actual subscriptions scattered among the three offices.

Exhibit 134-7

Mr. John S. Ahern - Continued -

The new certificates have been ordered and as soon as they are ready for delivery, I will let you know.

If my suggestions, as outlined herein, meet with your approval, kindly advise me and Mr. [redacted] can instruct the Fourth Street Bank accordingly.

Yours very truly,

JJO-MFB

Assistant Secretary

Copies of this letter to Mr. Ben J. Metcalfe, Asst. Sec. and to Mr. W. T. [redacted], Auditor.

Exhibit 134-8

PLAINTIFF'S EXHIBIT No. 134-8
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

The BancoKentucky Company
Louisville, Ky., Dec. 31, 1929.

TO THE STOCKHOLDER ADDRESSED:

You are hereby notified that the annual meeting of stockholders of The BancoKentucky Company will be held at the office of the corporation in the National Bank of Kentucky, Fifth and Main Streets, Louisville, Kentucky, on Tuesday, January 14, 1930, at ten o'clock A. M.

At said meeting there will be submitted to the stockholders for their consideration and action a recommendation of the Board of Directors that the Certificate of Incorporation be amended (a) so as to increase the total authorized capital stock from $20,000,000 to $50,000,000 and (b) so as to abolish the pre-emptive right of stockholders to subscribe for newly authorized shares. The resolution adopted by the Board of Directors is as follows:

RESOLVED that it is deemed advisable by the Board of Directors of The BancoKentucky Company that the charter of the corporation be amended as follows:

1: By striking out the whole of Paragraph Number "Fourth" of the Certificate of Incorporation and inserting in lieu thereof the following:

"The total authorized capital stock of this corporation is Five Million (5,000,000) shares of common stock, each share of the par value of Ten Dollars, amounting in the aggregate to Fifty Million ($50,000,000) Dollars, and being a total authorized capital stock of Fifty Million ($50,000,000) Dollars."

2: By adding to the Certificate of Incorporation an additional Paragraph as follows:

"The stockholders of the corporation shall have no pre-emptive right to subscribe for any newly authorized or issued shares of stock of the corporation."

RESOLVED, further, that the newly authorized shares, as hereinabove provided for, shall be disposed of at such times, in such amounts and upon such terms as may be determined by the Board of Directors of the corporation, but no shares shall be disposed of at a price of less than Twenty-Five ($25.00) Dollars, per share.

RESOLVED, further, that the purpose of this increase of capital stock is to provide additional capital needed for the proper carrying on of the business of the corporation and the acquisition of other property.

RESOLVED, further, that the proposed amendments of the Certificate of Incorporation, as above set out, be submitted to the stockholders at the annual meeting of the stockholders of the corporation, to be held on January 14, 1930, at ten o'clock A. M., at the office of the corporation in the National Bank of Kentucky, Fifth and Main Streets, Louisville, Kentucky.

RESOLVED, further, that with the letter containing the notice to stockholders of the annual meeting, which shall be mailed to each stockholder, at least ten days prior to the date of meeting, there shall be enclosed a copy of this resolution and a proxy appointing Attorneys In Fact to represent stockholders at said annual meeting.

The meeting will also be for the purpose of electing members of the Board of Directors to serve during the ensuing year and for the transaction of such other business as may come before the meeting.

Exhibit 134-8

There is also enclosed a proxy to be signed by each stockholder and returned in the enclosed stamped and addressed envelope as soon as possible.

For your information it is stated that the abolishing of the pre-emptive right of stockholders in no wise restricts their right to subscribe for additional shares on the same basis that persons not stockholders are permitted to subscribe.

THE BANCOKENTUCKY COMPANY

By W. T. ZURSCHMIEDE,

Secretary.

Exhibit 134-8

PROXY

Know all men by these presents: that

I, ...

being the holder of ..... shares of the capital stock of The BancoKentucky Company, a corporation of the State of Delaware, do hereby appoint Charles F. Jones and L. L. Fontaine, or either of them, my true and lawful Attorneys In Fact, with full power of substitution and revocation, to act for me and in my name, place and stead to vote on all matters coming before the annual meeting of stockholders of said corporation to be held on the 14th day of January, 1930, and at any adjournment of said meeting.

I hereby ratify and confirm all of the acts of my said Attorneys In Fact the same as if personally done by me.

IN TESTIMONY WHEREOF, I have hereunto set my hand this the day of , 1930.

In the Presence Of

....

1939

Exhibit 134-9

PLAINTIFF'S
EXHIBIT No. 133-9
OCT 18 1938
Official Reporter

November 14, 1938

Mr. Tom Marschmiede, Sec.-Treas.
Bancokentucky Company,
Louisville, Ky.

Dear Tom:-

Today Mr. J.R.Robbins came in and stated in the presence of Judge John Stites, Mr. Angerean Gray and myself, that his wife Mrs. Emma Robbins did not want to convert her Trustees Participation Shares National Bank of Kentucky The Louisville Trust Company into the stock of the Bancokentucky Company.

I am sending this information to you for your records.

Very truly yours,

RJH-LS

Vice President.

134

1940

Exhibit 134-9

J. E. ROBBINS L. B. SMITH

ROBBINS & SMITH
LAWYERS
MAYFIELD, KENTUCKY

Nov. 8, 1929.

Louisville Trust Company,
Louisville, Ky.

Attention Mr. Ben J. Metcalfe;
Vice-President:
Dear Sirs:

Your letter of Nov. 5, 1929, addressed to my wife, Mrs. Emma Robbins, has been handed to me to answer. Recently she has been quite ill, but I am glad to state that she is rapidly recovering. I expect to be in Louisville, either on the 14th day of November, 1929, or the next morning on the 15th, and I shall call on you about her certificates.

JER-r

Yours truly,

J. E. Robbins

1941

Exhibit 134-9

November 5, 1929

Mrs. Emma Robbins,
% J.E.Robbins,
Mayfield, Kentucky.

Dear Mrs. Robbins-

We cannot find that we have a return card for a registered letter we sent out to holders of Trustees' Participation Shares National Bank of Kentucky-The Louisville Trust Co. notifying them that they had the right to exchange these shares on a basis of two shares of Bancoe-Kentucky stock for one Trustees' Participation share.

Most of our stockholders have exchanged their stock. In order that you may not be deprived of the benefits which we feel will accrue to you by this exchange, we are sending you such literature as we sent out in the regular way.

If you wish to exchange your stock, please sign the enclosed deposit my receipt and return it to us together with your stock properly endorsed and itemized, at your earliest opportunity.

The right to exchange this stock expired on the 19th day of September, 1929. We feel that it is to your advantage to deposit your stock and exchange it for the Bancoe-Kentucky. Be kind enough to let us hear from you promptly as this privilege cannot remain open longer than ten days from the date of this letter.

Very truly yours,

RJR-LS
Reg.

Vice President.

Hotel suite 1506 for answer

1942

Exhibit 134-9

421 WEST MARKET STREET
BEN J. MITCHELL
VICE-PRESIDENT

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

LOUISVILLE, KENTUCKY

October 21,1929

Akers

Mr. John S.Akers, Vice President,
National Bank of Kentucky.
Louisville,Ky.

Dear John:-

The enclosed letter refers to the stock of Mrs. Emma Robbins who failed to deposit her 320 Trustees'Participation Shares National Bank of Kentucky The Louisville Trust Company to be exchanged for BancoKentucky stock.

We have not heard from Mrs. Robbins and I am sending you this letter in order that we may have some information in our files concerning her stock.

Very truly yours,

BJM-LS
encl.

B. J. Mitchell
Vice President.

421 WEST MARKET STREET

Exhibit 134-9

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

LOUISVILLE, KENTUCKY

Oct. 21, 1929

Mr. B. J. Metcalfe, V.P.
Louisville Trust Co.,
Louisville, Ky.

Dear Sir,

The following facts have been called to the attention of the Stock Transfer Department, and we are listing them here for your information.

Mrs. Emma Robbins is a holder of a Trustees' Participation Certificate for 520 shares of stock. The circular sent out July 19th, 1929 and the registered letter that followed were both mailed to the above mentioned stockholder at 505 West Ormsby Ave. This address was put on our records through error and the mail should have gone to Mrs. Emma Robbins cafe of Mr. J. E. Robbins, Mayfield, Ky.

The receipt for the registered letter was signed by a maid at the Louisville address and we are of the opinion that Mrs. Emma Robbins did not receive any notice regarding the BancoKentucky Co.

Very truly yours,

James Stites
Stock Transfer Dept.

JS:W

1944

Exhibit 134-10

PLAINTIFF'S
EXHIBIT No. 133-10
OCT 18 1938
Paul E. Gaylord
OFFICIAL REPORTER

October 14,1918

Mr. .T.Burschmeide,Sec-Treas.
BanceKentucky Company,
Louisville,Kentucky.

Dear Tom:-

Received the enclosed letter from Mr. Chas. .Hilner.

Mr. Hilner did offer to sign a note but I did not take it for the reason that he was a non-stockholder and could not say to him that he would get his stock.

At your convenience please advise me so that I may answer Mr. Hilner's letter.

Very truly yours,

BJB-LS
en.1

Vice President.

134-10

Exhibit 134-10

LAW OFFICES
TRABUE, DOOLAN, HELM & HELM
1210-1228 INTER-SOUTHERN BUILDING
LOUISVILLE, KY.

January 11, 1938.

In re - State Board of Education's ownership of shares in the National Bank of Kentucky.

PLAINTIFF'S EXHIBIT No. .....
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Hon. J. W. Cammack,
Attorney General,
Frankfort, Ky.

Dear General:

Agreeable to my promise to elaborate the points discussed in our conference, on the above subject, I take pleasure in submitting the following suggestions.

I understand that the question of doubt in your mind was as to whether the State Board of Education or the Sinking Fund Commissioners have the power to consent and take the necessary steps to unify that part of the National Bank of Kentucky stock owned by the Board of Education under the Trust Agreement, dated April 22, 1927, between the National Bank of Kentucky and the Louisville Trust Company; and I will return to this subject promptly having first explained that I had originally understood the purpose of the conference to be in regard to the interpretation of the Agreement referred to and as to the economic advantage to the stockholders uniting therein.

So far as the economic considerations are concerned, I rather gather that the members of the Board of Education are satisfied from the showing that the plan had been approved by seventeen hundred individual stockholders of the two institutions, and has resulted in an increase in the market value in the Bank of Kentucky shares from the time the plan was first announced to date of about $115 per share, and in the dividend basis of about $5.60 per share upon the stock previously held when supplemented by the stock dividend.

The present stock owned by the State is a part of that originally issued in 1834 when the Bank of Kentucky was chartered by Chapter 448 Session Acts 1833-1835, pages 618 to 634, and which charter was approved by Governor John Breathitt. Apparently at that time the Governor was authorized to take $2,000,000 out of the $5,000,000 of capital authorized, but my search of the original records fails to disclose where the State ever acquired more than $1,040,000.

By the Amendment, Chapter 256 Acts of 1841-1843, page 44, in Section 17, it was provided that $1,000,000 of the stock held by the State of Kentucky in the Bank of Kentucky would be surrendered by the banks returning to the State $1,000,000 of its own bonds which

had been previously acquired by the bank.

There are many other amendments of this character increasing and reducing stock which are unnecessary to consider in detail.

When the Constitution of 1849 was adopted, Article XI, concerning education, expressly set up a common school fund, which among other items consisted of $73,500 of stock of the Bank of Kentucky, and certain bonds of the Commonwealth payable to the State Board of Education. This section of the Constitution of 1849 is almost a counterpart of Section 184 of the present Constitution, referring again to the $73,500 of stock of the Bank of Kentucky, together with the bonds of the Commonwealth, and in which it is expressly declared that these funds shall be "held by the Board of Education" and as such is known as the school fund.

You will find a rather interesting interpretation of the provisions of the old Constitution in Higgins v. Frater, Sheriff, 91 Ky. 6, opinion by Chief Justice Holt, and of the similar provisions in the present Constitution in Agricultural & Mechanical College v. Hager, 121 Ky., 1, opinion by Judge O'Rear.

Owing to this setting aside of this stock and the bonds, a question arose as to whether the Legislature would have the power to dispose of the stock or as to who would have the power to dispose of the stock if the Constitutional limitations were not clarified.

So in the Constitutional Debates, Vol. III, page 457, in reporting the meaning of the provision, it was said:

> "Upon examination of the present Constitution, it was a matter of doubt whether the Legislature could by any act dispose of its stock in the Bank of Kentucky; whether the State was not bound under the provisions of the present Constitution to keep the stock in the way it is now held. This fund amounts to $73,000.00. While there is nothing to be said against that admirably managed and solvent institution, the object of the provision is simply to put it in the power of the Legislature to dispose of the stock, if, in the course of years any necessity should arise for doing so to secure the fund."

It is in light of these conditions and Legislative history that we must consider Section 185 which refers back to the "said school fund" and provides, in substance, that

> "The General Assembly shall make provisions by law for the payment of the interest of said school fund and may provide for the sale of the stock in the Bank of Kentucky, and in case of a sale of all or any part of said stock, the proceeds of sale shall be invested by the sinking fund commissioners in good interest bearing stocks or bonds which shall be subject to sale and reinvestment from time to time . . ."

From the latter section it is to be noted: (a) that the Legislature may provide for the sale of the stock of the Bank of Kentucky; (b) that the proceeds of sale are to be reinvested by the sinking fund commissioners; and (3) that these commissioners are by the Constitution authorized to invest in interest-bearing stock or bonds. Whereas in the preceding section, 184, as above noted, it was provided that the stock should be

> "held by the Board of Education and its trustees shall be held inviolate for the purpose of sustaining the system of common schools."

Neither the Board of Education nor the Sinking Fund Commissioners are specifically provided for in the Constitution. Therefore, I take it that the General Assembly would have power to determine the qualifications and personnel of either or both these boards, though apparently the drafters of the Constitution assumed that they exercised the same functions.

Both of these Boards are given the power to sell the stock in the Bank of Kentucky in the following ways:

I

As to the State Board of Education, it is by Section 4377 created a body corporate, and by Section 4378 as such corporation it is authorized as follows:

> "The corporation shall take, hold and dispose of real and personal estate for the benefit of the common schools of the State."

It seems clear to me that the words "take, hold and dispose of", used in this section, relate to a complete cycle of acquiring, possessing and selling, the funds set apart to the Board of Education, including that specifically mentioned in the Constitution, Section 184, where among other things the stock in the Bank of Kentucky is to be "held by the Board of Education and its trustees shall be held inviolate for the purpose of sustaining the system of common schools."

The words "dispose of" have been many times construed by the courts to be broader than the words "to sell". Thus the Supreme Court in Phelps v. Harris, 101 U.S. 370, said:

> "The expression 'to dispose of' is very broad and signifies more than 'to sell'. Selling is but one mode of disposing of property".

And the Court of Appeals in Sherrill v. Overbacker, 182 Ky. 626, held that the word "dispose" is sufficiently comprehensive to include every possible mode of alienation or disposition of property.

And, again, it held in Carpenter v. Allen, 198 Ky. 282, that the words "sell and dispose" include every form of alienation.

Black's Law Dictionary defines the word "dispose" as:

Exhibit 134-10

"To alienate or divest the ownership of property; * * * called a word of large extent."

You will probably have noticed that the words used to explain the meaning of Section 185 in the Debates were the words "to dispose of", and, therefore, it seems to me that the State Board of Equalization would have the right under this Legislative authority to order a disposition or sale or exchange of the stock in the Bank of Kentucky which is vested in them by the Constitution, Section 184, even though under the Constitution the Sinking Fund Commissioners are directed by the Constitution to reinvest the proceeds, and which proceeds, in turn, are to be held inviolate for the purpose of maintaining the common schools by the Board of Equalization.

II

Now let us consider the powers of the Sinking Fund Commissioners. It is undoubtedly true that the Constitution, Section 185, they are required to reinvest the proceeds arising from the sale of stock of the Bank of Kentucky, and it is also true that among the powers conferred for the Sinking Fund Commission by the Kentucky Statutes, Section 4888, is the provision that

"The Commissioners shall have authority to sell any bank stock owned by the Commonwealth and apply the proceeds to the payment or to the purchase of the bonds of the State".

It may be necessary to separate this sentence and treat it as a power in the Sinking Fund Commissioners to sell, and to ignore as surplusage the method of their reinvestment, because the Constitution itself, Section 185, has specifically directed that if this stock is sold, the proceeds "shall be invested by the Sinking Fund Commissioners in other good interest bearing stocks or bonds which shall be subject to sale and reinvestment from time to time."

Irrespective of who has the power to hold, which I think is the Board of Equalization, or who has the power to reinvest, which under the Constitution is a duty required of the Sinking Fund Commissioners; it seems to me that both bodies are given the power to sell. The matter could be put beyond question of doubt by and through expediency of having the Board of Education and the Commissioners of the Sinking Fund, at their respective sessions, adopt the same resolution, each concurring in and authorizing the sale or transfer of the stock into the new certificates of the united institutions, and the results so adopted would be recognized by the transfer agent of the stock and the new stock certificates issued.

X X X X X X X X X X X X X

Yours very truly,

TKB-ML

1949

Exhibit 134-10

R. Q. - Can you read this old letter (copy) re stock held by State of Ky - and I will talk with you as to what is privately done -

H. K. H.

Returned to me 10/17/38

Exhibit 134-11

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KY.

July 24, 1929

PLAINTIFF'S EXHIBIT No. 193-A
OCT 18 1938
Paul C. Carpenter
OFFICIAL REPORTER

Mr. Nicholas H. Bosker, Vice-President
The Louisville Trust Company
Louisville, Kentucky

Dear Mr. Bosker:

IN RE: THE BANCOKENTUCKY COMPANY

In reply to your recent inquiry, we beg to advise that in our opinion the shares of The BancoKentucky Company will not be taxable to the shareholders under the laws of Kentucky.

Section 4020, Carroll's Kentucky Statutes, as amended by the Acts of 1924, provides immunity from taxation for the shareholders of a corporation upon the shares of a corporation (domestic or foreign),

> "at least seventy-five per cent (75%) of whose total property is taxable in Kentucky, ... so long as the corporation pays taxes on all its property in Kentucky . . . . ."

For the purposes of this opinion we assume that all of the property of The BancoKentucky Company, or at least a very substantial part thereof, will be intangible personal property; for, manifestly, there could be no question as to the situs of taxation of an office building or other real estate owned by the corporation in Louisville.

The question then narrows down to this: would the intangible personal property, owned by The BancoKentucky Company, be "taxable in Kentucky" within the meaning of Section 4020, supra? If so, then there could be no doubt that the shares of the Company would not be subject to taxation in the hands of the shareholders.

Section 4020, Carroll's Kentucky Statutes, provides as follows:

> "All real and personal estate within this state, and all personal estate of persons residing in this state, and of all corporations organized under the laws of this state, whether the same be in or out of the state, including intangible property, which shall be considered and estimated in fixing the value of corporate franchises as herein provided, shall be subject to taxation unless the same be exempt from taxation by the constitution, and shall be assessed at its fair cash value, estimated at the price it would bring at a fair voluntary sale: Provided, however, That tangible personal property located and having a taxable situs without the state, of persons residing in this state, and of all corporations organized under the laws of this state,

134-11

shall not be subject to taxation: And, provided further, That the situs of intangible personal property for purposes of taxation shall be at the residence of the real or beneficial owner, and not at the residence of the fiduciary or agent having the custody or possession of same. Provided further, That nothing herein contained shall in any way affect the liability for franchise taxes now payable by corporations organized under the laws of this state. (Sec. as amd. by act March, 1908, p. 121.)"

In quite a number of decisions, beginning with Commonwealth v. R. G. Dun and Company, 126 Ky. 108, 31 K.L.R. 561, 102 S.W. 859, the Court of Appeals of Kentucky has held that personal property of a non-resident "within this state" temporarily is not subject to taxation here, whether the personal property be tangible or intangible; but, where such property is located here permanently, or is produced in the course of a business which is of more or less permanent location in this State, or is used in the course of such business, then, such personal property acquires a taxable situs in this State, regardless of the domicile of the owner.

In the Dun case, supra, this rule was applied to the Louisville office of R. G. Dun and Company, sustaining an assessment by the Commonwealth upon Accounts Receivable on the books of the Company in Louisville, even though Dun and Company was operated by Trustees and the chief office of the Company was located in the State of New York. In sustaining the assessment the Court said:

"This section of the statute literally includes all property, whether owned by residents or nonresidents. This court, however, in construing this statute has determined that it does not apply to the property of nonresidents when in this State temporarily; that in such a case the situs for the purpose of taxation is at the domicile of the owner. (Citing several cases.) But this court has never held that when a nonresident of this State establishes a business in this State, from which money is derived, and other property is accumulated, that such property should be relieved from taxation.

"In our opinion the accumulations from the business of appellee are not temporarily in this State in the meaning of the decisions referred to. In this case we have a nonresident with an established business, agents residing here who managed it, and an income of over $40,000 annually; its business received the same protection as the business of the citizen under the laws of the State, and should be compelled to share equally the burden. The obligation to pay taxes on property for the support of the government arises from the fact that it is under the protection of the government. Persons should not be permitted to avail themselves of the benefit of the laws of the State in the conduct of their business, within its limits, and then escape their due contribution to the public needs."

The Dun case was followed and approved in the case of Commonwealth v. Kentucky Distilleries and Warehouse Company, 143 Ky. 314, 136 S.W. 1032. In this case the taxpayer was a New Jersey corporation, but all of its distilleries, having whiskey in storage, were located in Kentucky, as was its principal office and place of business. In the course of its business, storage accounts for whiskey

in bond accrued to the Company, and these the Commonwealth undertook to assess for taxation. The assessment was sustained by the Court in a very elaborate opinion, concluding with the following words:

> "The Kentucky Distilleries and Warehouse Company is a New Jersey corporation, and may be said to have a legal residence in that state. But all of its distilleries having whisky in storage are located in this state, and the principal business office of the Kentucky Distilleries and Warehouse Company is located in Louisville, Jefferson county, in this state. It is at this office that all the business relating to and concerning the distilleries operated by it is carried on and there are kept all of the books, accounts, and papers of the corporation that relate to the transaction of its business in this state. It may therefore be said that, while the Kentucky Distilleries and Warehouse Company has a technical legal residence in the state of New Jersey, it has in this state a business residence at which all its business in this state is managed and carried on by resident agents and employes. It is here that the warehouse receipts are issued, and here that they are presented when the possession of the whisky described in them is demanded, and here that the storage accounts are paid, although in the meantime and before they are actually transferred to the purchaser they may pass through an office of the company in New Jersey or New York. It is here that the whisky is located upon which these receipts are a lien, and to which the company looks for the payment of its storage fees. In short, aside from the fact that it has a mere technical legal residence in the state of New Jersey, all of its business is conducted and carried on in this state, and for every business purpose it is a Kentucky corporation. Under these facts we think it manifest that the accounts are assessable to it in this state at its established place of business in this state. The case of the Commonwealth v. Dun and Co., 126 Ky. 108, 108 S.W. 859, 31 Ky. Law Rep. 561, 10 L.R.A. (N.S.) 920, is directly in point upon this question."

In the case of Commonwealth v. Consolidated Casualty Company, 170 Ky. 103, 185 S.W. 508, the principle announced in the foregoing cases was reaffirmed by the Court of Appeals, but not applied because of a distinction in the facts, which, however, serves to emphasize the applicability of the rule to the case of The BancoKentucky Company. In this case the Consolidated Casualty Company, a West Virginia corporation, writing accident, health and indemnity insurance, purchased some bonds secured by Kentucky real estate and deposited them with the Insurance Commissioner of West Virginia under provisions of the insurance laws of that state. The bonds were purchased with money derived from the sale of appellee's capital stock and not from premiums or profits derived in the course of business. The Court held these bonds were not taxable and in the opinion said:

> "We do not overlook the fact that it was held in Commonwealth v. Dun & Co., 126 Ky. 108, 108 S.W. 859, 31 Ky. Law Rep. 561, 10 L.R.A. (N.S.) 920, that intangible property owned by a nonresident could acquire a situs for taxation in Kentucky if used exclusively in or accumulated from business done in Kentucky, but the rule announced in that case cannot apply here, because the bonds sought to be

> taxed are not held in Kentucky or used by appellee exclusively therein, nor were they acquired from business done in Kentucky. On the contrary, as previously remarked, they were admittedly purchased by appellee with money derived from the sale of its stock, when its executive office was in West Virginia, and immediately placed on deposit with the auditor or insurance commissioner of that state, in whose custody they have since remained. If appellee were a domestic corporation, the fact that the bonds are held in another state would not necessarily exempt them from taxation in this state, but, as it is not a domestic, but a foreign, corporation, and the bonds have not been held in this state, used exclusively therein, or accumulated from business done in the state, it cannot be said to have a taxable situs therein. In other words, the property sought to be taxed here consists of bonds that represent one isolated loan made by appellee at a time when even its executive office was not in the state, and the money loaned had not been accumulated from business done in the state. There is a manifest distinction between taxing the average capital invested by a nonresident in business carried on in a particular state and the taxation of isolated credits due to a nonresident."

To the same effect, see Commonwealth v. Northwestern Mutual Life Insurance Company, 38 K.L.R. 796, 107 S.W. 233.

It is true that in Kentucky, as in a number of the American states, the situs of intangible personal property is fixed, by statute, at the domicile of the real or beneficial owner; and, if the State of Delaware levied an ad valorem tax upon intangibles of corporations organized under its laws, the result would be that the intangibles owned by The BancoKentucky Company would be assessed for taxation in both States. It is our understanding that the State of Delaware has no such tax. However, it should be pointed out that the mere fact that double taxation can, and sometimes does, exist, is no conclusive argument against the taxation of intangibles where physically located or where the business is conducted which produces them.

The Court of Appeals of Kentucky at one time held, in order to avoid double taxation of intangibles, that the intangibles of a Kentucky corporation, located and developed by business outside of the State, were not taxable here. See Commonwealth v. West India Oil Company, 138 Ky. 828, 129 S.W. 301, 36 L.R.A. (N.S.) 895, and also, Commonwealth v. Avery & Sons, 163 Ky. 813, 174 S.W. 518. In these cases, the Court went so far as to say that so much of Section 4020, supra, as undertook to impose a tax upon intangibles located outside the State, was unconstitutional.

But some years after these cases had been decided the Supreme Court of the United States held in the case of Fidelity and Columbia Trust Company, Executor, L.P.Ewald, v. City of Louisville, 245 U.S. 54, 62 Law Ed. 145, that it was not a denial of due process or equal protection to tax intangibles outside the state in which the owner maintained his domicile, even though the domiciliary state likewise assessed and taxed these intangibles. And, following this decision (which in effect reversed Commonwealth v. West India Oil Company

and Commonwealth v. Avery and Sons, supra) the Court of Appeals in the case of Bingham's Administrator v. Commonwealth, 199 Ky. 402, 251 S.W. 936, expressly overruled these two cases. The result of the foregoing seems to be that at the present time the State of Kentucky can, and does, assess for taxation, not only intangible property of nonresidents which is "located" within this State, but also, the intangibles of residents of Kentucky which are "located" without this State.

This being true, all of the intangible property owned by The BancoKentucky Company would be taxable in Kentucky, within the meaning of Section 4088, supra, and, therefore, the shares of this corporation would be exempt from taxation.

Yours very truly,

Robert F. Vaughan

Irwin H. Loughlin

RFV:IS

Exhibit 134-13

PLAINTIFF'S
EXHIBIT No. 133-13
OCT
Paul C. [illegible]
OFFICIAL REPORTER

July 9, 1939

Mr. James B. Brown, President
National Bank of Kentucky
Louisville, Kentucky

Dear Mr. Brown:

IN RE: THE BANCOKENTUCKY COMPANY

Supplementing my former letter to you under date of July 6th, on Wednesday I had a conversation with a lawyer, representing the Income Tax Unit at Washington, in the General Counsel's Department, who shortly expects to become a member of the firm of Miller and Chevalier, my office associates in Louisville, which firm, as heretofore explained, specializes in Federal Tax cases, with offices in Washington and New York.

The gentleman gave as his opinion (without opportunity to study the history of the entire transaction) that it was highly important that every preliminary paper, resolution, etc., dealing with this Company and its organization, should clearly recite that the Company is a "reorganization," within the purview of the Revenue Act of 1939.

In other words, the issue and delivery of two shares of stock of the Company, for one Trustees Participation Share, must be made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property.

I believe we can accomplish this result, without in anywise impairing the structure of the setup already agreed upon, by prefacing the prospectus with some general remarks, as per the enclosed draft herewith submitted for your criticism.

Yours very truly,

RHV:IS
1 Encl.

134-13

1956

Exhibit 134-13

[redacted]

To the Holders of
Trustees Participation Shares,
National Bank of Kentucky,
Louisville, Kentucky.

Your Officers and Directors have, for sometime past, been seriously considering a reorganization of your banking institutions to meet the rapidly changing conditions in the banking business in this country, and also, to prepare for still greater changes, which, in our opinion, are rapidly approaching.

We are unanimously of the opinion that the first step to be taken by our shareholders in this reorganization is the creation of a third corporation, under state laws, with broad powers and strong resources, to be operated by your Officers and Directors in conjunction and in close cooperation with the two banks, expanding their credit facilities and supplementing their functions in the financial world.

Accordingly, your Directors have caused to be organized, subject to your approval, as hereinafter set forth, a corporation under the laws of Delaware, known as The Bancokentucky Company. In keeping with the idea of its formation and the plans of its future operation, it is essential that the shares of the Company, or at least a substantial majority thereof, must be owned by the present holders of the Trustees Participation Shares. (Here follows the prospectus approved at the meeting on Friday, July 5th.)

COPY

Exhibit 134-14

PLAINTIFF'S EXHIBIT No. 134-14
OCT 18 1938
Reed C. Campbell
OFFICIAL REPORTER

July 6, 1929.

Mr. James B. Brown, President
National Bank of Kentucky
Louisville, Kentucky

Dear Sir:

In re: Bancokentucky Company

On yesterday you asked me whether the holders of the Trustees Participation Shares would be subject to income tax, in the event they exchanged their shares for the shares of Bancokentucky Company, in accordance with the terms of the prospectus.

I have conferred with my associates, Messrs. Miller and Chevalier, and submit herewith our composite view on this question.

1) If the Bancokentucky Company cannot be considered as a "reorganization" under the Revenue Act of 1928, then, undoubtedly the holders of the Participation Shares would be taxable on the transfer, on the amount of the profit realized from the transaction. This profit would be the difference between the cost of the Participation Shares and the fair market value of the shares of Bancokentucky Company, which would be $25.00 or more. In view of the fact that every shareholder of the National Bank of Commerce is still a shareholder in the two institutions, it will be at once seen that the taxable gain would be very large, were it not possible to treat the Bancokentucky Company as a reorganization under the Revenue Act of 1928.

2) We believe that the Bancokentucky Company will be treated as a reorganization, provided it acquires not less than a majority of the Trustees Participation Shares. A reorganization is defined in the Revenue Act as a merger or consolidation, including the acquisition by one corporation of at least a majority of the voting stock of another corporation. For the purposes of our transaction, it is our opinion that the Trustees for the National Bank of Kentucky and The Louisville Trust Company will be treated as an Association or Corporation. This opinion is based upon two facts:

a. Because the Rules and Regulations Section of the Income Tax Unit have held that Trustees, under similar trust agreements, are to be treated as an Association or Corporation for income tax purposes; and

b. Because under Section 701 of the Revenue Act of 1918, the term, corporation, is defined to include "Associations."

1958

134-14

Exhibit 134-14

2. Bancokentucky Company.

Assuming that we are right in the foregoing conclusions, then, no taxable gain will be realized as a result of the exchange of the shares, under Subsection 3 of Section 112, Revenue Act of 1928, which reads as follows:

> "No gain or loss shall be recognized if stock or securities in a corporation, a party to a reorganization, are in pursuance of the plan of reorganization, exchanged solely for stock or securities in such corporation, or, in another corporation, a party to the reorganization."

Of course, the foregoing Section would apply only in the event the Department should treat the Trustees, for the National Bank of Kentucky and The Louisville Trust Company, as a corporation, for in that event, the Trustees would be a "party to the reorganization" within the meaning of the above Section, and the Bancokentucky Company would be the other party thereto. It is our best opinion, as above stated, that the Trustees would be so treated by the Department, and, therefore, that no taxable gain would result from these transfers.

In order to clinch our right, as far as possible, to claim for our stockholders the immunity provided for in the above Section, we believe it will be necessary to add a clause to the prospectus, providing that, the offer of the Bancokentucky Company stock on the plan outlined is conditioned upon the acceptance thereof by at least a majority in interest of the Trustees Participation Shareholders.

Yours very truly,

RFV:IS

Exhibit 146

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Loans Made by Louisville Trust Company
For Payment of Subscriptions to Capital Stock
of BancoKentucky Company During Period

September 25, 1929 to November 7, 1929

Plaintiff's Exhibit 146

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

1960

Exhibit 146

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

HUGH A. WHITE, C.P.A.
EDWIN H. BOWER, C.P.A.
HARRY M. PREVO, C.P.A.
L. S. McLAUGHLIN, C.P.A.

TELEPHONE
CADILLAC 4000

NATIONAL BANK BLDG.
DETROIT, MICH.

October 14, 1938

Mr. A.M.Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions, we have examined certain of the books of account and records of

Louisville Trust Company
and
BancoKentucky Company

for the period from September 25,1929 to November 7,1929, pertaining to payments for subscriptions to the capital stock of BancoKentucky Company and loans made by Louisville Trust Company for payment of those subscriptions.

We have prepared and appended hereto a schedule showing a list of subscribers to the capital stock of BancoKentucky Company, who borrowed from the Louisville Trust Company to pay either all or a part of the subscription price of the stock. The list also shows the date and amount of the payment of the subscriptions and the amount of the loans from the Louisville Trust Company.

The total cash received by BancoKentucky Company in payment for subscriptions to its capital stock amounted to $9,869,850.00. It will be seen by the schedule appended hereto that $1,637,154.62

Exhibit 146

of this amount was borrowed by the subscribers from the Louisville Trust Company. As shown by a report being submitted under separate cover $4,439,505.81 was borrowed from the National Bank of Kentucky by subscribers to the capital stock of BancoKentucky Company.

Very truly yours,

White, Bower & Rowe.
Certified Public Accountants

1963

Exhibit 146

Amount borrowed from Louisville Trust Company to pay original subscription to Capital Stock of BancoKentucky Company.

Subscriber	Payment of Subscription Date	Amount	Amount borrowed to pay subscription.
Abbott, David J	Oct 8, 1929	$10,000.00	$8,000.00
Akers, John S	Sept 30, 1929	10,000.00	10,000.00
Aldhiser, Stuart G	Oct 9, 1929	625.00	500.00
Allen, Stuart W	Oct 8,1929	1,250.00	1,250.00
Andriott, Miss Lillian	Oct 9, 1929	500.00	250.00
Askenstedt, Fritz G	Oct 3, 1929	500.00	500.00
Ayres, Frank B	Oct 2, 1929	2,500.00	1,000.00
Babigalupi, Charles G	Oct 4, 1929	1,875.00	1,500.00
Badesch, Jack	Oct 4, 1929	625.00	525.00
Baird, Willis May	Oct 3, 1929	7,500.00	6,000.00
Bailey, Edward	Oct 2, 1929	250.00	250.00
Ball, Carlton	Oct 1, 1929	1,550.00	1,550.00
Ball, Clarence E	Oct 2, 1929	250.00	250.00
Bamber, Wilfred C	Oct 8, 1929	2,500.00	2,031.08
Barbour, Phillip F	Sept 27, 1929	5,500.00	5,400.00
Barker, Thomas A	Oct 10, 1929	3,500.00	3,500.00
Baumgarten, Miss Margaret L	Oct 2, 1929	125.00	125.00
Baxter, Charles S	Oct 3, 1929	500.00	400.00
Bayers, Frank E	Oct 3, 1929	2,000.00	1,500.00
Bayens, Raphael J	Oct 3, 1929	2,500.00	2,000.00
Bean, Bennett B	Oct 2, 1929	1,000.00	800.00
Beck, Albert M	Sept 27, 1929	5,000.00	5,000.00
Beckham, Mrs Alice	Oct 2, 1929	2,500.00	2,000.00
Beckley, Richard	Oct 4, 1929	250.00	250.00
Bensinger, Arthur B	Oct 11, 1929	12,500.00	12,500.00
Berg, Mrs Thekla	Oct 1, 1929	10,500.00	10,500.00
Berger, Peter Charles	Oct 3, 1929	5,000.00	5,000.00
Berry, John T	Oct 2, 1929	300.00	225.00
Bethel, Miss Mary MacDonald	Oct 4, 1929	5,000.00	5,000.00
Bettorff, Miss Roberta	Oct 2, 1929	425.00	325.00
Bexy, Stanley	Oct 7, 1929	500.00	350.00
Bibb, Robert H	Oct 1, 1929	500.00	400.00
Boehl, Huber F	Oct 14, 1929	10,000.00	10,000.00
Booker, Bodley	Oct 7, 1929	500.00	400.00
Booker, W Fred	Oct 1, 1929	5,000.00	5,000.00
Boomer, George O	Oct 3, 1929	25,000.00	25,000.00
Bordorf, David	Oct 3, 1929	15,000.00	15,000.00
Borowitz, Abraham	Oct 4, 1929	250.00	200.00
Boswell, Rhodes R	Oct 10, 1929	23,500.00	21,000.00
Bottomley, Robert D	Oct 3, 1929	1,250.00	750.00

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount borrowed to pay subscription
Bradley, Thomas P	Oct 5, 1929	1,250.00	1,015.95
Bradley, Mrs Tillie Bartha	Oct 4, 1929	1,250.00	1,000.00
Brakmeier, Gus W, Jr	Oct 11, 1929	2,500.00	2,000.00
Brewer, Andrew J	Oct 3, 1929	5,000.00	4,000.00
Brobeck, Phillip H	Oct 3, 1929	27,500.00	22,000.00
Brocking, Harry King	Oct 1, 1929	7,500.00	7,500.00
Brocking, Mrs Margaret	Oct 1, 1929	250.00	200.00
Brown, Arthur W	Oct 3, 1929	1,250.00	1,250.00
Brown, George	Oct 7, 1929	5,000.00	4,000.00
Brown, Harold G	Oct 2, 1929	125.00	125.00
Brown, J Welburn	Oct 3, 1929	9,500.00	7,600.00
Brown, William E	Oct 3, 1929	125.00	125.00
Bruce, George	Sept 30, 1929	250.00	250.00
Buck, James N	Oct 1, 1929	125.00	125.00
Bullock, James P	Oct 7, 1929	500.00	400.00
Burks, George R	Oct 3, 1929	2,500.00	2,000.00
Burrus, James C	Oct 2, 1929	125.00	125.00
Callaham, Miss Alberta	Oct 2, 1929	250.00	250.00
Campbell, Charles D	Oct 10, 1929	12,500.00	12,500.00
Campbell, Stuart C	Oct 4, 1929	500.00	500.00
Carter, James G	Oct 1, 1929	3,500.00	3,500.00
Carter, Roy L	Oct 2, 1929	7,500.00	7,500.00
Chandler, John H	Oct 9, 1929	1,250.00	1,150.00
Chandler, Mary Ellen	Oct 3, 1929	750.00	750.00
Charlton, Henry L	Oct 4, 1929	2,500.00	2,500.00
Chastain, Arlie	Oct 5, 1929	5,000.00	3,600.00
Chauk, Wm J	Sept 27, 1929	12,500.00	2,500.00
Clark, Walter S	Oct 5, 1929	7,500.00	7,500.00
Cochran, T Wilson	Oct 2, 1929	6,250.00	6,283.33
Collis, John V	Oct 3, 1929	21,000.00	21,434.00
Conrad, Philip	Oct 3, 1929	1,250.00	650.00
Constantine, Lillian D	Oct 3, 1929	1,000.00	700.00
Cohen, Harry N	Oct 3, 1929	2,500.00	2,030.33
Crady, Wood	Oct 3, 1929	2,500.00	2,000.00
Cralle, Herbert C, Jr	Oct 2, 1929	875.00	875.00
Cranford, Richard B	Oct 3, 1929	2,500.00	2,000.00
Crutcher, F M- Dental Depot	Oct 3, 1929	25,000.00	20,000.00
Culp, Charles C	Oct 4, 1929	12,500.00	12,500.00
Cusmack, Walter P	Oct 3, 1929	10,000.00	10,000.00
Cureton, Nat C	Oct 10, 1929	5,000.00	3,800.00

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount borrowed to pay subscription.
Daniel, Miss Opal	Oct 3, 1929	3,500.00	3,525.41
Daniell, John P	Oct 3, 1929	1,250.00	1,250.00
Daub, Raymond	Oct 3, 1929	2,500.00	2,000.00
Davis, John J	Oct 2, 1929	12,500.00	10,000.00
Dennis, Feree	Oct 1, 1929	2,500.00	2,000.00
Denzer, Miss Mayme	Oct 4, 1929	500.00	115.00
Dittmeier, Peter R	Oct 3, 1929	500.00	375.00
Dodd, Allen P	Oct 3, 1929	20,000.00	20,000.00
Dodd, Edward A	Oct 3, 1929	1,250.00	1,250.00
Dombroe, Frank G	Oct 3, 1929	2,500.00	2,500.00
Dougherty, Frank J	Oct 7, 1929	1,250.00	1,250.00
Drave, Mrs Helen J	Oct 1, 1929	2,500.00	2,500.00
Dueker, Frank C	Oct 3, 1929	125.00	125.00
Duereen, Burton A	Oct 3, 1929	2,500.00	2,500.00
Duffy, Mrs Ruby P	Oct 2, 1929	250.00	209.00
Duffy, Thomas J	Oct 7, 1929	17,400.00	17,500.00
Duncan, Scott, Sr	Oct 3, 1929	5,000.00	2,500.00
Duncan, Tom B	Oct 2, 1929	2,500.00	2,500.00
Eaton, Louis A	Oct 3, 1929	7,500.00	7,019.23
Eckerle, Elmore J	Oct 3, 1929	2,500.00	2,000.00
Eddleman, Dr Claud S	Oct 3, 1929	7,500.00	7,500.00
Elins, Theo	Oct 4, 1929	2,500.00	2,000.00
Evans, William S	Oct 2, 1929	1,000.00	1,000.00
Everhart, Joseph B	Oct 2, 1929	750.00	550.00
Eifler, Mrs Catherine W	Oct 2, 1929	250.00	150.00
Fahey, William B	Oct 4, 1929	13,500.00	13,700.00
Family Credit Clothing Co	Oct 2, 1929	5,000.00	4,500.00
Fawcett, Alden L	Oct 3, 1929	1,400.00	1,000.00
Fisher, Thomas C	Oct 4, 1929	1,250.00	800.00
Fleixner, Gustav	Oct 2, 1929	10,000.00	10,000.00
Ford, Ben O	Oct 4, 1929	12,500.00	10,000.00
Franklin Printing Co(The)	Oct 11, 1929	1,000.00	800.00
Franks, Louis F	Oct 3, 1929	625.00	575.00
Frederick, Harry	Oct 2, 1929	625.00	625.00
Fromm, Fred	Oct 3, 1929	1,250.00	950.00
Furnish, Arthur R	Oct 2, 1929	6,000.00	6,000.00
Gambert, William P	Oct 2, 1929	500.00	450.00
Gardner, Joseph S, Jr	Oct 3, 1929	500.00	500.00
Gates, Fred W	Oct 2, 1929	2,500.00	2,500.00
Geraghty, Raymond R	Oct 4, 1929	500.00	500.00
Gimmich, Margaret M	Oct 3, 1929	2,500.00	1,200.00
Guiglione, John	Oct 3, 1929	2,500.00	1,875.00
Girdler, Mrs. Anna S	Oct 1, 1929	625.00	500.00

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount Borrowed to pay Subscription
Gellar, John Jr.,	Oct. 3,1929	$ 2,500.00	$ 2,500.00
Goodfriend, Louis	Oct. 3, 1929	250.00	250.00
Goodfriend, Louis	Oct. 4, 1929	125.00	125.00
Gordon, Robert G.	Oct. 3, 1929	12,800.00	10,000.00
Gradman, Harry	Oct. 4, 1929	1,250.00	900.00
Graham, Mrs. Frances	Oct. 3, 1929	200.00	100.00
Graham, Thomas	Oct. 1, 1929	2,500.00	2,500.00
Grall, Albert	Oct. 7, 1929	500.00	400.00
Grants, Maurice	Oct. 2, 1929	125.00	125.00
Gray, Angerean	Oct. 3, 1929	1,250.00	1,000.00
Grey, Patty G.	Oct. 3, 1929	625.00	500.00
Grimstead, R. Hewitt	Oct. 2, 1929	12,500.00	10,000.00
Guembel, Fred	Oct. 2, 1929	8,750.00	6,650.00
Guntermann, Mrs. Lola	Oct. 2, 1929	625.00	600.00
Gutermuth, Conrad H.	Oct. 4, 1929	1,875.00	800.00
Guthrie, Mrs. Margaret	Oct. 22, 1929	375.00	375.00
Haas, Shirley E.	Oct. 7, 1929	2,500.00	1,000.00
Hager, John G.	Oct. 1, 1929	7,500.00	7,500.00
Hagman, William J.	Oct. 10, 1929	2,000.00	2,000.00
Hale, Earl D.	Oct. 3, 1929	625.00	500.00
Hamilton, Arch L.	Oct. 9, 1929	25,000.00	25,000.00
Hammann, Earl	Oct. 3, 1929	250.00	250.00
Hammann, George Jr.	Oct. 2, 1929	250.00	250.00
Hannan, Edward G.	Oct. 5, 1929	2,500.00	2,000.00
Hansen, Richard H.	Sept.26, 1929	1,250.00	750.00
Hardesty, Marion & Lee P. doing business as Hardesty Pharmacy	Oct. 1, 1929	1,250.00	900.00
Hardin, G. W.	Oct. 3, 1929	2,500.00	2,000.00
Harris, Mrs. Laura L.	Oct. 1, 1929	2,500.00	2,500.00
Hartley, Isaac S.	Oct. 3, 1929	10,000.00	7,822.50
Harvey, Allen P.	Oct. 1, 1929	12,500.00	12,500.00
Hawes, Edgar B.	Oct. 3, 1929	1,250.00	1,250.00
Hawes, Mrs. Elsie S.	Oct. 3, 1929	1,250.00	750.00
Hawes, R. Lee	Oct. 7, 1929	1,000.00	800.00
Hayden, James H.	Oct. 4, 1929	1,000.00	800.00
Hayden, Thomas E.	Oct. 3, 1929	250.00	200.00
Hays, Mrs. Etta Hoet	Oct. 1, 1929	1,250.00	951.75
Hays, F. S.	Oct. 2, 1929	1,000.00	800.00
Hays, John Edwin	Oct. 3, 1929	1,250.00	951.75
Hays, Josephine L.	Oct. 3, 1929	250.00	150.00
Head, Miss Maude	Oct. 3, 1929	250.00	187.50

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount Borrowed to pay Subscription
Heffern, John W.	Oct. 10, 1929	$ 250.00	$ 250.00
Heidicke, Fred F.	Oct. 2, 1929	2,500.00	2,500.00
Henderson, Elmer L.	Oct. 1, 1929	7,500.00	6,061.00
Hendricks, Mrs. Dorothy A.	Oct. 19, 1929	250.00	250.00
Henn, Miss Hattie B.	Oct. 2, 1929	250.00	175.00
Hertzman, Alex	Oct. 3, 1929	1,000.00	800.00
Hertzman, Irwin & Aaron	Oct. 2, 1929	10,000.00	10,000.00
Hertzman, Rachael	Oct. 3, 1929	1,500.00	1,200.00
Hess, Albert	Oct. 1, 1929	5,000.00	4,000.00
Hess, James R.	Oct. 2, 1929	625.00	300.00
Hester, Mrs. Joan	Oct. 1, 1929	25,000.00	25,000.00
Hickman, Lindley A.	Oct. 3, 1929	2,500.00	1,000.00
Hikes, Mrs. Verna Ray	Oct. 1, 1929	7,500.00	7,655.00
Hinkebein, Fred J.	Oct. 5, 1929	10,000.00	10,151.66
Hinkle, Edward W.	Oct. 2, 1929	5,000.00	3,859.53
Hinkle, Maude	Oct. 7, 1929	500.00	406.07
Hoag, Philip J.	Oct. 3, 1929	1,250.00	750.00
Hoblitzell, Bruce	Oct. 2, 1929	2,500.00	2,000.00
Hobson, Mrs. Jane	Oct. 1, 1929	375.00	375.00
Hoerts, Thatcher	Oct. 2, 1929	625.00	625.00
Hoffman, Walter J.	Oct. 3, 1929	625.00	500.00
Hogan, Herbert Hart	Oct. 3, 1929	3,750.00	3,750.00
Hoge, William L.	Oct. 14, 1929	22,500.00	20,306.66
Hohler, Miss Margaret B.	Oct. 1, 1929	125.00	75.00
Hollembach, Louis J.	Oct. 2, 1929	25,000.00	25,000.00
Holtevert, Henry B.	Oct. 7, 1929	5,000.00	4,000.00
Horn, Edwin	Oct. 1, 1929	2,500.00	2,500.00
Houghland, Rosece S.	Oct. 2, 1929	2,000.00	1,000.00
Howard, Dr. E. Murphy	Oct. 3, 1929	10,000.00	8,000.00
Howell, Herbert B.	Oct. 2, 1929	1,250.00	1,250.00
Howington, Mary Lou.	Oct. 3, 1929	150.00	100.00
Hudson, Allen K.	Oct. 1, 1929	250.00	180.00
Humphreys, Mrs. Sue Hite	Oct. 11, 1929	600.00	306.10
Hynes, Miss Gladys	Oct. 3, 1929	500.00	500.00
Jacks, Edna	Oct. 3, 1929	250.00	100.00
Jackson, Levi C.	Oct. 3, 1929	250.00	250.00
Jackson, Roy	Oct. 3, 1929	250.00	150.00
James, Rome W.	Oct. 3, 1929	2,500.00	2,041.33
Jarboe, William B.	Oct. 3, 1929	1,000.00	507.96

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount borrowed to pay subscription
Jones, Miss Evelyn W	Oct 1, 1929	1,250.00	1,250.00
Jones, Samuel D	Oct 8, 1929	1,000.00	1,000.00
Kammerer, Louis J	Oct 9, 1929	2,500.00	2,051.74
Kasdan, David	Oct 2, 1929	2,500.00	2,500.00
Kassenbrock, Louis R	Oct 2, 1929	12,500.00	12,700.00
Kaufman, Leo P	Oct 7, 1929	1,875.00	1,500.00
Kavanaugh, Jere J	Oct 10, 1929	625.00	625.00
Kavanaugh, Lillie L	Oct 8, 1929	1,250.00	863.31
Keaney, John M	Oct 1, 1929	2,500.00	2,000.00
Keller, Henry	Oct 8, 1929	1,250.00	1,250.00
Kemp, Fox P	Oct 4, 1929	10,000.00	8,000.00
Kempsey, Walker W	Oct 8, 1929	250.00	200.00
Kesselring, John	Oct 8, 1929	625.00	625.00
Kessler, Miss Lala	Oct 2, 1929	750.00	350.00
Kilgus, Jacob E	Oct 4, 1929	2,500.00	1,500.00
Kimbler, George E	Oct 8, 1929	750.00	650.00
Kirch, Miss Nora	Oct 2, 1929	750.00	400.00
Klein, Harry J	Oct 8, 1929	2,500.00	2,500.00
Klein, Sam	Oct 1, 1929	2,500.00	2,500.00
Klemm, Edward G	Oct 2, 1929	5,000.00	3,000.00
Kling, Benj. W.	Oct 8, 1929	12,500.00	12,500.00
Kneop, Edward C	Oct 7, 1929	2,500.00	2,500.00
Knue, John F	Oct 8, 1929	1,250.00	1,100.00
Koestel, Fred W	Oct 5, 1929	250.00	250.00
Koppelman, Mrs Josephine B	Oct 8, 1929	12,500.00	10,000.00
Kraber, Henry C	Oct 2, 1929	2,500.00	2,000.00
Krieger, Mrs Anna	Oct 8, 1929	250.00	193.03
Kuhn, Miss Alma	Oct 1, 1929	1,000.00	750.00
Kunz, John J	Oct 14, 1929	2,500.00	2,500.00
Kurowiski, A V	Oct 4, 1929	5,000.00	3,000.00
Lane, Mrs Adrienne	Oct 8, 1929	500.00	300.00
Lang, Theo A	Oct 8, 1929	1,875.00	875.00
Langford, George W	Oct 9, 1929	15,000.00	15,238.80
Lapointe, Ruth B	Oct 8, 1929	1,400.00	700.00
Leopold, Lawrence S	Oct 1, 1929	5,000.00	5,000.00
Levy, James S	Oct 8, 1929	2,500.00	2,500.00
Levy, Markham	Oct 8, 1929	2,500.00	2,500.00
Lewis & Culp, Inc.	Oct 4, 1929	15,000.00	15,000.00
Lewis, Kendrick R	Oct 8, 1929	2,500.00	2,000.00
Lewis, Orand B	Oct 8, 1929	1,250.00	1,200.00

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount Borrowed to pay Subscription
Lieber, Fred H.	Oct. 3, 1929	$ 1,000.00	$ 1,000.00
Lindemberger, G. Hope	Oct. 3, 1929	2,500.00	2,500.00
Linker, Harry	Oct. 8, 1929	3,750.00	3,700.00
Lucas, Albert R.	Oct. 1, 1929	625.00	600.00
Lucas, Miss Alberta T.	Oct. 1, 1929	1,500.00	1,500.00
Lucas, Mrs. Josephine T.	Oct. 1, 1929	1,000.00	850.00
Lussky, Clifford	Oct. 3, 1929	5,000.00	4,000.00
Lussky, Mrs. Edith Gast	Oct. 4, 1929	1,000.00	800.00
Lussky, William Nash	Oct. 3, 1929	800.00	400.00
Lyon, Albert P.	Oct. 3, 1929	2,500.00	1,000.00
Lyons, Dandridge, H.	Oct. 3, 1929	800.00	400.00
Lyons, Mrs. Kathleen K.	Oct. 3, 1929	1,000.00	800.00
MacAfee, Clinton J.	Oct. 8, 1929	250.00	125.00
MacAfee, Henry Berryman-	Oct. 8, 1929	250.00	125.00
McCord, Charles	Oct. 19, 1929	250.00	250.00
McGary, Miss Regina	Oct. 2, 1929	100.00	75.00
McGee, Martin A.	Oct. 3, 1929	5,000.00	5,000.00
MacKenzie, Mrs. Evelyn B.	Oct. 3, 1929	250.00	250.00
MacMillan, Elmer L.	Oct. 8, 1929	10,000.00	8,000.00
McNally, Allen	Oct. 3, 1929	2,500.00	2,500.00
McSorley, Edward A. Jr.	Oct. 2, 1929	375.00	375.00
Maloney, Margaret L.	Oct. 2, 1929	2,250.00	1,000.00
Maloney, Miss Nellie	Sept. 26, 1929	2,500.00	2,500.00
Massie, William K.	Oct. 4, 1929	25,000.00	20,415.35
Mathews, Thomas H.	Oct. 2, 1929	12,500.00	12,500.00
Mattingly, Allen	Oct. 3, 1929	500.00	400.00
Mattingly, Mrs. Leila Elkin	Oct. 3, 1929	2,500.00	2,541.66
Mattingly, Martin H.	Oct. 3, 1929	500.00	400.00
May, Charles W.	Oct. 3, 1929	250.00	150.00
Mellon, William A.	Oct. 1, 1929	600.00	600.00
Metcalfe, Ben J.	Oct. 3, 1929	48,500.00	48,500.00
Metcalfe, Miss Elizabeth	Oct. 2, 1929	12,500.00	12,700.00
Metcalfe, Mrs. Katherine H.	Oct. 3, 1929	12,500.00	12,500.00
Meuter, Fred	Oct. 1, 1929	1,250.00	1,000.00
Miersch, Rudolph D.	Oct. 3, 1929	2,500.00	1,875.00
Miller, Frank H.	Oct. 3, 1929	2,500.00	2,500.00
Miller, Henry P.	Oct. 2, 1929	1,000.00	800.00
Miller, James R.	Oct. 2, 1929	250.00	250.00

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount Borrowed to pay Subscription
Miller, Neville	Oct. 8, 1929	$ 2,500.00	$ 2,500.00
Miller, William S.	Oct. 2, 1929	250.00	250.00
Milner, Charles W.	Oct. 19, 1929	7,500.00	7,500.00
Mittenthal, Meyer	Oct. 14, 1929	12,500.00	10,000.00
Model Home Construction Co.	Sept. 28, 1929	10,000.00	10,000.00
Moll, Edward L.	Oct. 1, 1929	9,000.00	7,617.50
Monroe, Walter B.	Oct. 3, 1929	2,500.00	2,000.00
Morat, Frank J. L.	Oct. 11, 1929	5,000.00	3,945.50
Morris, George R.	Oct. 4, 1929	2,500.00	2,000.00
Morris, Louis R.	Oct. 4, 1929	2,500.00	2,000.00
Morrow, William R.	Oct. 4, 1929	2,500.00	2,500.00
Morton, David C.	Oct. 1, 1929	26,500.00	25,271.50
Morton, Mrs. Mary M.	Oct. 2, 1929	2,500.00	1,500.00
Moss, Mrs. Margaret M.	Oct. 4, 1929	1,000.00	500.00
Moss, White L.	Oct. 3, 1929	5,000.00	4,500.00
Murphy, Miss Della J.	Oct. 2, 1929	250.00	250.00
Murrell, Oliver	Oct. 1, 1929	2,500.00	2,500.00
Naber, George H.	Oct. 1, 1929	5,000.00	5,000.00
Neumeyer, Mrs. Ottillia	Oct. 3, 1929	75.00	60.00
Nichams, Miss Frances	Oct. 2, 1929	375.00	375.00
Oeswein, Mrs. Lalia	Oct. 3, 1929	1,250.00	500.00
Parker, George H.	Oct. 4, 1929	7,500.00	7,615.75
Payne, S. Tilford	Oct. 1, 1929	2,500.00	2,500.00
Pearce, Edward R.	Oct. 2, 1929	375.00	375.00
Pell, Miss Mary R.	Oct. 3, 1929	125.00	125.00
Plenge, William H.	Oct. 2, 1929	5,000.00	4,400.00
Polsgrove, Winfred O.	Oct. 2, 1929	250.00	250.00
Potut, Mrs. Georgia	Oct. 4, 1929	250.00	250.00
Powers, Michael J.	Oct. 18, 1929	1,250.00	1,000.00
Quick, Miss Agnes	Oct. 2, 1929	250.00	250.00
Rabenecker, Harry W.	Oct. 9, 1929	500.00	400.00
Radford, Octavis, L.C. Jr.	Oct. 4, 1929	2,500.00	2,500.00
Rains, Aris B. Jr.	Oct. 5, 1929	1,250.00	1,000.00
Rankin, Clyde E.	Oct. 2, 1929	1,250.00	1,000.00
Redmon, E. Hayes	Oct. 2, 1929	1,250.00	1,250.00
Reiss, Frank	Oct. 1, 1929	1,250.00	987.50
Parsons, Edgar M.	Oct. 1, 1929	2,500.00	2,500.00

Exhibit 146

Subscriber	Payment of subscription Date	Amount	Amount borrowed to pay subscription
Riehl, John	Oct 3, 1929	5,000.00	2,661.86
Rigg, James B	Oct 2, 1929	250.00	250.00
Robertson, Morris A	Oct 3, 1929	500.00	425.00
Robertson, William O	Oct 2, 1929	1,250.00	1,250.00
Robinson, Joseph M	Oct 2, 1929	2,600.00	2,080.24
Rose, Leo B	Oct 3, 1929	2,000.00	2,000.00
Rutledge, Arthur M	Oct 3, 1929	3,750.00	1,750.00
Sampson, J R	Oct 2, 1929	750.00	600.00
Samuels, Elbert G	Oct 2, 1929	375.00	375.00
Sand, Alexander	Oct 3, 1929	12,500.00	12,700.00
Scales, Joseph M	Oct 8, 1929	2,500.00	2,000.00
Scham, Miss Lois R	Oct 2, 1929	125.00	125.00
Schmidt, Miss Edna C	Oct 2, 1929	250.00	250.00
Schmidt, Lillie M	Oct 3, 1929	2,500.00	1,905.86
Schneider, Edward, Jr	Oct 3, 1929	10,000.00	10,000.00
Schroering, Edwin A	Oct 3, 1929	250.00	250.00
Schuhmann, Margie	Oct 3, 1929	625.00	600.00
Schuhmann, Bertha, Mrs	Oct 4, 1929	7,500.00	7,620.00
Schuster, Louis M	Oct 3, 1929	2,500.00	1,875.00
Schuster, Stanley G	Oct 1, 1929	5,000.00	4,000.00
Scott, Walter A	Oct 2, 1929	250.00	250.00
Searey, Millard J	Oct 2, 1929	500.00	500.00
Seelbach, Otto H	Oct 3, 1929	10,000.00	7,500.00
Seelump, Miss Adelaide	Oct 7, 1929	250.00	190.00
Seelump, Elizabeth	Oct 2, 1929	250.00	200.00
Seibert, Garfield	Oct 1, 1929	100.00	75.00
Shaba, Louis	Oct 4, 1929	5,000.00	5,000.00
Sherrill, Buford W	Oct 8, 1929	2,500.00	2,000.00
Sheup, Earl T	Oct 3, 1929	125.00	125.00
Simpson, Jesse H	Oct 5, 1929	6,000.00	6,000.00
Smart, John W	Oct 3, 1929	2,500.00	2,500.00
Smith, Guy B	Oct 3, 1929	625.00	800.00
Smith, Ely M	Oct 2, 1929	2,500.00	1,000.00
Snider, Ambrose J	Oct 2, 1929	750.00	150.00
Snodgrass, Miss Mary Lynn	Oct 2, 1929	250.00	250.00
Spalding, Joe	Oct 2, 1929	125.00	125.00
Spalding, Joseph S	Oct 8, 1929	25,000.00	19,000.00
Spalding, Peter H	Oct 4, 1929	2,500.00	1,827.30
Spaninger, Edward G	Oct 1, 1929	12,500.00	12,500.00
Spaninger, Joseph R	Oct 3, 1929	5,000.00	5,000.00

Exhibit 146

Subscriber	Payment of Subscription Date	Amount	Amount Borrowed to pay Subscription
Speckman, Ernest H.	Oct. 2, 1929	$ 12,800.00	$ 12,700.00
Speckman, Lawrence E.	Oct. 3, 1929	5,000.00	5,000.00
Speiden, Fillisen L.	Oct. 3, 1929	17,500.00	17,774.18
Steuffer, Walter W.	Oct. 10, 1929	5,000.00	5,000.00
Stengell, Miss Catherine	Oct. 2, 1929	250.00	250.00
Stepree, Miss Ninette	Oct. 3, 1929	375.00	375.00
Stils, William A. Sr.	Oct. 4, 1929	1,875.00	1,875.00
Stites, Miss Elizabeth	Oct. 4, 1929	375.00	375.00
Stites, Jarrett	Oct. 3, 1929	1,250.00	1,250.00
Stone, Sam	Oct. 7, 1929	25,000.00	25,000.00
Stern, Samuel B.	Oct. 2, 1929	2,500.00	2,500.00
Strassel, Harry K.	Oct. 4, 1929	2,500.00	2,000.00
Street, Karl D.	Oct. 3, 1929	625.00	400.00
Strusl, Charles	Oct. 4, 1929	2,500.00	2,000.00
Tabb, George Cary	Oct. 3, 1929	1,000.00	1,000.00
Tafel, Carl G.	Oct. 3, 1929	5,000.00	5,000.00
Taylor, Dr. B. M.	Oct. 1, 1929	1,250.00	1,000.00
Taylor, Charles C.	Oct. 3, 1929	2,500.00	2,000.00
Thirwell, Gilbert T.	Oct. 2, 1929	2,500.00	2,500.00
Thompson, Frank W.	Oct. 3, 1929	5,000.00	5,000.00
Thompson, Joseph W.	Oct. 3, 1929	2,500.00	1,905.83
Thompson, Robert P.	Oct. 3, 1929	7,500.00	7,500.00
Thornberry, Mrs. Aliene	Oct. 2, 1929	250.00	200.00
Tinsley, Francis J.	Oct. 2, 1929	1,875.00	1,875.00
Tobe, Vincent S.	Oct. 2, 1929	250.00	250.00
Trezler, Harvey B.	Oct. 2, 1929	5,000.00	5,000.00
Trumpeter, John F.	Oct. 2, 1929	1,000.00	1,000.00
Tuley, Jesse W.	Oct. 1, 1929	3,800.00	3,800.00
Turner, Henry R.	Oct. 10, 1929	15,000.00	15,000.00
Turner, John W.	Oct. 7, 1929	15,000.00	15,000.00
Tuyman, Clyde F.	Oct. 7, 1929	1,250.00	1,100.00
Tyler, Jessie R.	Oct. 3, 1929	500.00	400.00
Tyler, Robert S.	Oct. 8, 1929	1,250.00	1,000.00
Unnotium, William	Oct. 2, 1929	500.00	200.00
Unglaub, Arthur J.	Oct. 3, 1929	625.00	425.00
VanDoren, Miss Thompson	Oct. 4, 1929	500.00	425.00
Vander, Heelen, John H.	Oct. 7, 1929	2,500.00	2,000.00
Vaughan, J. Wallace	Oct. 3, 1929	12,500.00	12,500.00
Vittitoe, Hunter A.	Oct. 1, 1929	375.00	275.00
Vogel, Albert R.	Oct. 2, 1929	5,000.00	5,000.00

Exhibit 146

Subscriber	Payment of subscription Date	Amount	Amount borrowed to pay subscription
Wagner, Frederick W, Jr	Oct 1, 1929	2,500.00	2,500.00
Wagner, William	Sept 27, 1929	4,280.00	3,460.00
Wahl, Henry P	Oct 3, 1929	25,000.00	25,000.00
Wahl, Joseph T	Oct 1, 1929	25,000.00	25,000.00
Wallace, P M	Oct 3, 1929	2,500.00	2,500.00
Wallingford, Joe H	Oct 3, 1929	1,000.00	1,000.00
Waltring, Henry H	Oct 2, 1929	10,000.00	9,000.00
Warren, Mrs O S	Oct 1, 1929	25,000.00	25,000.00
Watkins, H T	Oct 2, 1929	500.00	400.00
Watkins, J William	Oct 3, 1929	10,600.00	10,305.00
Weaver, Miss Mamie L	Oct 1, 1929	4,000.00	4,000.00
Weber, Dan	Oct 10, 1929	2,500.00	2,000.00
Weber, William H	Oct 10, 1929	2,500.00	2,000.00
Weinstock, Emanuel	Oct 2, 1929	7,500.00	6,000.00
Wellborn, Frank J	Oct 2, 1929	2,500.00	2,500.00
Wheeler, Mrs Augusta H	Oct 3, 1929	1,900.00	1,900.00
Wheeler, Blakemore	Oct 8, 1929	10,000.00	10,000.00
Wheeler, Mrs Georgia B	Oct 1, 1929	1,250.00	1,000.00
Wheeler, Mrs Minnie H	Oct 9, 1929	37,800.00	25,000.00
Wheeler, W Curtis	Oct 1, 1929	15,000.00	15,000.00
Whyte, Horace B	Oct 4, 1929	3,780.00	3,780.00
Wickliffe, John C, Jr	Oct 4, 1929	5,000.00	4,000.00
Wickstead, John J	Oct 1, 1929	2,500.00	2,500.00
Wigginton, J S	Oct 2, 1929	625.00	475.00
Wilde, Miss Mabel Ann	Oct 2, 1929	100.00	100.00
Weber, Miss Carolyn	Oct 3, 1929	250.00	250.00
Williams, Franklin P	Oct 3, 1929	17,500.00	17,500.00
Wilson, Wallace N	Oct 1, 1929	2,500.00	2,000.00
Winbersmith, Tom M	Oct 4, 1929	2,500.00	2,000.00
Wirth, Karl P	Oct 2, 1929	2,500.00	2,000.00
Wirth, Louis K	Oct 1, 1929	5,000.00	4,500.00
Withers, Frank	Oct 1, 1929	2,500.00	2,500.00
Witherspoon, Miss Mattie	Oct 7, 1929	1,000.00	800.00
Wolff, Leander E	Oct 1, 1929	625.00	625.00
Wolff, Leander E	Oct 4, 1929	250.00	250.00
Wright, John R	Oct 1, 1929	2,500.00	1,000.00
Young, Miss Annie M	Oct 2, 1929	500.00	200.00
Young, George M	Oct 2, 1929	800.00	800.00
			$1,681,184.62

Exhibit 147

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Report on Bills Payable and Rediscounts of
Louisville National Bank & Trust Company
and Louisville Trust Company for
Period From

January 1, 1929 to November 16, 1930

Plaintiff's Exhibit 147

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

1974

Exhibit 147

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
DETROIT - CHICAGO

TELEPHONE
CADILLAC 4880

HUGH A. WHITE, C.P.A.
EDWIN H. BOWER, C.P.A.
HARRY H. PREVO, C.P.A.
L. B. McLAUGHLIN, C.P.A.

NATIONAL BANK BLDG.
DETROIT, MICH.

October 28, 1938

Mr. A. E. Anderson, Receiver,
National Bank of Kentucky,
Louisville, Kentucky.

Dear Sir:

In accordance with your instructions, we have examined certain books of account and records of

Louisville National Bank & Trust Company
and
Louisville Trust Company

and herewith present a statement of the borrowings of the banks on an average daily basis for the months indicated during the period from January 1, 1930 to November 16, 1933.

Very truly yours,

White, Bower & Prevo
Certified Public Accountants

1975

Exhibit 147

Bills Payable and Rediscounts of Louisville National Bank & Trust Company and Louisville Trust Company for period from January 1,1929 to November 16,1929, showing for each month the number of days on which borrowings existed and the average amount of such borrowings

	Year 1929		Year 1930	
	Number days indebted	Average Daily Borrowings	Number days indebted	Average Daily Borrowings
January	31	$ 709,077 (1)	7	$ 282,145
	31	678,552 (2)		
February	28	630,724 (1)	-	
	28	1,324,365 (2)		
March	31	824,677 (1)	1	120,000
	31	1,171,613 (2)		
April	30	577,667 (1)	1	120,000
	30	965,533 (2)		
May	31	926,371 (1)	-	
	25	1,325,000 (2)		
June	30	2,015,429 (1)	3	150,000
July	31	2,026,125	-	
August	31	2,247,580	15	711,667
September	30	2,311,125	20	825,667
October	31	2,345,615	31	825,322
November	30	3,654,222	16	659,625
December	31	1,502,410		

(1) Louisville Trust Company
(2) Louisville National Bank & Trust Company

Note: Louisville Trust Company and Louisville National Bank & Trust Company consolidated on May 25,1929.

Exhibit 150-1

Apr. 13, 1929

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held Apr 13-1929 was duly considered, and a record of the action taken made upon the minutes.

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky
(Name and location of bank.)

Plaintiff's Ex. 1

RECEIVED
MAR 16 1931
COMPTROLLER OF THE CURRENCY

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINING DIVISION.
Form 1559.—M. 31,000—Dec. 28-30.

Exhibit 150-2

Sept 14, 1929

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held Sept 14; was duly considered, and a record of the action taken made upon the minutes.

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINING DIVISION.
Form 1559.—M. 31,000—Dec. 28-30.

Exhibit 150-3

Mch 20, 1924

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held _____; was duly considered, and a record of the action taken made upon the minutes.

C T Jacobs

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.

(Name and location of bank.)

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINING DIVISION.
FORM 1602—Ed. 10,000—Dec. 10-23.

Exhibit 150-4

Aug 8th, 1924

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held Aug 8 1924 was duly considered, and a record of the action taken made upon the minutes.

C T Jacobs

(President or Cashier.)

National Bank of Ky. Louisville, Ky.

(Name and location of bank.)

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINING DIVISION.
FORM 1602—Ed. 10,000—Dec. 10-23.

Exhibit 150-5

Aug 20th 1925

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held Aug 18th; was duly considered, and a record of the action taken made upon the minutes.

O Bruce
(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINING DIVISION.
Form 1488.—Bd. 30,000—Dec. 18-25.

Exhibit 150-6

Dec 18, 1925

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held 12/18/25; was duly considered, and a record of the action taken made upon the minutes.

O Bruce
(President or Cashier.)

The National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINING DIVISION.
Form 1488.—Bd. 30,000—Dec. 18-25.

Exhibit 150-7

June 1, 1926

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received, was submitted to the directors at a board meeting held July 16 1926 was duly considered, and a record of the action taken made upon the minutes.

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINERS DIVISION.
Form 1459.—Rd. 12/25—Dec. 25-25.

Exhibit 150-8

Jan. 21st, 1927

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received, was submitted to the directors at a board meeting held Jan 21-1927 was duly considered, and a record of the action taken made upon the minutes.

RECEIVED
JAN 24 1927
COMPTROLLER OF CURRENCY

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
EXAMINERS DIVISION.
Form 1459.—Rd. 12/25—Dec. 25-25.

Exhibit 150-9

June 24, 1927, 19

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held June 24, 1927; was duly considered, and a record of the action taken made upon the minutes.

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

TREASURY DEPARTMENT,
Office of the Comptroller of the Currency,
Examining Division.

Exhibit 150-10

Louisville, Ky. May 5th, 1928, 19

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held May 4, 1928; was duly considered, and a record of the action taken made upon the minutes.

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

10

TREASURY DEPARTMENT,
Office of the Comptroller of the Currency,
Examining Division.

Exhibit 150-11

Nov 7-8, 1928

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held Nov 7-8; was duly considered, and a record of the action taken made upon the minutes.

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

TREASURY DEPARTMENT,
Office of the Comptroller of the Currency,
Examiners Division.
Form 1218—Rl. 6/28—5m. 11-28.

Exhibit 150-12

Louisville, Ky. August 23rd, 1929.

To the Chief National Bank Examiner:

The report of the recent examination of this bank has been received; was submitted to the directors at a board meeting held Aug. 23rd 1929; was duly considered, and a record of the action taken made upon the minutes.

(President or Cashier.)

National Bank of Kentucky, Louisville, Ky.
(Name and location of bank.)

2

TREASURY DEPARTMENT,
Office of the Comptroller of the Currency,
Examiners Division.
Form 1218—Rl. 6/28—5m. 11-28.

Exhibit 151

Directorate 10/9/20

1. Program of Examination- Manual.
2. Condition found in indictment of management.
3. Trend discovered(ing c/s
   4. Violations:
      Whitfield -executive-gave collateral
      Wrote notices on
      to officers, made with in-
      tent to deceive.
      Van Camp deal.
      Bullard & Co. Wrote false- diction in
      Executive.
      Caldwell & Co.- Executive -signed by
      Overdrafts- by
   B. Concentration:
      Aluminum Co. $,
      Rayon $,
      Canal
      Intercontinental $,
      $ non-client
   C. Lack of co-banker among officers.
      Approval of loans by Dirct. Com.
      Deficient.
4. Position: Lack of sufficient eligible paper.
   " " " secondary reserve in liquid bonds.

5. LETTER.

Conclusion:
Provide for present loan estimate.
Stop trend in its tracks.

Change form of management, by amending By-laws to provide for an Executive Committee of six Directors, who shall control the investment policy of Bank. By-laws to define powers and duties and responsibility of officers to same and Bankk. See Page 15.

Suggested personnel:

Mr. Speed, E.J.O'Brien, Mr. Vogt and S.L.Dawson with President Brown and VP Gandy. Credit-manager Akers, Secy.

Plaintiff's Exhibit No 151

1983

Exhibit 153

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 5000 additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

William S. Speed
Signature of Stockholder.

315 Guthrie St
Address.

Plaintiff's Exhibit No. 153

Exhibit 153-1

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 100 additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

Signature of Stockholder.

Low Tower Bldg
Address.

Plaintiff's Exhibit No. 153-1

Exhibit 153-2

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 100 additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

Signature of Stockholder.

Low Tower Bldg
Address.

Plaintiff's Exhibit No. 153-2

Exhibit 154

July 25-1929

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 1000 additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

Herbert Taubman
Signature of Stockholder.

c/o J. Stewart Dry Goods Co
Address.

Plaintiff's Exhibit No. 154

CLERK'S COPY.

EXHIBIT V

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. ~~497~~ 3

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, PETITIONER,

vs.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITION FOR CERTIORARI FILED OCTOBER 28, 1942.

CERTIORARI GRANTED DECEMBER 7, 1942.

IN THE

Supreme Court of the United States

October Term, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

v. *Petitioner,*

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

Transcript of Record

On Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit

EXHIBITS

VOLUME No. 2

ROBERT S. MARX,
FRANK E. WOOD,
NICHOLS, WOOD, MARX & GINTER,
Cincinnati, Ohio,
ALFRED C. KRIEGER,
Louisville, Ky.,
Attorneys for Petitioner.

LAFON ALLEN,
W. W. CRAWFORD,
ALLEN P. DODD,
Louisville, Ky.,
Attorneys for Respondents.

INDEX TO EXHIBITS

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
155	4	1985	518	Bill of complaint in case of John C. Wickliffe, Jr., Receiver of Lou. Tr. Co. v. James B. Brown, et al (re: double liability on Lou. Tr. Co. stock)
156	4	2019	537	Judgment of Judge Lafon Allen finding Lou Tr. Co. insolvent
157	4	2022	949	Copy of letter from Federal Reserve Bank to Robert Vaughan, Oct. 24, 1929, re: denationalization
158	4	2023	958	Letter from Robert F. Vaughan to Federal Reserve Bank, Oct. 11, 1929, re: denationalization
158-1	4	2024	958	Copy of receipt from office of Secretary of State of Kentucky for fee recording articles of Bank of Kentucky, Oct. 12, 1929
158-2	4	2025	958	Copy of letter from Federal Reserve Bank to Robt. F. Vaughan, Oct. 12, 1929, re: denationalization
158-3	4	2027	958	Letter from Robert F. Vaughan to Comptroller of the Currency, Oct. 15, 1929, re: denationalization
158-4	4	2028	958	Letter from Robert F. Vaughan to Federal Reserve Bank, Oct. 16, 1929, re: denationalization
158-5	4	2029	958	Letter from Robert F. Vaughan to Charles F. Jones, Oct. 19, 1929, re: articles of incorporation and minute book of new bank
158-6	4	2030	958	Copy of letter from Robert F. Vaughan to Deputy Banking Commissioner, Kentucky, Oct. 23, 1929, re: Articles of Incorporation of Bank of Kentucky
158-7	4	2031	958	Letter from Robert F. Vaughan to Federal Reserve Bank, Oct. 29, 1929
158-8	4	2032	958	Letter from Robert F. Vaughan to National Bank of Kentucky, November 6, 1929, re: denationalization and Federal Reserve examination
158-9	4	2034	958	Letter from Robert F. Vaughan to Comptroller of Currency, November 12, 1929, re: denationalization
158-10	4	2035	958	Copy of letter from Comptroller of Currency to Robert F. Vaughan, Nov. 14, 1929, re: denationalization

INDEX TO EXHIBITS

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
158-11	4	2036	958	Letter from Robert F. Vaughan to Charles F. Jones, November 18, 1929
158-12	4	2037	958	Letter from Robert F. Vaughan to Comptroller of Currency, November 18, 1929, re: denationalization
158-13	4	2038	958	Letter from Robert F. Vaughan to Comptroller of Currency, December 21, 1929, re: denationalization
158-14	4	2039	958	Copy of telegram from E. F. Quinn to Robt. F. Vaughan, December 26, 1929, re: denationalization
158-15	4	2040	958	Copy of letter from W. T. ZurSchmiede to Robert F. Vaughan, January 22, 1930, re: Bank of Kentucky
158-16	4	2041	958	Letter from Robert F. Vaughan to Banking Commissioner of Kentucky, January 25, 1930, re: Bank of Kentucky
158-17	4	2044	958	Letter from Robert F. Vaughan to Comptroller of Currency, March 25, 1930, re: denationalization
159	4	2045	960	Letter from Robert F. Vaughan to James B. Brown, June 5, 1930, enclosing invoice for services in re Bank of Kentucky and denationalization
160	4	2050	1041	Minutes of meeting of Board of Education of State of Kentucky for September 18, 1929
161	4	2054	1208	Copy of letter from T. Kennedy Helm to H. W. Cammack, attorney general, Aug. 29, 1929, re: exchange of T.P.C.'s for Banco
162	4	2059	1059	Agreement to exchange T.P.C.'s for Banco, signed T. K. Helm
163	4	2060	1103	Letter from T. K. Helm to C. F. Jones, April 30, 1930, enclosing invoice for services, in re Board of Education matter
164	4	2062	1107	Letter from T. K. Helm to Charles F. Jones, February 14, 1930, re: Board of Education
165	4	2064	1116	Photostatic copy of sales of Banco Kentucky Company stock on Chicago Stock Exchange from Oct. 8, 1929 to January 8, 1931

INDEX TO EXHIBITS

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
166	4	2081	1280	Agreement to exchange T.P.C.s for Banco, signed A. J. Carroll
167	4	2081	1280	Subscription for 1,000 shares Banco, signed A. J. Carroll
168	4	2082	1280	Agreement to exchange T.P.C.s for Banco, signed A. J. Carroll, Trustee
169	4	2083	1280	Letter from A. J. Carroll to Mr. Jones, July 21, enclosing clipping from New York World re bank mergers
170	4	2085	1367	Agreement to exchange T.P.C.s for Banco, signed William S. Speed
171	4	2086	1367	Agreement to exchange T.P.C.s for Banco, signed William S. Speed, Trustee for Alice Speed Stoll
172	4	2087	1650	Form letter from Blyth & Company (Louisville office), Oct. 14, 1929, re: Banco (with footnote)
172-a	4	2088	1650	Galley proof of Blyth & Company circular on Banco with Bank corrections
172-b	4	2090	1650	Copy of letter to Charles F. Jones, Cashier, National Bank of Kentucky, October 7, 1929, enclosing galley proof of Banco circular
173	4	2091	1650	Blyth & Company circular on BancoKentucky Company
174	4	2096	1466	Agreement to exchange T.P.C.s for Banco, signed Walter H. Girdler
175	4	2096	1466	Subscription for 1500 shares Banco, signed W. H. Girdler
176	4	2097	1481	Agreement to exchange T.P.C.s for Banco, signed George O. Boomer
177	4	2097	1481	Subscription for 1,000 shares Banco, signed George O. Boomer
178	4	2098	1481	Agreement to exchange T.P.C.s for Banco, signed George O. Boomer
179	4	2099	1507	Copy of T. K. Helm report on sale of Cincinnati and Covington banks, November 19, 1930

INDEX TO EXHIBITS

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
180	4	2109	1534	Agreement to exchange T.P.C.s for Banco, signed Horace A. Taylor
181	4	2109	1534	Subscription for 300 shares Banco, signed Horace A. Taylor
182	4	2110	1549	Statement of acquisition of BancoKentucky stock by Walter Girdler
183	4	2111	1555	Statement of acquisition of BancoKentucky stock by George O. Boomer
184	4	2112	1586	Agreement to exchange T.P.C.s for Banco, signed E. Leland Taylor
185	4	2113	1586	Agreement to exchange T.P.C.s for Banco, signed E. Leland Taylor
186	4	2114	1611	Agreement to exchange T.P.C.s for Banco, signed Fred M. Sackett
187	4	2115	1611	Agreement to exchange T.P.C.s for Banco, signed Olive S. Sackett by W. S. Speed, attorney
188	4	2116	1611	Agreement to exchange T.P.C.s for banco signed Fred M. Sackett by W. S. Speed, attorney
189	4	2116	1611	Subscription for 3,000 shares Banco, signed F. M. Sackett by W. S. Speed
190	4	2117	1612	Statement of acquisition of Banco stock by E. J. O'Brien
192	4	2118	1614	Statement of acquisition of Banco stock by Sam H. Stone
193	4	2119	1614	Statement of acquisition of Banco stock by Ben Metcalfe
194	4	2120	1615	Statement of acquisition of Banco stock by Angereau Gray
195	4	2121	1626	J. C. Daniels' statement of losses on items criticized by Examiner Wood on May 25, 1929
196	4	2137	1628	J. C. Daniels' statement of losses on loans made by National Bank of Kentucky to pay subscriptions to Banco stock

INDEX TO EXHIBITS

EXHIBITS Number	Volume	Page	Transcript of testimony Page	
197	4	2149	1631	White, Bower & Prevo report on comparison of deposits of National Bank of Kentucky
198	4	2152	1640	Hugh A. White's statement of percentage of Banco stock held by former T.P.C. holders on various dates
203	4	2153	1644	Letter from H. N. Kraft, Security Bank, to James B. Brown, April 18, 1930, re: Directors qualifying shares
204	4	2154	1645	Statement showing acquisition of Banco stock by William S. Speed
205	4	2157	1646	Letter from Richard Bean to James B. Brown, June 20, 1929, Kentucky law re: 50% ownership of bank stock
206	4	2158	1647	Letter from John S. Wood to Charles F. Jones, May 20, 1930, re: interlocking directorates (including bulletin)
207	4	2163	1648	Clipping from Cincinnati Enquirer, September 26, 1929, re: acquisition of Cincinnati Banks by Banco
208	4	2165	1648	Capital stock certificate of Lou. Natl. Bk. & Tr. Co.
209	4	2167	1648	Chicago Stock Exchange circular on Banco Kentucky Co., October 2, 1929
210	4	2170	1648	Chicago Stock Exchange circular on Banco Kentucky Co., April 23, 1930
211	4	2171	1652	Certified copy of findings of fact and conclusions of law in Deming v. Schram case
212	4	2204	1657	Sample of BancoKentucky Co. dividend check

Exhibit 155

JEFFERSON CIRCUIT COURT

CHANCERY BRANCH, DIVISION

No.

JOHN C. WICKLIFFE, JR.,
Receiver of The Louisville
Trust Company, PLAINTIFF,

VS.

JAMES B. BROWN,
(For remaining defendants
see following pages) DEFENDANTS.

District Court of the United States for
the Western District of Kentucky
A. M. Anderson, Receiver, Plaintiff
vs. No. 1046
David J. Talbott, et al, Defendants.
Petition, & Depositions in Behalf of Pl'ff. No. 155

1985

Exhibit 155

Herman R. Ackermann
I. B. Adee
Simon Adee
E. C. Adolph
Mollie Ahrens
Maud Ainslie
John S. Akers
Mrs. B. K. H. Alcorn
Miss Bettie F. Alford
Darden Allen
F. P. Allen
J. W. Allen, Jr.
Victor W. Allen
William B. Allen, Lafon Allen, Charles W. Allen & Arthur D. Allen, Trustees for Mrs. Ethel Allen Gage
Henry Almstedt
Julius Ambrosius
Robert Ambrosius
Allen Ament
Amelia W. Anderson
Amelia W. Anderson, Executrix
Annie N. Wilson, Deceased, c/o The Louisville Trust Company
Mrs. Florence S. Anderson
S. Tanner Anderson
W. Sherman Anderson
Warren L. Anderson
Ida S. Andresen
Amelie B. Angermeier
H. J. Angermeier
J. Frank Annear
Walter G. Appel
Mrs. Bess P. Archer
George Armstrong
Calvin G. Arnold
Norbourn Arterburn
Bernard Asman
W. F. Axton
F. B. Ayres
F. A. Bade
Marion L. Bade
Eleanor D. Baird
Mrs. W. J. Baird
Minnie L. Baldauf
Carlton Ball
Mrs. Elizabeth Ball
Sunshine H. Ballard
Eva B. Bandman
Redman Thurman Barber
S. Lyman Barber
Caroline F. Barbour
Mrs. Elizabeth Akin Barbour
Mrs. Allanora R. Barker
Kenneth A. Barker
Thos. A. Barker
Claude R. Barnes
Mrs. Chamie W. Barr
John W. Barr, Jr.
Ellen R. Barret
Thomas L. Barret
Austin G. Bartlett, Devisee of Ella G. Bartlett
Mai Hill Bartlett Billen
Charles P. Barton
Mrs. Henrietta W. Barton
James T. Basham
R. M. Bass
Mrs. Lora Lee Bates
Mrs. Sue S. Bayly
Rella B. Bean
Mrs. Willie May Beard
Mrs. Alice M. Beattie
Anna Fillion Beck
Miss Emma T. Beck
G. F. Beck
Max Belker
Lexis K. Bell
Sallie V. Bell
Richard C. Belsheff
Nina Benedict
Archie Benzinger
Charles Benzinger
Milton Benzinger
Thekla Berg
Dora Berger
P. C. Berger
Rebecca D. Berger
Dennis Berman
Frank D. Bernheim
Gladys R. Bernheim
Lynn B. Bernheim
Samuel Bernheim
William A. Reisert, Executor of the will of Henry Besten, Deceased
Mary MacDonald Bethel
Henry S. Beyer
Carroll C. Bigley
James W. Bigley
James M. B. Birdwhistell
William C. Bittner
Ray Bisot
Mrs. Blanche H. Blake
Myra B. Blanton
Dr. John M. Blau
Lee Block
Oscar E. Bloch
Bernard N. Block
O. A. Block
William Block
Nathan P. Bloom
R. V. Board
Charles Bobzien
Edward Bobzien
C. J. Bodemer
Temple Bodley
Charles H. Bohmer
Mrs. Jeanette C. Bohn
Thomas A. Bohon
William O. Bonnie
George O. Boomer
Boone Lodge I. O. O. F.
Percy N. Booth
Mrs. Anna E. Bosler
R. R. Boswell
Margaret S. Bowmer
Mrs. Bell Watson Boteler
Robert D. Bottomley
Roberta Botterff
J. C. Bourbo
Benton B. Bower
Mrs. Leora B. Bower
T. W. Bowmer
Berl Boyd
Eugene W. Braiting
Philip V. Braun
Miss Elizabeth Breckinridge
Lawrence W. Breed
Miss Mary K. Breed
Miss Persis M. Breed
George B. Breidenthal
J. A. O. Brennan
Thomas Brennan, II
George A. Brent
Mrs. Fannie B. Brent
Lillian Allhands Brewer
Annie G. Bridges
Emma T. Bridges
E. W. Bright
W. L. Briscoe, Jr.
Elisa S. Broadus
Margaret Brodie
Corinne V. Browinski
R. V. Browinski
Bart A. Brown
Carl F. Brown
Frank H. Brown
George Brown
Harry M. Brown
James B. Brown
John J. Brown
John Welburn Brown
P. H. Brubeck
Mrs. Helen Floyd Bryan
S. H. Bryant
Elizabeth Mildred Buchanan
Miss Anna B. Budde
Hugh Kennedy Bullitt
Hugh K. Bullitt, Trustee for C. M. Bullitt, H. H. Bullitt and A. S. Bullitt
Fred G. Burdorf
Joseph E. Burghard
Mrs. Marie M. Burke
James R. Burkholder, Jr.
A. Roy Burks
W. Bowmer Burke
Mrs. Mary M. Burton
Business Enterprise Co., Inc.
Thomas H. Butler, Executor of the will of Mrs. Fannie S. Butler, Deceased
Miss Maude Butler
Dr. Thomas L. Butler
Fontain Fox Caldwell
Hamilton F. Caldwell
Callahan & Sons
Mrs. Ella Brook Campbell
Justine Tandy Campbell
Virginia B. M. Campbell
Mrs. Cecelia B. Cardwell
Charles L. Caron
Jannie B. Carothers
Judge A. J. Carroll
A. J. Carroll, Trustee
Allen R. Carter
James G. Carter
Mrs. Lou Ella Carter
Maria G. Carter
Mrs. Ernestine W. Charlton
William J. Chawk
John W. Check
J. A. Cheek
Miss Alice Chinn
Miss Sally Chinn
Ella Chrisler
Zach Church
City Bank & Trust Co. of Hopkinsville, Ky., Trustee for John P. Garnett Estate
Mrs. Ray M. Claggett
Mary P. Clancy
Mrs. Mary P. Clancy
Inda Helm Clark
Lislie C. Clark
Morris C. Clark
Walter S. Clark
Mrs. Mattie A. Clarke
Fred A. Clegg
John W. S. Clements
Anne L. Cochran
T. Wilson Cochran
Wilbur B. Cogshall
Harry N. Cohen
Adolph Cohn
Lewis W. Cole
Edith E. Coleman
Mrs. Eliza R. Coleman
Hilton Collins
Mary R. Collins
Mary R. Collins
Harriet C. Collis
Miss Nancy M. Colville
Mary Ford Condit
Adelia L. Conrad
Converse & Co.
Cook Benevolent Institution
S. W. Coons
Thomas Cooper
Mrs. Nettie E. Cornell
Francis B. Cotton
Jane B. Courtney
Attilia Cox
Carrie G. Cox
Wilson D. Crabb
Annie Craig
H. C. Cralle
Lee E. Cralle
Mary E. Cralle
Mary W. Crawford
Matt H. Crawford
Matt H. Crawford, Trustee Mary W Crawford
Mrs. Della Crutcher
Margaret Cummins
Mrs. Mary K. Cummins
Mamie M. Curd
W. P. Cusnock
L. R. Curtis
Mrs. Mattie G. Daniel
John P. Dant, Sr.
Joseph B. Dant
Mrs. Ewing F. Daugherty
Katherine Bowman Davies
Carrie R. Davis
Charles A. Davis
Harry V. Davis
Isadore Davis
I. Davis
DeMolay Commandery No. 12 Knights Templar
Mrs. H. Edna Denson
Mrs. Lena DeSope
Miss Rose DeSope
George B. Diefenbach
Richard P. Dietzman
C. P. Dodd
Edward A. Dodd
John L. Dodd
Sidney E. Dodge
Walter J. Doerting
Martha A. Doherty
William B. Doherty
Priscilla W. Dohoney
Edward C. Doll
Jacob Doll
Mrs. Mary C. C. Doll
Miss Jennie H. Donahue
Cornelius D. Donker
H. H. Donker
Virginia Dotson
William T. Dotson
Fidelity & Columbia Trust Co., Executor of the will of Edwin M. Drummond, Deceased
Mrs. Margaret Strain Duane
W. M. Duane
Edward G. Duckwall
United States Trust Co., Executor of the will of Ben H. Dudley, Deceased
B. A. Duncan
Virgil O. Duffin
James H. Duffy
James T. Duffy
Thomas J. Duffy
Frank L. Dugan
W. E. Dugan
Annie Leathers Dunbar
S. E. Duncan
William Grinstead Duncan
Alex Dunlap, Jr.
Lin Lithgow Dunlap
J. H. Durham
Joseph H. Durham
Dr. Joseph F. Dutch
George M. Eady
Alice Stone Eastwood
Catherine Eberlein

1986

Exhibit 155

Pauline Eckenroth
John C. Eckert
Mrs. Belle J. Edelen
Edward C. Edinger
Cleland J. Edmonds
Fidelity & Columbia Trust Co., Executor of the will of George B. Edwards, Deceased
Mrs. Haldon Hardin Edwards
Arch N. Egged
Thomas H. Elliott
Edwin H. Ellis
Richard R. Elmore
Harry W. Embry
Harry W. Embry
Mrs. Kate M. English
John G. Epping
Agnes J. Erickson
Wm. C. Eubank
Mrs. Nannie McD. Eustaphieve
Charles S. Evans
Mrs. Flora Annette Evans
The Louisville Trust Co., Admr. of George L. Everbach
C. Oscar Ewing
Mattie B. Ewing, Committee for J. M. Ewing
Nancy Hazzard Ewing
Galvin M. Fackler
Maria E. Farmer
Alex T. Farnsley
B. H. Farnsley
Edward Farrell
Alden L. Fawcett
Norma K. Fegenbush
Mrs. Eva Feisenthal
Annett H. Fenley
Frances M. Fenley, Jr.
Mary W. Fenley
Mrs. Mary W. Fenley, Executrix of the will of Oscar Fenley, Deceased
John B. Fetter
Fidelity & Columbia Trust Company, Guardian of Clara Allen
Fidelity & Columbia Trust Company, Guardian of Frances Allen
Fidelity & Columbia Trust Company, Guardian for Katherine Allen
Fidelity & Columbia Trust Company Trustee for D. Barclay, Jr. et al
Fidelity & Columbia Trust Company, Executor of A. Hite Barret
Fidelity & Columbia Trust Company, Agent Carry F. Barnes
Fidelity & Columbia Trust Company, Agent for Morris S. Belknap
Fidelity & Columbia Trust Company, Trustee for Udolph T. Bradley
Fidelity & Columbia Trust Company, Treasurer, Church Home for Females & Infirmary for the sick or both sexes
Fidelity & Columbia Trust Company, Trustee for Frances T. Cole
Fidelity & Columbia Trust Company, Agent for Eliza R. Coleman
Fidelity & Columbia Trust Company, Agent Ethel Allen Gage
Fidelity & Columbia Trust Company, Agent for Irene H. Gathright, Trustee James R. Marshall
Fidelity & Columbia Trust Company, Executor of will of Hattie R. Gaulbert
Fidelity & Columbia Trust Company, Agent for Abbie C. Goodloe
Fidelity & Columbia Trust Company, Trustee under agreement of Adella V. Lee Estate
Fidelity & Columbia Trust Company, Agent for Mary Potter Leigh
Fidelity & Columbia Trust Company, Trustee Belle B. Lee Estate
Fidelity & Columbia Trust Company, Trustee Annie T. Minnigerode
Fidelity & Columbia Trust Company, Agent Anna Ray Muir
Fidelity & Columbia Trust Company, Trustee Orphanage of Good Shepherd
Fidelity & Columbia Trust Company, Agent for Fannie G. Rankin
Fidelity & Columbia Trust Company, Trustee for Margaret G. Scholl
Fidelity & Columbia Trust Company, Trustee Mamie M. Shutleworth
Fidelity & Columbia Trust Company, Trustee John D. Taggart, Jr.
Fidelity & Columbia Trust Company, Trustee for Eugene A. Taylor
Fidelity & Columbia Trust Company, Agent for Mrs. Annie G. Thompson
Fidelity & Columbia Trust Company, Trustee for Ralph S. Thompson
Fidelity & Columbia Trust Company, Trustee for Mary J. Verhoeff
Fidelity & Columbia Trust Company, Agent for Edward L. Warren
Fidelity & Columbia Trust Company, Trustee for Mary Lee Warren et al
Fidelity & Columbia Trust Company, Trustee Ethel R. Wood.
Fidelity & Columbia Trust Company, Agent Henry Fink Zinno.
Fidelity & Columbia Trust Company, Trustee for Ferda Zorn Moren under will of Sebastian Zorn, deceased.
Lizzie Field
Mattie Field
Sue F. Field
William H. Field
Mrs. D. M. Fink
Margaret Fix
Mrs. Milta B. Fleming
Gustave Flexner
J. A. Flexner
Lillie R. Flexner
Morris Flexner
Arthur Fleischaker
Minnie Fleischaker
John A. Floerah
L. L. Fontaine
Louis Franconia
Dr. Louis Frank
Frankfort Cemetery Company
Franklin Printing Company
Francesca Franzman
George Franzman
Harry Franzman
Miss Louisa Franzman
Matilda J. Frazee
Matilda J. Frazee, Trustee
Samuel E. Frazee
Virginia S. Frazier
Mrs. Elizabeth C. Freabe
Rev. George Friedrich
William Frommiller
Bernard A. Fuoglein
Dr. Gavin Fulton
Kate A. Fultz
William Furlong
Maurice L. Galvin
Annie J. Gamble
Fidelity & Columbia Trust Company, Administrator de bonis non with will annexed, of Rose Gamble, deceased
Thomas Hoyt Gamble
Albert J. Gans
Miss Ina M. Gardner
Mrs. Laura D. Garland
James Garnett
Mrs. James Garnett
Jennie W. Garnett
Mary Guna Garnett
Mrs. P. A. Garretty
James W. Garrison
Chas. D. Gates
Mrs. Christine P. Gates
Mrs. E. H. Gates
Fred W. Gates
Mrs. Irene H. Gathright
R. Alexander Gayle
George M. Gayle
J. W. Gayle
Wilbur E. Geiser
General Association of Baptists in Kentucky
Mrs. Laetitia Lucas Gentry
Clara Gerst
Walter F. Gerst
Mrs. Sallie E. Gilkerson
Helen Gill
J. B. Gill Co.
J. L. Gill
Martha Gill
Miss Ollie Ginochio
Lula Stafford Gipperich
Walter H. Girdler
Mrs. Annie R. Glazebrook
James Glazebrook
W. A. Glazebrook
Ethel H. Gleason
Margie R. Gleeson
Albert C. Gnau
Annie C. Goby
Francis J. Goby
Martin S. Goby
John Warren Godfrey
Fred Gohmann
John E. Goldbach
Willie F. Goldthwaite
Hallie Dudley Goodloe
Wilhelmina Goodloe
Fleet H. Goodridge
Mrs. E. B. Gorley
Albert C. Gorman and Aline Gorman as Joint Tenants with Right of Survivorship and not as Tenants in Common
Mrs. Anna C. Goss
Edward S. Graff
W. Pruett Graham, Curator
Henry H. Grant
Maria L. Grant
Mrs. Nell B. Grant
Dr. Raymond Grant
Eunice Tyler Grasch
Louise A. Graves
Downey M. Gray
Mary T. Gray
McDonald Gray
Joseph E. Greathouse
Ben J. Johnson, Admr. of the Estate of Annie Amis Green, deceased
Dora Green or Elizabeth Green or The Survivor of Either
Lavelle B. Green
Miss Susa T. Green
Thomas Green
M. F. Greenstein
J. Marcus Greer
Howard C. Griswold
Mary W. Guerrant
Mrs. Karoline E. Gund
Mrs. Amy Guntermann
George Gunther
Mrs. Margaret G. Gunther
George W. Haas
W. A. Haas
Albert J. Hackman
Herbert Hart Hagan
John G. Hager, Jr., Admr. of John G. Hager, deceased
Mrs. Charles H. Hagerty
Annie A. Halleck
C. L. Hamilton
Henry S. Hammond
Bernard Handmaker
Sidney D. Handmaker
Granville S. Hanes
Mrs. Mary H. Hanly
Mrs. Neville D. Hannah
Mrs. Mary A. Hannan
James P. Harbeson
Mrs. Ophelia Hardin
Augusta Willey Harris
Laura L. Harris
Miss Louise I. Harris
John H. Harrison
William B. Harrison
Isaac S. Hartley
William F. Hartmetz
William F. Hase
Mrs. Anna B. Hastings
George Bright Hawes
George Bright Hawes, Trustee of Miss Georgetta S. Hawes
Hettie S. Hawes
William H. Hawes
James J. Hayes
Mrs. Etta Hast Hays
George D. Heaton
Amalia Hebel, Life Tenant Chas. M. S. Hebel Estate
Mollie Hebel
Mrs. Thelma Heck
E. Lee Heflin
William S. Heidenberg
Louis Heil and Hedwig Heil
E. J. Heimerdinger
Frieda W. Helier
Clarence J. Hellman
Mrs. Adelaide Stoll Helm
T. K. Helm
Dr. M. Joseph Henry
Violet F. Henry
Mrs. Lillian N. Henshaw
Mrs. Louise C. Henthorne
Louise B. Herrington
Mrs. Alex Hertzman
Irvine and Aaron Hertzman
Rachel Hertzman
Anna Vogt Heuser
Miss Evelyn V. Heuser
G. A. Heuser
Henry B. Heuser
William A. Heuser
E. A. Hewett
Mrs. Ida F. Hewett
Margaret Fink Hewett
Alice W. Heyman
Charles W. Hibbitt
Robert F. Hibbitt
Baylor O. Hickman
Mrs. Louise J. Hickman
Beth Higgins
John Higgins
Samuel L. Hikes
Verna Ray Hikes
F. P. Hill
Mrs. Rose R. Hillerich
Edward H. Hilliard
Fred J. Hinkebein
John W. Hart, Jr., and Allen R. Hite, Trustees of Estate of W. C. Hite
Harry L. Hoagland
Lucy Gilmer Hobbs
Ewena Hobson
Joseph P. Hodapp
Mrs. Mary T. Hodges

Exhibit 155

Clyde C. Hodges
Louis F. Hoehle
Ida Hoerts
Margaret Hoerts
Flora Hofstatter
Miss Mary H. Hogan
R. H. Hoheman
Miss Fannie Holladay
Wm. G. Holladay
J. Claude Holman
Gertrude Holmes
Elizabeth Holt
Jane P. Hopper, Executrix of Estate of Mrs. Annie S. Hopper
Jacob H. Horn
W. A. Horneman
James J. Hougland
Mrs. Anna Augusta Samm Howard
Ben C. Howard
Mrs. Minnie Howard
Edyth W. Howry
Frank Huber
Joseph Huber
Walter E. Huffaker
Harry H. Hummel
Lovell M. Humphrey
Howard Hunter
Willard C. Hunter and Mabel Hunter
Elizabeth L. Huneman
Mary L. Hutcheson
Caroline C. Hutchings
Kentucky Title Trust Company, Administrator de bonis non with will annexed of Wm. E. Hutchings, deceased
Miss Winfred Hutchings
Ben Louis Strauss Hutchins
J. Bertard Hutchins
Joseph B. Hutchins
John W. Hutchison
Miss Margaret S. Hutchison
J. Wiley Irvine
Lee D. Irving
Albert Isleon
Edna Jacke
L. C. Jackson
Walter F. Jacobs
Mrs. Margaret Vance Jarvis
M. Eunice Jean
Mrs. Alma C. Irvine
Mrs. W. M. Irvine
Myers S. Jean
Chas. D. Jefferson
Mrs. Elise Bennett Jefferson
Hal T. Jefferson
Julia S. Jefferson
J. William Jefferson
Lewis S. Jefferson
Mrs. Sallie G. Jefferson
Carrie U. Jeune
F. L. Jeune
Joseph Jeune
Mrs. Mary O. Johnson
Alice L. Jones
Anna M. Jones
Mrs. Louie W. Jones
Saunders P. Jones
Samuel D. Jones
Dorothy L. Joseph
Oscar G. Joseph
Mrs. Nancy Otter Joyce
J. J. Kavanaugh
Charles A. Kaye
Eugenia Hall Keeney
Walker B. Keightley
D. Y. Keith
Louisville Trust Company, Executor of will of Milburn P. Kelley, deceased
George E. Kelley
Helen M. Kemnitz
Theodore Kemnitz
W. L. Kennett
Kentucky State Life Ins. Co.
Camelia S. Kern
Joseph X. Kennack
Mrs. Lucy M. Kidd
Mrs. Edna Kigel
James L. Killoren
Mrs. Ida Kilvington
Mrs. Marie H. Kimball
Mrs. Fleecie C. Kinaiard
George T. Kinnarney
James W. Kinnarney
Nora Kirch
Marie Greenwood Kirchner
E. Bennett Kirwan
Mrs. Josephine S. Kirwan
J. William Klapheke
G. L. Knight
Sallie J. Knott
Charles Kobert
Ben J. Kohn
Walter F. Kohn
Fred A. Kratch
Belle Gordon B. Krebs
Charles C. Krebs
Eleanor G. Kremer
George Krim
John J. Kuna
W. F. Edwin Kuna
Mrs. Amelia Kuttner
Edmund S. LaFollette and Mary LaFollette as Joint Tenants with Right of Survivorship and Not as Tenants in Common
Helena Land
Miss Caroline E. Lang
Richard D. Langan
George W. Langford
Mary Gilbert Langford
Frank H. Lanham
John W. Latham
Mary B. Latham
A. E. Latta
Fidelity & Columbia Trust Co., Executor of will of Isabel Ray LaVielle, deceased
Miss Christine Layer
Charles F. Leathers
John Allen Leathers
Edward E. Lee
Mrs. Estelle Lee
Carolyn A. Leech
Jennie B. Leedom
Walter V. Leedom
Frank LaFevre
Fidelity & Columbia Trust Co., Executor of the will of Louis Leib, deceased
R. J. Lemonds
George F. Leonard
Harry N. Levey
Fred Levy
James S. Levy
L. M. Levy
Markham Levy
Miss Ada S. Lewis
Esmeralda B. Lewis
Jacob B. Lewman
Mary V. Lewman
Mrs. Emma Lieber
Fred H. Lieber
Miss Genevieve Lindsey
H. Watson Lindsey
Julia R. Lindsey
John B. Lindsey, Jr.
Miss Lillian Lindsey
Miss Maria Lindsey
Alvin Linker
Barnet Linker
Harry Linker
Max M. Lipski
H. T. Lively
Wells C. Logan
Edith E. Longest
Fidelity & Columbia Trust Co., Executor of the will of George J. Long, deceased
L. H. Long
Nellie J. Long
Arthur Loomis
Louisville Cement Company
Kentucky Title Trust Co., Successor to The Louisville Trust Company, Trustee
Mrs. Amelia W. Anderson
Kentucky Title Trust Co., Successor to The Louisville Trust Company, Trustee Mary M. Barclay
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee under will Mary Barkley Brown for Sally B. Barkley and Wm. Barkley.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee under will Mary Barkley Brown for William Barkley.
The Louisville Trust Company, Trustee for Laura B. Bashaw.
The Louisville Trust Company, Trustee Lucy Whipps for Dorothy Beard
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee under will Clara K. Bullitt.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Anna B. Burton.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee under Agreement for Kate W. Crawford.
Liberty Bank & Trust Co., Successor to The Louisville Trust Co., Trustee under will George W. Detchen for Minnie Detchen
Liberty Bank & Trust Co., Successor to The Louisville Trust Co., Trustee under will Louise S. Detchen for Minnie Detchen.
Liberty Bank & Trust Co., Successor to The Louisville Trust Co., Trustee Minnie Detchen.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee under will W. W. Drummond.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee under will B. F. Guthrie
United States Trust Co., Successor to The Louisville Trust Co., Trustee under will Joseph Hahn, Sr.
The Louisville Trust Co., Agent Isabel Haldeman and Isabel Haldeman.
Kentucky Title Trust Co., Successor to The Louisville Trust Company Executor Jennie C. Hanks.
The Louisville Trust Co., Trustee Estate Theodore Harris.
The Louisville Trust Co., Trustee William Hastings.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee under will Frank Heck for Mary B. Heck.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee for Francis Griffith Hegan.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Agent W. G. Holladay.
The Louisville Trust Co., Trustee Rose Anna Hughes.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Guardian for Beverly Jeune.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., and Stuart R. Duncan, Trustees under will Kate A. Leathers for Stuart R. Leathers.
The Louisville Trust Co., Trustee Stella A. McKinney.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Executor Frank A. Meene.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Lucy Elizabeth Moorman under will C. P. Moorman, deceased.
Central Trust Co., of Owensboro, Ky., Successor to The Louisville Trust Co., Trustee under will C. L. Morehead.
Central Trust Co., of Owensboro, Ky., Successor to The Louisville Trust Co., Trustee for C. J. Morehead, Fannie Morgan and Clara Blocher.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee under will Caldwell Norton.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Mary Pirtle.
The Louisville Trust Co., Trustee Effie L. Powers.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee under will Warren A. Smith for Katie Smith.
The Louisville Trust Co., Trustee under will of Henry Strater.
The Louisville Trust Co., Trustee under will Frank P. Straus for Harry C. Straus.
The Louisville Trust Co., Trustee under will Frank P. Straus for Ruth Naomi Straus.
Mary C. Wafley and Elizabeth Cloud
Florence Y. Love and Amanthus B. Love under terms of will of James Y. Love probated July 13, 1876.
Alberta Lucas
May Belle Ludwig
J. S. Lutz
Birdie Kelly Lynch
Staughton B. Lynd
H. Guy Lyon
Mrs. Kathleen Kelly Lyon
S. Clay Lyons
George H. McAlister
Florence McClelland
John H. McClure
Richard L. McCready
Ida M. McCulloch
Manie C. McCulloch
Charles H. McDonald
Donald McDonald, Jr.
Mrs. Elise B. McDowell
Joe McDowell
James P. McGee
James H. McGibbney
Stephenson W. McGill
William J. McGonigale
Marie D. McGoodwin
James S. McKenna
Stafford R. McKenna
Evelyn B. McKenzie
Mrs. Rose H. McLennan
Fidelity & Columbia Trust Co., Administrator with the will annexed of R. W. McRey.
Thomas McShane
Joseph F. McWilliams
Mrs. Teresa K. MacDonald
Ruby Macklin
Mrs. Rose G. MacNeal

Exhibit 155

Mary O. Malone
Irvin Mann
Mrs. Lucy J. Mann
William Mann
Allie H. Manning
M. Marshak
Lyman C. Martin
Alexander B. Massey
Thomas J. Mattingly
Mrs. Hannah Maurer
C. W. May
J. E. Mayle
Ellison C. Means
William Mehler
Mrs. Florence S. Melton
C. C. Mengel
Clarence R. Mengel
Edwin Potter Mengel
Robert L. Mercke
Stella Evans Mercke
Ben J. Metcalfe
Louis F. Metz
Mary Michel
Max Miehl
Mrs. Florence L. Miles
Mrs. Alice Miller
Mrs. Alice L. Miller
Ben M. Miller
Mrs. Ben M. Miller
Emil F. Miller
Frank Miller
Frank H. Miller
Gordon Miller
Harold W. Miller
J. S. Miller
J. William Miller
Mrs. Lottie C. Miller
Mary Floyd Miller
Neville Miller
Perry B. Miller
J. Fred Miles
L. L. Miles
Mrs. Jennie E. C. Mills
T. J. Minary
James B. Miner
Charles W. Minrath
Robert B. Minton
Z. H. Mitchell, Henry J. Mitchell, I. T. Pugate, Trustees, Estate of Robert Mitchell.
Miss Theresa Moellman
J. H. Mogan
Catherine D. Mooney
Mrs. Emma L. Moore
The Charles P. Moorman Home for Women
Mrs. Marion Moorman
Ferda Zorn Moren
John J. Moran
Miss Margaret Moriarty
Andrew H. Morris, Sr.
Miss Ellen W. Morrison
Mrs. Mary H. Morriss
David C. Morton
E. D. Morton
Edward D. Morton
Jane L. Morton
Rogers C. B. Morton
Thruston Ballard Morton
Forrest L. Moseley
Marie B. Moses
Mrs. Minnie A. Mosher
Timothy I. Mossbarger
Miss Gretchen Mueller
Annie B. Muir
D. X. Murphy
D. X. Murphy & Bro.
Miss Della G. Murphy
J. C. Murphy
Mrs. Mary Sue Murphy
Mrs. Elizabeth J. Myer
Fidelity & Columbia Trust Co., Guardian of Sarah Sebastian Zorn.
Kentucky Title Trust Co., Successor to National Bank of Kentucky, Trustee for Ferna Zorn Moren.
Lamar W. Neblett
H. H. Neel
Nellie Cooke Nelson
Squire F. Nelson
Mrs. Cleo Nettelroth
Christopher L. Neu
Herman D. Newcomb
Laura M. Newell
Wilbur I. Newhouse
Miss Martha C. Newman
Mrs. Martha Frances Newman
Annie F. Nicholson
Walter J. Nisbet
O. Douglas Nock
Alphonso L. Noe
Mrs. Hattie Lee Noe
Mrs. Ella T. Norton
Miss Mary Norton
E. J. O'Brien, Jr.
Richard Whelan, Edward J. O'Brien, James B. O'Brien, executors of E. J. O'Brien, Sr., deceased.
Arthur H. Ochs
Rt. Rev. John A. Floersh, Successor to Rt. Rev. D. O'Donaghue, and J. P. Croben, George W. Schuhman and C. J. O'Connell, Treasurers under will of J. D. O'Leary, deceased.
Jacob B. Ohligschlager
Mrs. Clara Oliver
Matthias R. Oliver
Henry D. Ormsby
Robert W. Osborn
Charles J. Osborne
Mrs. Nettie C. Osterman
H. E. Ottenheimer
J. A. Paradis
Annie Mary Parker
George H. Parker
J. C. Parker
Minnie White Parker
Miss Edna Parrott
Parrs Rest
Mrs. Jannie M. Patterson
Walter K. Patterson
Mrs. Lena Paull
Mrs. Rena W. Paull
Anna S. Payne
George L. Peabody
James R. Peabody, Jr.
Dr. Charles S. Pearcy
Mary E. Pell
W. O. Penick
Roy T. or Hallie Pernell as Joint Tenants with Right of Survivorship but not as Tenants in Common
Arthur Peter
Miss Mary A. Pettet and Miss Margaret Pettet as Joint Tenants with Right of Survivorship
Henry C. Pfingst
Richard F. Platt
Fidelity & Columbia Columbia Trust Co., Committee for John B. Pirtle, incompetent.
Miss Juliet Nold Pirtle
Miss Lena Plouvier
Genevieve D. Pogue
Cleo Seifrit Pollol
William O. Poteet
Josephine C. Potter
Mrs. Alice Pound
Mrs. Elsie G. Powell
Miss Annie B. Poynter
Charles H. Pratt
Charles B. Price
John W. Price, Jr., and Charles B. Price, Executors of the Estate of John W. Price, deceased.
Mrs. Mary Belle Price
John W. Pruett
Mrs. Juanita Kline Pruett
Mrs. Cora E. Quinn
W. Embry Quinn
C. K. Ramp
W. M. Randall
Mrs. Fannie G. Rankin
Mrs. Rose Marie Raque
Joseph Rauch
Marie Ray
Harry P. Reager
Mrs. Susan P. Redd
G. Lee Redmon
E. W. Reed
Frances Jones Reed
G. R. Reed
Mary E. Reed
Mrs. Kate W. Reid
Dr. Alexander M. Reitzel
Adolph Reutlinger
Richard S. Reynolds
Miss Annie A. Richardson
John Riehl
William Ritcher
D. Yandell Roberts
Ben Robertson
Ella B. Robertson
Eugene B. Robertson
Charles P. Robinson
Charles P. Rockwood
Marie L. Rogers
Roman Catholic Bishop of Louisville, Incorporated
Mrs. Marie J. Remiser
Rommell Brothers
August Ropke
Frank Ropke
D. B. G. Rose
Ben Rosenbaum
Harry Rosenbaum
Isaac Rosenbaum & Sons
Jesse Rosenbaum
Leon Rosenbaum
Sam Rosenbaum
Mrs. Caroline Rosenberger
Erma M. Rosenblum
H. Rosenblum
Miss Anna C. Roth
Emanuel A. Rothschild
Ellis G. Rudolph
R. C. Ruff
W. H. Ruff
George W. Russell
Harry W. Russell or Rebecca Russell
Mrs. Lillian S. Russell
Mrs. Ruby Russell
R. Ruthenberg
Arthur M. Rutledge
Rosalie W. Rutledge
W. Frank Ryan
Mrs. Bert B. Sachs
D. A. Sachs, Jr.
Mrs. Esther S. Sachs
Fred M. Sackett
Mrs. Olive S. Sackett
St. Andrew's Church
Mrs. Kate L. Sanders
Mrs. Minnie Graves Sanders
Harry Church Sargent
U. V. Sargent
Joseph J. Sass
Susan Barr Satterwhite
Mary L. Sayre
Rose Dudley Scearce
Mary W. Schachner
Mrs. Seraphine M. Schaefer
Mrs. Margaret Schanzenbacher
Albert Schelk, Jr.
John J. Schicker
Lorena Schlachter
Mrs. Carrie F. Schlegel
Louise Schmalzried
Annie E. Schmid
Martin L. Schmidt
Mrs. Helen C. Schmitt
C. J. Schneider
Edw. Schneider, Jr.
Samuel J. Schneider
William Schnell
L. F. Scholl
Miss Anna Schollian
Mrs. Flora B. Schoppenhorst
William J. Schopp
Joseph J. Schrecker
Louis Schuster
Eugene Schwab
Joseph Schwab
Julius J. Schwab
Mrs. Mary Schwarz
Mrs. Fannie G. Schweitzer
Mrs. Fannie G. Scruggs
Horace H. Seay
Security Trust Company, Trustee for Susan S. Townsend under Agreement dated February 15, 1902.
Otto Seelbach
Alfred Selligman
Bernard Selligman
Mrs. Florence M. Selligman
Mrs. Jennie K. Selligman
Joseph Selligman
Semonin Goodman, Incorporated
Charles B. Semple
George C. Semple
Lottie D. Semple
Caroline C. Settle
John H. Settle
Nannie E. Settle
Max Shapira & Sons
Cornell D. Shea
Miss Elizabeth M. Shea
Jesse W. Shea
Eva Macklin Shedd
Miss Mary F. Sheehan
The Shelby County Trust Company, Trustee for Bertie M. Cox.
Mary H. Shelow
Mrs. Pearl G. Sheppard
Bertha C. Sheridan
Mary F. Simpson
Mary G. Short
Thomas L. Butler, Administrator de bonis non, with annexed, William Short, deceased.
C. R. Shrader
H. U. Shrader
Adam T. Siler
H. S. Simon
Mrs. Florence C. Simpson
J. H. Simpson
Dr. Virgil Simpson
John J. Skaggs, Jr.
Mrs. Mary Gilmour Skillman
O. T. Skillman
Ethel R. Skinner
Francis Skinner
Reburn H. Slack
Thomas C. Small
Mary E. Smith, Executrix of the Estate of D. H. Smith, deceased.

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Exhibit 155

Fred W. Smith
Mrs. Julia G. Smith
Mrs. Katie Smith
Mrs. Lenore C. Smith
Nellie Cook Smith, Executrix
R. Harry Smith
William B. Smith
Mrs. Emma Sargent Smithers
Isabella Smyser
Thomas S. Snead
Theo. C. Snively
Hiram T. Snyder
Mrs. Mary F. Snyder
Mendel Snyder
Joe Spalding
Peter E. Spalding
Peter E. Spalding, Jr.
Henry P. Spatz
William S. Speed
William S. Speed, Trustee for Alice Speed Stoll.
William S. Speed
Dr. Edward Speidel
L. G. Spillman
Samuel Spowles
Mrs. Olive Spurling
Jennie M. Standeker
Jennie M. Standeker, Executrix, Leon Standeker, deceased.
Charles B. Stansbury
Helen B. Stark
Isaac F. Starks
Millicent Starke
Mrs. Emma G. Starr
State Bank & Trust Co. of Harrodsburg, Committee of James A. Stout.
Lillian Elizabeth Stege
William A. Steiden
Joseph G. Steidle
Frank Steier
William Steier
Mrs. Hannah Steinau
Joseph C. Steltenpohl
W. L. Stephan
Margaret M. Stewart
Ida Stilwell
Jarrett Stites
Amelia Stockhoff
Lucy Ann Stockhoff
Mrs. Alice Speed Stoll
Sam H. Stone
Stanley W. Stopher
Wallace L. Stopher
Harvey Stout
Morris Stout
Warden Stout
Bertram H. Straus
Harry A. Strater
Mrs. Fannie B. Straus
Fannie B. Straus, Samuel L. Straus and Ludwig Frank, Trustees under the will of Ben Straus for Samuel L. Straus.
Mary G. Street
Fannie Healy Streng
Jesse F. Streng
Eleanor Carter Strickler
Lane P. Stucky
Lane P. Stucky, Beneficiary of Estate of T. Hunt Stucky.
Luella M. Sutton, Executrix of will of Frank Sutton, deceased.
George Cary Tabb
J. Preston Tabb
Jeanette P. Tabb
William F. Tafel
Ann Caywood Talbott
Mrs. Elizabeth Knox Tarkington
W. H. Tarvin
E. C. Taylor
Edmund Watson Taylor
E. Leland Taylor
Francis B. Taylor
Horace A. Taylor
Miss Mildred Taylor
Horace A. Taylor and T. P. Taylor, devisees of T. P. Taylor, deceased.
Henry Thiemann
Miss Anne Thomas
Fidelity & Columbia Trust Co., Administrator de bonis non with will annexed of Emily H. Thomas, deceased.
Mrs. Mary B. Thomas
John C. Thompson, Administrator Nannie G. Thompson
Mrs. Minerva Thompson
Robert P. Thompson
Mrs. Sarah C. Thompson
William S. Threlkeld
C. O. Tice
Elsie Tobe
Bosworth M. Todd
Mrs. Marshall Paul Todd
Edward J. Tracy
Mrs. Louna Davies Trammell
Thomas Trammell
John H. Trent, Jr.
H. L. Trimble
Mrs. Isa White Trimble
Robert M. Trimble, Jr.
Selden Y. Trimble
H. B. Troxler
Miss Carrie Trueheart
Harriett Semple Truman
Jeffe W. Tuley
Florence O'Bannon Turner
Marshall Turner
Virginia W. Tyler
William Ummethun
United States Trust Company and David C. Morton, Trustees under the will of Mary B. Morton.
Charles Van Overbeke
Jennie Van Overbeke
Benj. Vaughn
Robert F. Vaughn
Sanford Vaughn
C. Ed. Veeneman
Mrs. Emma Veeneman
Carolyn Verhoeff
Mary Verhoeff
Albert L. Viglini
J. A. Viglini
Catherine E. Visaman
Louis Visaman
Albert R. Vogel
Emile Van Overbeke
Clarence W. Vogt
F. Sherman Vogt
Henry Vogt
Harry A. Volz
Harry A. Volz, Jr.
Mrs. Lucien Waggener
Lucien Waggener, Jr.
Mrs. Anna D. Wahking
Edward H. Wahking
Mrs. Elizabeth K. Wahking
Mrs. Lillie Wahking
Robert C. Wahking
William Wahking
Henry P. Wahl
Joseph T. Wahl
Dunlap Wakefield
Isaac R. Wakefield
Dr. J. J. Wakefield
Max Waldman
H. Wallace
J. K. Waller
Mrs. Minna Waltenberger
Lawrence Walter
C. L. Walters, Jr.
Sadie G. Walters during her Life under the will of her Mother, Emma G. Hacker.
Henry H. Waltring
Mrs. Blanche C. Ware
R. F. Warfield
Clinton G. Warren
Fidelity & Columbia Trust Co., Executor of will of Edward L. Warren, deceased.
Emma Warren
Ben F. Washer
Morris Wasserman
R. E. Wathen
J. W. Watkins
Mrs. Angie P. Waugh
Mrs. Katherine B. Weakley
George A. Weatherford
Mamie L. Weaver
Carolyn Weber
George E. Wedding
Elmer H. Wedekind
Mrs. Louise D. Wedekind
Ruth Wedekind
Henry Wehmhoff
George W. and Ida K. Weingardner, Joint Tenants
Edwin J. Weinman
E. Weinstock
George A. Weiss
B. F. Wempe
O. A. Wesch
Mrs. Anna S. Wessel
Frank S. West
Wheyne Company
Miss Dora Wheat
Dora Wheat or Mary Wheat or Survivor of either
Miss Mary Wheat
Blakemore Wheeler
Mrs. Georgia B. Wheeler
Minnie W. Wheeler
W. C. Wheeler
Richard J. Whelan
Clara W. White
Clara W. White, Trustee
Clarence White
Mrs. Ella E. White
Etta H. White
Lewis H. White
Mattie White
Thomas E. Whitehead
Mrs. Janet H. Whiteside
A. G. Whitley
Mabel R. Whitley
H. J. or C. J. Whittier, as Joint Tenants with Remainder to Survivor
John J. Wickstead
Miss Mary L. Wight
Benedict J. Wight
Laura M. Willey
Caroline M. Williams
Richard R. Williams
Thomas N. Willis
Claude R. Barnes, Executor of Amelia Barnes Wilson, Deceased
Clarence R. Wilson
George C. Wilson
Henry L. Wilson
Hattie A. Wimp for Life with Remainder as Under Will of Julia V. Thomas
Mrs. Lilly R. Windell
Kentucky Title Trust Co., Executor of Will of Mary E. Winston, Deceased
Clara May Wirth
Mrs. Emma C. Wirth
Louis K. Wirth
Mrs. Mary Wirth
Mrs. Sallie S. Withers
Mrs. Frankie L. Witherspoon
Laura G. Wittgenstein
Flora Wolbert
Dr. Claude T. Wolfe
George M. Wolff
A. W. Wolpert
Annie B. Wood
Ellen B. Wood
George R. Wood
Lizzie B. Wood
Nannie A. Wood
Walter E. Wood
Alex M. Woodruff
George E. Woodruff
Woodson Kratch Monument Co.
Isaac T. Woodson
Clementine V. Woodward
Rowan B. Wornall
Charles C. Wren
Wright & Taylor
John R. Wright
Clara H. Wulf
Mrs. Amelia Wunsch
Virginia Quarrier Wynn
Sam W. Eskew, Executor
Estill Lewis Yager, Deceased
Mrs. Elisa S. Young
Hugh W. Young
Mrs. Irene Taggart Young
Mildred E. Young
Utley B. Young
Elmer Zarbell
Belle W. Zellner
A. C. Zoeller
Mrs. Helen A. Zoll
Mrs. Marie A. Zoll
Mrs. Edna Temple Zorn
W. T. ZurSchmiede
Carry F. Baynes
Morris S. Belknap
Elizabeth R. Coleman
Ethel Allen Gage
Irene H. Gathright
Abbie C. Goodloe
Mary Potter Leigh
Anna Ray Muir
Fannie B. Rankin
Mrs. Annie G. Thompson
Edward L. Warren
Henry Fisk Zinne
W. G. Holloday
M. J. Ades
Frances H. Y. Allen
Winthrop Allen
Bush W. Allin
Wm. B. Allen
Montgomery Merritt Alves
Clifford L. Alderson
Fidelity & Columbia Trust Co., Trustee under the will of Willard O. Anderson, Deceased
Mrs. Minnie W. Atchison
Richey J. Baird
Joseph Seligman, Executor of Milton Barkhouse, Deceased
Fidelity & Columbia Trust Co., Executor of the will of A. H. Barret, Deceased
Thos. J. Weed, Executor of the will of Alex G. Barret, Deceased
Elizabeth M. Barret
Abe Bass
Ethel M. Bayless
Richard Bean
Mrs. Eleanor Beard.
James W. Beattie
Mrs. Ethel Beeson
Juliet R. Belknap

Exhibit 155

Wm. B. Belknap, A. D. Allen & J. H. Scales, Trustees for Mary B. Gray
Wm. B. Kelknap, A. D. Allen and J. H. Scales, Trustees for Alice B. Hawkes
Arthur B. Bensinger
Florence M. Black, Devisee of Wm. Black, Deceased
Mary R. Blain & Lucia C. H. Blain, Devisees of Randolph H. Blain, Deceased
C. J. Bodemer
Mrs. Neely H. Booker
David Bordor?
Bertha S. Bottom
Dorothy C. Boyce
Lucie Clark Boyce
Frank Bray
Grace Breed
Miss Lilla N. Breed
Winthrop N. Breed
Bettie Bridges
Harry Bridges
Harry King Brooking
Davis Brown
Miss Mary Brewing
Sallie W. Bruce, Executrix Helm Bruce, Deceased
Edward G. Budde
Fidelity & Columbia Trust Co., Executor of the will of Annie L. Bullitt
Gabell Bullock
Mrs. Nellie Burke
Cynthia S. Burnam
Everett E. Butler
Mary L. Byrne
O. O. Byron
R. L. Callahan
Lou. A. Carpenter
Childrens' Free Hospital
J. Matt Chilton
Ada T. Clark
George M. Clark
Robt. R. Cleland
Maurice S. Coha
Lewis W. Cole
John D. Coleman
Jacob D. Coleman
John V. Collis
Mrs. Louise Conrad & Miss Ricka Hartmetz of Survivor of either
Mrs. Elma Stiles Cook
Denver B. Cornett
Anna G. Cowan
Bessie Pollard Cox, Executrix of the will of Millard F. Cox, Deceased
Horace C. Dale
Frank L. Dant, Guardian of William Wallace Cardwell
Furee Dennis
Leora B. Dennis
Allen P. Dodd
Charles H. Doll
B. A. Duerson
Harry Dumesnil
Jos. P. Dumesnil
Wm. G. Duncan
Benner S. Duhkerson, Guardian for Patricia S. Dunkerson
Hugh H. Ellis
Merritt L. Emrich
Henry V. Escott
George R. Ewald
C. O. Ewing, 2nd
Wm. E. Fallis
Mrs. Anna May Peaslee Farnsley
Fidelity & Columbia Trust Co., Trustee Ida Shallcross Andresen
Fidelity & Columbia Trust Co., Trustee Theo. L. Barret
Fidelity & Columbia Trust Co., Trustee Mary S. Beasley under will of J. Sidney Hewett.
Fidelity & Columbia Trust Co., Trustee Mary S. Beasley under will of R. C. Hewett.
Fidelity & Columbia Trust Co., Trust Martha P. Blacker and Belle B. Thomson.
Fidelity & Columbia Trust Co., Trustee David G. Bockes.
Fidelity & Columbia Trust Co., Trustee Virgie Barret Bridges.
Fidelity & Columbia Trust Co., Trustee Pearl R. Burford.
Fidelity & Columbia Trust Co., Trustee Pearl R. Burford under will of H. M. Burford
Fidelity & Columbia Trust Co., Trustee Ellen M. Bush
Fidelity & Columbia Trust Co., Trustee Mrs. Lily T. Butler.
Fidelity & Columbia Trust Co., Trustee Mary P. Clancy.
Fidelity & Columbia Trust Co., Trustee Eliza P. R. Coleman.
Fidelity & Columbia Trust Co., Agent Henrietta T. Compton.
Fidelity & Columbia Trust Co., Agent Carrie Cooper.
Fidelity & Columbia Trust Co., Trustee under will of Howard Cornelius.
Fidelity & Columbia Trust Co., Trustee under will of Andrew Cowan.
Fidelity & Columbia Trust Co., Trustee Ida F. Curry.
Fidelity & Columbia Trust Co., Trustee Alma B. Davis.
Fidelity & Columbia Trust Co., Trustee under agreement Emma C. Dick.
Fidelity & Columbia Trust Co., Trustee Margaret Russell Dillon.
Fidelity & Columbia Trust Co., Trustee Elizabeth B. Dowling.
Fidelity & Columbia Trust Co., Trustee Helen J. Ewald.
Fidelity & Columbia Trust Co., Agent L. Phillip Ewald.
Fidelity & Columbia Trust Co., Trustee Phillip Louis Ewald.
Fidelity & Columbia Trust Co., Trustee Sterling D. Ewald.
Fidelity & Columbia Trust Co., Trustee Ida B. Flexner.
Fidelity & Columbia Trust Co., Agent Hannah B. Forman.
Fidelity & Columbia Trust Co., Trustee Mrs. Alfa Fulton.
Fidelity & Columbia Trust Co., Agent Bessie G. Glover.
Fidelity & Columbia Trust Co., Agent M. Alice Hays.
Fidelity & Columbia Trust Co., Trustee E. Hesse Estate.
Fidelity & Columbia Trust Co., Guardian Annie Marie Hite.
Fidelity & Columbia Trust Co., Trustee John C. Hoge.
Fidelity & Columbia Trust Co., Trustee Annie T. Liggett.
Fidelity & Columbia Trust Co., Trustee Isabella T. Lloyd.
Fidelity & Columbia Trust Co., Agent Ellen C. Milton.
Fidelity & Columbia Trust Co., Trustee Lily B. Moorman.
Fidelity & Columbia Trust Co., Trustee Morris G. Muna.
Fidelity & Columbia Trust Co., Trustee Annie Mary Parker.
Fidelity & Columbia Trust Co., Trustee under will of Corintha G. Platt.
Fidelity & Columbia Trust Co., Trustee Louise E. Rehm.
Alice N. Richardson.
Fidelity & Columbia Trust Co., Trustee
Fidelity & Columbia Trust Co., Trustee Kate J. Potter.
Fidelity & Columbia Trust Co., Executor Kate J. Potter.
Fidelity & Columbia Trust Co., Trustee Florence D. Seaman under will of Fannie M. DeFauw.
Fidelity & Columbia Trust Co., Trustee under will of Lillian M. Semple.
Fidelity & Columbia Trust Co., Trustee Elma P. Sholtmann.
Fidelity & Columbia Trust Co., Agent Elma Parker Sholtman.
Fidelity & Columbia Trust Co., Trustee Annie C. Stewart.
Fidelity & Columbia Trust Co., Trustee W. Russell Taggart.
Fidelity & Columbia Trust Co., Trustee W. B. Thomas.
Fidelity & Columbia Trust Co., Trustee J. J. Wakefield.
Fidelity & Columbia Trust Co., Executor Ella M. Warren.
Fidelity & Columbia Trust Co. and Edward L. Warren, Executors and Trustees under will of Ella M. Warren.
Fidelity & Columbia Trust Co., Trustee for Mrs. Kate Ray Wilson.
Fidelity & Columbia Trust Co., Trustee Elise D. Winter.
Fidelity & Columbia Trust Co., Committee Sidney Wolfe.
Fidelity & Columbia Trust Co., Executor Elizabeth C. Wood Estate.
Fidelity & Columbia Trust Co., Trustee Jacob Zinsmeister and Carl F. Zinsmeister.
Fidelity & Columbia Trust Co., Trustee Jacob Zinsmeister and Lee G. Zinsmeister.
Mary W. Fenley
Mrs. Charlotte P. Finzer
Mrs. Elizabeth T. Forgy
Ludwig Frank
A. R. Furnish
Mrs. Elvira E. Gaylord
Anthony Garst
Emma P. Graham
Anne Wood Grant
Owsley Grant
Louise B. Graves
Angereau Gray
Hortense Horton Gray, Executrix D. W. Gray, deceased.
Henry O. Gray
S. J. Greenstein
Henry J. Greive
Bailey Grinstead
Sidney Grossman
Laura L. Gwathmey
Bruce Haldeman
Mrs. P. T. Hale
Maude E. Hamilton
Henrietta D. Harvey
Annie I. and Mamie Hay
E. W. Hays & Co.
Virgil A. Heck
Paul Heflin
T. K. Helm
J. Buford Hendrick
Mrs. M. Estelle Herr
Dr. Henry C. Herrmann
Mrs. Joan Hester
Julia B. Heyburn
William Heyburn, Trustee under 8th clause of will of Henry W. Barrett, deceased.
R. Baylor Hickman
C. C. Hiatt
Mrs. Mary Hillenmeyer
Miss Alice L. Hilliard
Dennis J. Hines
Sophy R. Hirsch
Thatcher Hoerts
Herbert Hart Hogan
Phil Hollenbach
T. Estes Hudson and his successor Trustee for Mattie Hudson under will of J. Price Hudson, deceased.
George R. Hunt
Inter-Southern Life Ins. Co.
Mrs. W. M. Irvine
J. E. Jansen
Henry M. Johnson
Joseph E. Johnson
Charles F. Jones
Saunders F. Jones, Jr.
Alfred S. Joseph
Sara Louise Kaufman
Mrs. Rosa Keller
James Kennedy, Administrator for Paul Thompson
Kentucky Title Savings Bank & Trust Co., Trustee under will of William R. Ray.
Mrs. Emma Kessler
Oswald J. Kirchner
John L. Klapheke
Liberty Bank & Trust Co., Administrator de bonis non with will annexed Wm. H. Koppelman.
Kentucky Title Trust Co., Trustee under will of Paul Kratz, deceased.
Liberty Bank & Trust Co., Executor will of Mrs. Mary Kremer, deceased.
Liberty Bank & Trust Co., Administrator de bonis non with will annexed Brainard Lemon, deceased.
The Louisville Trust Co., Trustee under will J. Lewis Lotterle, deceased.
Sol Levy
Mrs. J. Lewis Lotterle
Marion W. Lewis, Jr.
Isabelle Lindsey
J. W. Lindsey
Thomas N. Lindsey
Delaney Logan
Mrs. Bettie Long
Louisville Trust Co., Trustee, City.
The Louisville Trust Co., Guardian of D. W. & S. E. Baird.
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Caroline C. Hutchings.
The Louisville Trust Co., Executor Joseph W. Irwin.
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee under will of J. B. Wilder.
C. U. McElroy Est.
John S. McElroy
John B. McFerran, Jr.
Watson B. McFerran
A. B. Madden
Miss Margaret L. Mahoney
Charles N. Manning
E. Marschall
Burgess B. Mason
Wm. K. Massie
Harry L. Means
C. E. Merriman
Preston L. Metzler
James P. Miller
Shackelford Miller, Jr.

Exhibit 155

Will B. Miller
Miss Ruth M. Mitchell
Robert Montgomery
Lily B. Moorman
Margaret Moriarity
William T. Moriarty
J. Morton Morris, Executor Fannie C. Morris
William E. Morrow
Harry R. Mosscon
Mrs. Lula M. Mueller, Trustee under will Hans Mueller, deceased.
Wm. G. Munn
T. M. Murphy
Gertrude Dudley Munson
Kentucky Title Trust Co., Successor Trustee for Dr. Louis Frank.
Mrs. Jessie S. Norton
Charles A. Nugent
Lee Oberdorfer
Squire R. Ogden
Jessie Belle Otter
Edgar M. Parsons
W. A. Perry
Robert L. Phillips
Mrs. Genevieve D. Pogue, Executrix Phillip S. Pogue, deceased.
Miss Mabel Hardy Pollitt
W. Logan Porter
H. H. Poutch
A. P. Ramser
George Ramser
Miss Frances O. Read
W. M. Reed
Fred A. Reese, heir of Anna Amelia Reese, deceased.
Laura D. Richardson
Harry Rietze
William O. Robertson
Kentucky Title Trust Co., Successor to the Louisville Trust Co., Executor A. H. Robinson, deceased.
Jacob Rosenheim
Robert L. Ross
Miss Delphine Rothchild
Flora Rothchild
Arthur M. Rutledge
Mrs. Jennie S. Salomon
Margaret L. Scanlon
Edna C. Schmidt
Mrs. Gilbert Schneider
Gilbert Schneider
Theo. Schultheis
Edwin F. Schwab
Stephen H. Shallcross
Harry T. Shanks
D. G. Shannon
Jesse W. Shea, Administrator of Estate of Thomas Shea
Carrye K. Sloss
Mrs. Amy A. Smith
G. Ben Smith
Mildred Lee Smith
Saidee Kempshall Smith
Margaret G. Snead
Fillison L. Spoiden
Julius L. Spielberger
Millicent Starks, Guardian of B. M. Starks, Jr., Josephine Starks and Elizabeth Starks.
Fred B. Stewart
John Stites
Lewis S. Streng
Louis Ochs and Nannie Burger
Devisees of Mattie L. Tachau, Estate Harry G. Talamini.
Fidelity & Columbia Trust Co., Guardians of Sonrise Taylor and Mary Jane Taylor, devisees of Chas. F. Taylor.
Mrs. E. A. Taylor
Edith S. Taylor
T. Guthrie Taylor, Administrator J. C. Taylor, deceased.
C. W. Hay, Executor J. Swigert Taylor, deceased.
Major Taylor
Caroline F. Tevis
Ben J. Johnson, Administrator de bonis non with will annexed, A. V. Thompson, deceased.
I. H. Thurman
John White Trimble
United States Trust Co.
United States Trust Co., Trustee Anna G. Cowan.
Fidelity & Columbia Trust Co., Trustee Elizabeth C. Wood Estate.
United States Trust Co., Trustee Ballard Library.
United States Trust Co., Trustee Allen Breed.
United States Trust Co., Trustee under will Mary P. Gill.
United States Trust Co., Trustee Caroline A. Reese.
Miss Emma Url
A. C. VanWinkle
Elizabeth Vaughn
Edward H. Viglini
George J. Viglini
Marvie G. Viglini
Joseph C. Wagner
William Wagner
Cary I. Warren
Freeman S. Webb
Mrs. Belle M. Weil
Alice A. White
Rowland Whitney
Mrs. Isabella Talbot Wilder
Mrs. Elizabeth L. Williams
Mrs. Kate R. Wilson
Karl F. Wirth
Edgar G. Wells
Frieda S. Weygold
Richard M. Williams
Elizabeth Wilmore
Margaret Wilmore
Joseph C. Wolf
C. V. Woods
Joel H. Wright
Rudolph Zimmerman
Henrietta T. Compton
Carrie Cooper
L. Phillip Ewald
Hannah B. Forman
Bessie G. Glover
M. Alice Hays
Ellen C. Milton
Eliza Parker Sheltman
Isaac Hilliard, Edw. H. Hilliard, A. J. Howard, Marion H. Cardwell, Andrew P. Geis, Robert J. Theobald and Harold Walton, Partners doing business as J. J. B. Hilliard & Son.
S. C. Lyons, B. C. Lyons, W. L. Lyons, W. G. Lyons and J. M. Warden, Partners doing business as W. L. Lyons & Co.
Fred L. Almstedt, Henry Almstedt, Arthur H. Almstedt and Richard H. Almstedt, Partners doing business as Almstedt Bros.
Henning Chambers, Harrison Hunter, O. J. Turner and Louis Van Overbeke, Partners doing business as Henning Chambers & Company.
James C. Willson, Robert J. McBride, Henry T. Short, R. Alexander Robinson and Otto C. Ruth, Jr., Partners doing business as James C. Willson & Company.
W. Bowman Clark and Alvin P. Bohmer, Partners doing business as John L. Dunlap & Company.
Milton S. Trost, Julian S. Stein, C. Prevost Boyce, Henry C. Evans and W. T. Childs, Partners doing business as Stein Brothers & Boyce.
A. E. Latta doing business as Wakefield & Company.
D. X. Murphy and J. C. Murphy, Partners doing business as D. X. Murphy & Bros.

Exhibit 55

PETITION IN EQUITY

The plaintiff, John C. Wicklliffe, Jr., states that pursuant to the appointment and qualification as hereinafter set out, he is now Receiver of The Louisville Trust Company in place and stead of the Fidelity and Columbia Trust Company which was originally appointed Receiver of The Louisville Trust Company as hereinafter set out.

Plaintiff states that at all the times hereinafter mentioned The Louisville Trust Company was and now is a duly incorporated trust company organized and existing under and by virtue of the laws of the Commonwealth of Kentucky; that on the 17th day of November, 1930, The Louisville Trust Company was closed by action of its Board of Directors, and on said day, O. S. Denny, the Banking Commissioner of the Commonwealth of Kentucky, took charge of said closed trust company and of all its property and effects, pursuant to the provisions of law in such case made and provided; that thereupon, and while said closed trust company and all its property and effects still remained in the charge of said Banking Commissioner, said Banking Commissioner caused a petition, No. 305,178, in the name of the Commonwealth of Kentucky, by said O. S. Denny, Banking Commissioner as relator, against The Louisville Trust Company, to be filed in the Chancery Branch of the Jefferson Circuit Court, that being the Circuit Court of the county where said Louisville Trust Company was and is located, and that in and by said petition said relator applied to said Court for the appointment of a Receiver of The Louisville Trust Company according to the provisions of Section 165a-16, Kentucky Statutes; that notice of said application was duly served upon The Louisville Trust Company and thereupon said Court, upon proper hearing of the parties, determined that the appointment of a Receiver of The Louisville Trust Company in said proceeding was justified, and said Court did, on the 21st day of November, 1930, duly appoint the Fidelity and Columbia Trust Company of Louisville, Kentucky, a trust company duly organized and existing under the laws of the Commonwealth of Kentucky, Receiver of The Louisville Trust Company and fix the amount of bond to be given by it; that on said day, said Fidelity and Columbia Trust Company accepted said appointment and duly qualified as Receiver of The Louisville Trust Company in said proceeding by executing the bond fixed as aforesaid and by its proper officer taking the oath prescribed by law, and that by virtue of aforesaid appointment and qualification said Fidelity and Columbia Trust Company then became Receiver of The Louisville Trust Company and that its said receivership continued until this plaintiff was appointed in its place as hereinafter set out.

Plaintiff states that The Louisville Trust Company was insolvent at the time of the appointment of said Fidelity and Columbia Trust Company as its Receiver and at the time of the entry of the judgment, hereinafter referred to, on the 3rd day of July, 1931, and that at the time of the entry of the aforesaid judgment, said Receiver had in its hands for administration and settlement the estate of said insolvent trust company, and as such Receiver had the right and was under the duty upon the order of the Court which appointed it, to bring such actions and take such proceedings as might be necessary and proper to enforce the liability imposed upon stockholders of The Louisville Trust Company and all persons and estates subject to such stockholders' liability as fixed and provided by Section 547, Chapter 32, Kentucky Statutes, and such other statutes as impose the liabilities of stockholders in banks and trust companies organized under the laws of the State of Kentucky.

Plaintiff states that in aforesaid action No. 305,178, in which said Fidelity and Columbia Trust Company was appointed Receiver of The Louisville Trust Company, such further proceedings were had with the result that the Court did, by judgment entered on the 3rd day of July, 1931, duly decree and determine that The Louisville Trust Company was, on November 17, 1930, and continued to be at the time of the entry of said judgment, insolvent to such an extent that the amount of its indebtedness, over and above the total value of its assets, exceeded the sum of $1,750,000.00, the aggregate amount of the par value of the shares of capital stock of The Louisville Trust Company outstanding in the hands of its stockholders at the time of the closing of the company as aforesaid, and that it was necessary under and for the proper administration of the assets and settlement of the estate of The Louisville Trust Company in the hands of its Receiver, that an assessment of the maximum liability imposed by law upon the stockholders of The Louisville Trust Company, and all persons and estates subject to such stockholders' liability, be made by the Receiver of The Louisville Trust Company, and that said Receiver bring such actions and take such proceedings as might be necessary and proper to enforce the maximum liability as aforesaid of all persons and estates subject thereto; that, in and by the aforesaid judgment, said Fidelity and Columbia Trust Company, in its capacity as Receiver of The Louisville Trust Company, was duly ordered and directed to assess the maximum liability imposed by statute, measured by the par value of their respective shares of stock of The Louisville Trust Company, against all then stockholders of The Louisville Trust Company and against all its former stockholders still subject to such assessment, including all other persons and estates subject to assessment on account of such stockholders' liability, and, in and by the aforesaid judgment, said Fidelity and Columbia Trust Company, in its capacity as Receiver of The Louisville Trust Company, was further ordered and directed to bring such actions and to take such proceedings as might be necessary and proper to collect each and all of said assessments and to enforce the maximum liability of all stockholders, other persons and estates subject to said liability, under the statutes in such case made and provided. An attested copy of said judgment is filed herewith as part hereof marked Exhibit "A."

Plaintiff states that said judgment was duly entered and has not been set aside, or modified or appealed from, and is now in full force and effect, but that this plaintiff in his capacity as Receiver of The Louisville Trust Company, in the place and stead of said Fidelity and Columbia Trust Company, under appointment as hereinafter set out, is now charged with the duty of carrying out the directions and orders which aforesaid judgment imposed upon said former Receiver.

Plaintiff states that The Louisville Trust Company was insolvent at the time of the appointment and qualification of said Fidelity and Columbia Trust Company as its Receiver as aforesaid, and that at the time of the entry of the aforesaid judgment, which directed the assessment and collection of the maximum liability imposed by law upon the stockholders of The Louisville Trust Company and all persons and estates subject to such stockholders' liability, said Fidelity and Columbia Trust Company, in its capacity as Receiver of The Louisville Trust Company, had in its hands for administration and settlement the estate of said insolvent Trust Company; that after the entry of the aforesaid judgment relating to the liability of stockholders, reorganization and reopening of The Louisville Trust Company was effected in manner as follows:

That at the time of the closing of The Louisville Trust Company as aforesaid, and at the time of its reorganization as hereinafter set out, The Louisville Trust Company was indebted to depositors in an aggregate sum in excess of $11,500,000.00; that depositors holding valid and subsisting claims against The Louisville Trust Company in an aggregate amount in excess of $9,000,000.00, out of aforesaid total deposit liability of The Louisville Trust Company, subscribed and agreed to and carried out a plan for the reorganization of The Louisville Trust Company under which said depositor-creditors holding claims in an aggregate sum in excess of $9,000,000.00 subscribed and applied fifteen per cent of their said claims in order to furnish the new capital and surplus necessary for the reorganization and reopening of The Louisville Trust Company, and said depositor-creditors further agreed that only twenty per cent of their respective claims should be subject to immediate withdrawal, and that five per cent of their said claims should be subject to withdrawal only after four months from the reopening of The Louisville Trust Company, five per cent of their said claims should be subject to withdrawal only after eight months from the reopening of The Louisville Trust Company, and five per cent of their said claims should be subject to withdrawal only after twelve months from the reopening of The Louisville Trust Company, and that twenty per cent of their respective claims should remain on deposit with The Louisville Trust Company, if and when reopened, and to bear interest at the rate of three per cent per annum, and to be demandable by said depositor-creditors only at the expiration of two years from the reopening of The Louisville Trust Company; and that said depositor-creditors holding claims in an aggregate sum in excess of $9,000,000.00 agreed and bound themselves that the remaining thirty per cent of their respective claims, aggregating more than $2,940,000.00 in amount, should be withdrawn from all participation in the assets of The Louisville Trust Company if and when said company should be reopened; and that by so withdrawing said portion, aggregating more than $2,940,000.00, of their claims against The Louisville Trust Company from participation in the assets of The Louisville Trust Company if and when reopened, said depositor-creditors who agreed to and united in said reorganization plan assigned and relinquished unto the other creditors of The Louisville Trust Company the increased distributive interest in the assets of The Louisville Trust Company that would have belonged to said relinquishing depositor-creditors if they had not so withdrawn said portion of their deposit claims; that said withdrawal of aforesaid portion of their respective claims by said depositor-creditors reduced the liabilities of The Louisville Trust Company payable out of its assets in an amount in excess of $2,940,000.00, and such reduction in the liabilities to be paid by The Louisville Trust Company if and when reopened made possible the reorganization plan that was carried out; that in consideration for such withdrawal of said portion of their claims, said depositor-creditors reserved and secured the right to seek and obtain payment of such withdrawn portion of their claims, aggregating more than $2,940,000.00, out of, a so-called Depositors' Refunding Account and certain assets and choses in action to be included and embraced therein.

That in and by aforesaid reorganization plan it was arranged and provided that all amounts that should be collected by the Receiver of The Louisville Trust Company from present or former stockholders of The Louisville Trust Company and from persons and estates subject to liability, on account of the maximum liability imposed by statute upon the stockholders of said company and persons liable as stockholders, should be paid into said Depositors' Refunding Account for the use and benefit of the aforesaid relinquishing depositor-creditors.

That the aforesaid reorganization plan was duly approved by the Court in action No. 305,178, styled Commonwealth of Kentucky, On relation of C. S. Wilson, Banking Commissioner, vs. The Louisville Trust Company, and the said receivership of The Louisville Trust Company was partially terminated on the 20th day of August, 1931, insofar as was necessary to enable the Receiver of The Louisville Trust Company to restore to The Louisville Trust Company all its assets then in the hands of its Receiver, but that said Fidelity and Columbia Trust Company was continued as Receiver of The Louisville Trust Company for the purpose of enforcing the collection of the maximum statutory liability as aforesaid.

Exhibit 155

That on the 10th day of September, 1931, by orders duly entered in aforesaid action No. 205,178, said Fidelity and Columbia Trust Company was permitted to resign its office as Receiver of The Louisville Trust Company insofar as such receivership was still in effect for the purpose of enforcing the collection of the maximum statutory liability of stockholders as hereinbefore set out, and this plaintiff was then appointed Receiver of The Louisville Trust Company in the place and stead of the Fidelity and Columbia Trust Company, and under such order of appointment the power and duty was imposed upon this plaintiff to take such steps and proceedings as should be necessary to enforce the collection of the maximum statutory liability of stockholders and persons subject to such stockholders' liability as set out in aforesaid judgment, copy of which is filed herewith as part hereof marked Exhibit "A"; that pursuant to said appointment this plaintiff forthwith on said date qualified as such Receiver by executing bond and taking the oath as prescribed by law, and that this plaintiff continuously since has been and now is Receiver of The Louisville Trust Company for the purposes as aforesaid and this suit is now filed by plaintiff pursuant to the authority and direction imposed upon him as aforesaid.

Plaintiff states that the defendants herein were each and all stockholders of The Louisville Trust Company and beneficial owners of shares of the capital stock of The Louisville Trust Company within the period of one day less than two years next before the commencement of this action against them and each of them and that the defendants herein named were holders and owners of the shares of capital stock of The Louisville Trust Company within the period aforesaid in the respective amounts and as of the respective dates as hereinafter set out, and that such respective ownership of shares of capital stock of The Louisville Trust Company was represented and shown by Trustees' Participation Certificate-shares issued, outstanding, held and owned in the manner as hereinafter set out.

Plaintiff states that heretofore and prior to the 1st day of September, 1929, the owners of 17,225 shares of the capital stock of The Louisville Trust Company of the par value of $100.00 each, and the owners of 29,820 shares of the capital stock of The National Bank of Kentucky of the par value of $100.00 each, assigned and transferred their respective shares of said trust company stock and of said bank stock unto certain trustees provided for in an agreement in writing styled "Trust Agreement with reference to stock in The National Bank of Kentucky of Louisville and The Louisville Trust Company," dated April 22, 1927, to be held by said trustees and their successors in trust as one indivisible trust estate in the manner and for the purposes as set out in said trust agreement; that said trust agreement is in words and figures as follows:

"TRUST AGREEMENT"

with reference to stock in

THE NATIONAL BANK OF KENTUCKY
Of Louisville

and

THE LOUISVILLE TRUST COMPANY

Dated April 22, 1927.

THIS AGREEMENT, entered into this 22d day of April, 1927, between:

Such owners and holders of capital stock in The National Bank of Kentucky, of Louisville, Kentucky, as now unite and such other owners and holders of that stock as may hereafter unite in this agreement by signing it or a counterpart thereof, or by depositing their stock as hereinafter provided, hereinafter referred to as 'Bank Stockholders,' as parties of the first part; and

Such owners and holders of the capital stock of The Louisville Trust Company, of Louisville, Kentucky, as now unite and such other owners and holders of that stock as may hereafter unite in this agreement by signing it or a counterpart thereof, or by depositing their stock as hereinafter provided, hereinafter referred to as 'Trust Company Stockholders,' as parties of the second part; and

Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Edwin M. Drummond and Chas. H. Bohmer, hereinafter referred to as 'Trustees,' as parties of the third part;

WITNESSETH.

The undesigned owners and holdesr of the shares of capital stock of The National Bank of Kentucky of Louisville (organized under the National Banking Act), and owners and holders of the capital stock of The Louisvile Trust Company (organized as a Trust Company under the laws of Kentucky), looking to the best interests of the respective institutions as separate corporate entities, and of each stockholder therein, have determined that such interests require closer co-operation of such Bank and Trust Company to be of greater service to their respecitve patrons, and in order to secure such co-operation have agreed upon the plan hereinafter set forth for creating a trust estate to consist of their respective shares of stock in the Bank and in the Trust Company.

I.

APPORTIONMENT OF INTERESTS BETWEEN THE TWO SETS OF STOCKHOLDERS.

At this time the Bank has a capital, surplus and undivided profits of more than $4,800,000, which will be represented by 40,000 shares of its stock when a contemplated stock dividend of 60% has been declared; and The Trust Company has a capital, surplus and undivided profits of more than $1,700,000, represented by 10,000 shares of its stock.

The combined net assets of the two institutions aggregate more than $6,500,000.

In apportioning between the Bank Stockholders and the Trust Company Stockholders the participation shares hereinafter provided for, which represent interests in the Trust Estate, presently consisting of the stocks of said two institutions deposited hereunder, such apportionment shall be made upon the following basis:

The total assets and business of the Bank shall be treated as worth 80% of the combined assets of the Bank and of the Trust Company, and the total assets and business of the Trust Company shall be treated as worth 20% of the combined assets and business of the Bank and of the Trust Company.

The rights of such stockholders in said respective institutions as become a party to this agreement shall be determined on said basis, namely, each shareholder shall receive one participation certificate for each share of stock.

II.

ADVISORY COMMITTEE.

There is hereby created an Advisory Committee, with such powers as are herein conferred, and which shall at all times be composed of the individuals who are the then directors of The Louisville Trust Company and of The National Bank of Kentucky.

In any action to be taken by the Trustees only on the approval of the Advisory Committee, such approval shall be evidenced by a writing filed with the Trustees, and signed by a majority of the members from each institution on said Committee.

Said Committee shall have the right by a resolution adopted by them, respectively, to add to their number not more than three of the higher executive officers of each institution who are not already members of the Committee, and such action upon the part of the Advisory Committee if taken, shall be evidenced by a writing filed with the Trustees.

III.

TERMS OF TRUST.

The Trustees shall hold all assets which shall come into their hands hereunder as one indivisible Trust Estate, the proportionate interest of each shareholder therein being represented by the certificates issued by such Trustees, and the Trustees agree to hold such estate upon the following trust, terms and conditions:

(1) They shall reassign to each person who shall be at the time of signing this agreement a member of the board of directors of The National Bank of Kentucky, or of The Louisville Trust Company, who desires and is eligible a sufficient number of shares of stock in such Bank and Trust Company to qualify him as a director in both institutions.

(2) The Trustees may, out of the shares owned by them, sell and assign absolutely to any holder of a Trustees' Participation Certificate desiring to be elected a director of either of said institutions, the number of shares of stock necessary to legally qualify him for such office. These provisions shall apply to any other stock acquired by the Trustees.

(3) Upon request made in writing not more than 30 nor less than 15 days before any annual election of directors, by the holders of sufficient in amount of Trustees' Participation Certificates to insure his election they shall sell and transfer to a designated person the number of shares of stock necessary to legally qualify him for such office, upon his surrender of sufficient Trustees' Participation Certificates therefor.

(4) In addition to the Trust Estate herein presently provided for, the Trustees shall have power to purchase all or part of the stock of any other corporation of similar character and engaged in a like or similar business, but only with the written consent of the Advisory Committee, as to terms, price and conditions of purchase, and any stock so purchased by the Trustees shall become and be a part of the Trust Estate above referred to, and the Trustees may issue Trustees' Participation Certificates in sufficient amount to pay for the stock so purchased by them. The Trustees may issue such new certificates direct to the holders of the stock so purchased by the Trustees in exchange or payment therefor, in whole or in part, or may sell such Trustees' Participation Certificates to the then holders of such Trustees' Participation Certificates in proportion to their then holding thereof, which right of purchase by such holders shall be assignable. If all the certificates so offered to existing certificate holders be not taken and paid for by them or their assigns within the time fixed by the Trustees in their offering of the same, it shall be the duty of the Trustees to offer for sale such certificates not taken or paid for to any other person or persons.

(5) No certificate shall be issued by the Trustees calling for a fraction of a share, but scrip may be issued for fractions of shares to those entitled thereto, and when scrip representing as much as one full share shall be presented to the Trustees, they shall issue a certificate in lieu of such scrip for as many full shares as said scrip shall call for in the aggregate. No dividends shall be paid on scrip, but when such scrip shall have been converted into Trustees' Participation Certificates, the rights represented thereby shall be entitled to receive their full share of dividends thereafter declared and theretofore declared during a period not to exceed five years before such conversion.

(6) The Trustees, with the written consent of the Advisory Committee, may sell any stock acquired under Subsection (4) of Article III and the proceeds of sale when collected shall be disposed of by the Trustees with the written consent of the Advisory Committee by:

(a) Either dividing the same among the holders of Trustees' Participation Certificates, in which event the Trustees shall have the right to correspondingly reduce pro rata the number of shares represented by outstanding Trustees' Participation Certificates; or

(b) Using the same in the purchase of stock of corporations engaging in like or similar business; or

(c) Adding to the capital or surplus or capital and surplus of any of the corporations the stock of which is owned by the Trustees.

(7) The Trustees, with the written consent of the Advisory Committee:

(a) Shall have the right to consent to and take any legal action appropriate for an increase or decrease in the capital stock of any corporation, the stock of which may become a part of the Trust Estate;

(b) In case of an increase in the capital stock of any such corporation, the proper proportionate part thereof to which the Trustees may be entitled, may be purchased by them and same shall be added to and become a part of the indivisible Trust Estate held by the Trustees under the same terms and conditions as are herein provided for the stock acquired hereunder;

(c) The Trustees shall thereupon issue additional Trustees' Participation Certificates equal to the par value of such increase of capital stock so purchased by them and shall offer the same pro rata to the then holders of outstanding Trustees' Participation Certificates at a price which will reimburse the Trustees for the purchase price so paid by them.

If any holder of Trustees' Participation Certificates declines or fails within a reasonable time to be fixed by the Trustees, to take his pro rata of such increased issue of certificates, and which right of purchase by such holder shall be assignable, the Trustees shall have the right to sell such certificates to any purchaser for a price not less than that at which the Trustees acquired such stock.

(d) In case either the Bank or Trust Company, or any other institution in which the Trustees shall own stock, shall reduce its outstanding capital stock in the manner provided by law so as to effect a distribution of corporate assets among stockholders, the Trustees shall dispose of said fund as a distribution pro rata among the holders of Trustees' Participation Certificates or, under the written direction of the Advisory Committee, for the benefit of the trust estate, in any other lawful manner.

(8) The Trustees shall have the right, and it shall be their duty subject only to the limitations herein prescribed, to exercise in the interest of the holders of Trustees' Participation Certificates, all of the powers of management and control over any corporation in which they shall hold stock, incident to the ownership of stock held by them hereunder, and their power shall include all rights as stockholders in connection with any corporate purposes or functions whatever and shall authorise them to exercise all voting rights and rights of ownership over such stock in the election of directors or in the discharge of any other corporate functions.

Provided, however, that the owner of record on the books of the Trustees of any Trustees' Participation Certificate, shall have the right by written directions to the Trustees given at least 5 days before the vote is to be cast, to instruct them how they shall vote in the corporate meetings such proportionate number of shares therein owned by the Trustees as the number of shares represented by the Trustees' Participation Certificate owned by such person giving such directions may bear to the total number of shares represented by outstanding Trustees' Participation Certificates and the Trustees shall vote such proportion of stock in accordance with such instruction.

(9) Dividends received by the Trustees on any stock held by them shall be distributed among the holders of Trustees' Participation Certificates; provided, however, that upon the written direction of the Advisory Committee, the Trustees may use any extra dividends, or part thereof, received by the Trustees, for the benefit of the trust estate, in any lawful manner.

(10) The Trustees shall deposit in the Bank or the Trust Company all funds which they receive with directions to such Bank or Trust Company as to the distribution thereof as hereinabove authorized and the making of such deposits and the giving of such directions shall relieve the Trustees of all further responsibility for such dividends. The Trustees shall out of the funds coming into their hands pay the expenses of the organization and conduct of the Trust.

(11) The enumeration of powers herein shall not be held to be exclusive of other powers herein referred to or incidental to the powers herein mentioned.

IV.

MEETING OF TRUSTEES' PARTICIPATION CERTIFICATE HOLDERS.

(1) Annual meetings of the registered holders of the Trustees' Participation Certificates shall be held at the office of the Trust Company at Louisville, Kentucky, at 2:30 P. M. on the first Monday in January of each year, unless that be the first day of the year, and in which event it shall be held at the same place and hour upon the following day, at which time and place the Trustees or one or more of them, shall attend, and to which meeting the chief executive officers of all corporations in which the Trustees hold stock shall be requested to attend so as to give information as to the condition and progress of such corporation and to make to such meeting any report that may be proper.

(2) Such meeting may be adjourned to any other time and place in Louisville, Kentucky.

(3) The time and place of such annual meeting may be changed at any annual meeting by a vote of persons holding a majority in amount of the Trustees' Participation Certificates present at the meeting in person or by proxy.

(4) Special meetings of the holders of the Trustees' Participation Certificates may be called by the Trustees at any time and place in the city of Louisville and such meetings shall be called upon the written request of the holders of one-third in amount of the Trustees' Participation Certificates.

(5) Notice of all meetings shall be given by the Trustees in writing mailed to the registered address of each certificate holder at least ten days before the meeting, and such notice shall state the purpose for which any special meeting is called; provided, however, that if a special or annual meeting is to consider the termination, dissolution or modification of this Trust, then at least 30 days' notice thereof shall be given in like manner.

(6) The right to vote at any meeting of Participation Certificate Holders shall be restricted to holders of such certificates of record at least 15 days before the annual meeting, and in case of a special meeting 15 days before the notice of such meeting is required to be mailed. Holders of Trustees' Participation Certificates may vote either in person or by proxy, and if by proxy by a writing attested by one person.

V.

APPOINTMENT OF TRUSTEES AND THEIR ORGANIZATION.

(1) Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Edwin M. Drummond, and Chas. H. Bohmer are hereby chosen as Trustees under this agreement, and they and their successors shall have all the rights, powers and duties herein set forth.

Henry Vogt, Thomas J. Minary and Stuart E. Duncan, named above, are agreed upon as the Trustees representing the Stock-

holders of The Bank, and Allen P. Dodd, Edwin M. Drummond, and Chas. H. Behmer, named above, are agreed upon as the Trustees representing the Stockholders of The Trust Company. Provided: That, upon the written direction of the Advisory Committee, a corporation or corporations duly authorized to act in a fiducial capacity, may be designated as Trustee or Trustees in lieu of the individual Trustees herein provided for. In the event of such change the individual Trustees shall cease to act and the corporation or corporations, so designated, shall alone have and exercise all the powers herein conferred on the Trustees.

(2) Those persons upon the Advisory Committee who shall at the time constitute the Board of Directors of the Bank may at any time by a writing signed by a majority of them and filed with the Trustees, remove any of the Trustees designated by the Bank stockholders, and in like manner those persons upon the Advisory Committee who shall at the time constitute the Board of Directors of The Trust Company may at any time by a writing signed by a majority of them and filed with the Trustees, remove any of the Trustees designated by The Trust Company stockholders; provided, however, that such power shall not be exercised within sixty days prior to the annual meetings of the stockholders of the Bank or the Trust Company.

(3) Upon the death, removal, resignation or refusal to act of any Trustee, or if from any cause there shall be vacancy in the position of any Trustee, the successor of such Trustee shall be elected and certified to the acting Trustees by a writing signed by a majority of those persons who shall at the time constitute the Advisory Committee for the respective institutions, as the case may be, to the end that there shall always be three Trustees appointed on behalf of the Bank Stockholders and three Trustees appointed on behalf of the Trust Company Stockholders unless a corporate Trustee or Trustees be appointed as above provided.

This power to fill vacancies shall not only apply to the original Trustees herein named, but to any successor, and shall be exercised as and when any vacancy may hereafter occur in the position of any Trustee herein designated as the representative Trustee of the stockholders of either the Bank or the Trust Company.

(4) The term "Trustee" whenever used in this agreement shall include successors duly appointed or elected and all estate hereby vested in and all the rights herein given to and the powers herein conferred upon any Trustee shall be vested in, given to and exercised by his successor duly appointed or elected, and such successor shall be substituted in all respects in place of the former Trustee without the necessity of any formal assignment or transfer to him.

(5) The majority of the Advisory Committee in exercising the powers in this article shall be determined in the same manner as prescribed in Article II.

VI.

ORGANIZATION OF TRUSTEES.

(1) The Trustees shall organize by electing from their own number a Chairman and a Vice-Chairman; and by electing a Secretary and Assistant Secretary, neither of the two latter need be a Trustee.

(2) The Trustees shall keep such record of their official action as may be necessary, including a register of Trustees' Participation Certificates issued by them similar to the ordinary stock certificate book showing the name and mailing address of each certificate holder, and shall certify a copy thereof to each institution issuing stock to them.

(3) They shall adopt a seal and prescribe such regulations or by-laws as they may deem necessary, including regulations for the issuance of duplicate Trustees' Participation Certificates in case of loss or destruction of original certificates, and regulations governing the transfer of such certificates, and no Trustees' Participation Certificate shall be transferred except upon the surrender thereof duly endorsed, in person or by attorney, and all such transfers shall be made only upon the books of the Trustees.

(4) The seal of the Trustees shall be affixed to the Trustees' Participation Certificates and they shall be signed by the Chairman or Vice-Chairman of the Trustees and by their Secretary or Assistant Secretary.

(5) The Louisville Trust Company is hereby designated as Transfer Agent for the transfer of Trustees' Participation Certificates, and The National Bank of Kentucky shall be the Registrar thereof, and no certificate issued by the Trustees shall be valid unless countersigned by the Transfer Agent and Registrar.

(6) A majority of the Trustees concurring shall have and exercise all the powers that could be exercised by the whole number of the Trustees.

VII.

ASSIGNMENT OF STOCK TO TRUSTEES.

The Bank Stockholders and Trust Company Stockholders who shall execute this agreement now or hereafter, or a counterpart hereof, or transfer their stock to the Trustees as herein provided for by that act assign to the Trustees hereinbefore named, under the terms, conditions and limitations hereof, all of the shares of the capital stock owned or held by them at the time of such execution, either in the Bank or Trust Company, or in both.

Each assignment is made upon the terms, trusts and conditions herein stated.

Each assignment shall be made effectual by proper transfers upon the books of the Bank and the Trust Company, respectively, as provided by law and by the by-laws, rules or regulations of said institutions, respectively, governing such transfer.

The certificate or certificates issued by the Bank or by the Trust Company to the Trustees for the shares transferred to such Trustees hereunder, may be issued to them, as 'The Trustees Under Stockholders' Agreement of April 22, 1927' without designating them by name.

It shall not be necessary to issue a new certificate to the Trustees in the event of a change in the personnel of the Trustees, but if desired by the Bank or by the Trust Company the names of the Trustees or any changes therein may be indicated by a memorandum endorsed upon each certificate issued to the Trustees.

The Trustees and their Transfer Agent for the certificates issued by them shall certify to the Bank and Trust Company a copy of the Trustees' register of Trustees' Participation Certificate-Holders and their addresses and from time to time and as often as any change may be made in the holders of such certificate shall certify such change.

VIII.

TRUSTEES' PARTICIPATION CERTIFICATES.

(1) The shares for which such Trustees' Participation Certificates shall be issued shall be of the par value of $100.00 each, provided that if hereafter the Trustees shall consider it wise to change the par value of such shares, they shall have the power to do so, and to that end may call in all outstanding certificates and issue others in lieu thereof prescribing the changed par value of shares. After such call has been issued no dividends shall be paid on shares represented by such outstanding old certificates until they have been surrendered for exchange for new certificates in the revised form.

(2) The Trustees' Participation Certificates, subject to the aforesaid power of modification as to the par value of shares, shall be in form as follows:

THE NATIONAL BANK OF KENTUCKY. THE LOUISVILLE TRUST CO.
Number of Certificate Number of Shares

TRUSTEES' PARTICIPATION CERTIFICATE.
Present authorized issue $5,000,000.00
Par value $100.00 Per Share

This certifies that is the owner of shares, of the par value of $100 each, of the indivisible trust estate, consisting of shares of the capital stock of The National Bank of Kentucky, of Louisville, and The Louisville Trust Company, also of Louisville, Kentucky and of any other corporation acquired by the Trustees under the agreement between stockholders of said institutions and said Trustees, which agreement is dated April 22, 1927, and is on file with said institutions.

This certificate is issued under the terms of the aforesaid agreement, and the holder hereof, by accepting same, consents to and adopts said terms as if fully written herein. It shall not be valid unless countersigned by The Louisville Trust Company, the duly designated Transfer Agent for the transfer of said Trustees' Participation Certificates, and by The National Bank of Kentucky, the duly designated Registrar; and is transferable only on the books of said Trustees upon its surrender properly endorsed in person or by attorney.

Exhibit 155

Edward C. Doll 138 W. Market Street	20	.0042	60.42
Jacob Doll 138 W. Market Street	20	.0062	90.62
Mrs. Mary O. C. Doll 130 N. Peterson	20	.0042	60.42
Miss Jennie H. Donahue 1112 S. Brook Street	20	.0062	90.62
Cornelius D. Donker 409 Kensington Court	80	1.5104	151.04
N. H. Donker 409 Kensington Court	2130	64.3434	6,434.34
Virginia Dotson 1835 Hampden Court	25	.7562	75.62
William T. Dotson 2107 Kenilworth Court	24	.7260	72.60
Edwin M. Drummond, dead, Fidelity & Columbia Trust Co., Executor of will	250	7.5519	755.19
Mrs. Margaret Strain Duane 84 Valley Road	210	6.3436	634.36
W. M. Duane 238 S. 42nd Street	20	.6042	60.42
Edward G. Duckwall 302 W. Main Street	500	15.1038	1,510.38
Ben H. Dudley, dead, United States Trust Co., Executor of will	100	3.0208	302.08
B. A. Duerson Weisinger-Caulbert Apts.	250	7.5519	755.19
Virgil O. Duffin Inter-Southern Life Ins. Co.	20	.6042	60.42
James H. Duffy c/o Ohio River Sand Co.	130	3.927	392.70
James T. Duffy 2409 Cherokee Parkway	110	3.3228	332.28
Thomas J. Duffy 378 Caldwell Street	152	4.5916	459.16
Frank I. Dugan c/o National Bank of Kentucky	350	10.5727	1,057.27
W. E. Dugan c/o Shuler Axle Co.	30	.9062	90.62
Annie Leathers Duncan c/o S. E. Duncan Peaslee Caulbert Co.	160	4.8332	483.32
S. E. Duncan 401 W. Main Street	2840	85.7886	8,578.86
William Grinstead Duncan Peaslee-Caulbert Paint & Varnish Co.	100	85.7886	8,578.86
Alex Dunlap, Jr. Versailles Pike, Lexington, Ky.	60	1.8125	181.25
Lin Lithgow Dunlap 250 N. 3rd Street, Danville, Ky.	110	3.3228	332.28
J. H. Durham Columbia Building	30	1.5104	151.04
Joseph H. Durham 808 W. Jefferson Street	60	1.8125	181.25
Dr. Joseph F. Dusch 4333 Western Parkway	297	8.9717	897.17
George M. Eady 340 Byrne	80	2.4166	241.66
Alice Stone Eastwood 122 N. Clifton	170	5.1353	513.53
Catherine Eberlein 706 Brown Building	31	.9364	93.64
Pauline Eckenroth 618 Louisville Trust Building	100	3.0208	302.08
John C. Eckert c/o First National Bank, South Louisville Branch	23	.6948	69.48
Mrs. Belle J. Edelin Lebanon, Kentucky	180	5.4374	543.74
Edward C. Edinger 216 Stils Ave.	350	10.5727	1,057.27
Cleland J. Edmonds Lebanon, Ky.	80	2.4166	241.66
George B. Edwards, dead Fidelity & Columbia Trust Co., Executor of will.	1340	40.4783	4,047.83
Mrs. Haldon Hardin Edwards Harrodsburg, Ky.	50	1.5104	151.04
Arch M. Eggen 1801 Winter Avenue	50	1.5104	151.04
Thomas H. Elliott LaFayette, Ky.	100	3.0208	302.08
Edwin H. Ellis 1484 Cypress	50	1.5104	151.04
Richard R. Elmore Weisinger-Caulbert Apts.	150	4.5311	453.11
Harry W. Embry 10th & Maple	150	4.5311	453.11
Harry W. Embry 816 S. 10th Street	100	3.0208	302.08
Mrs. Kate M. English c/o Farmers National Bank; Danville, Kentucky	50	1.5104	151.04
John G. Epping 716 Logan Street	300	9.0623	906.23
Agnes J. Erickson 1530 Maple Street	50	1.5104	151.04
Wm. C. Eubank Shelbyville, Ky.	30	.9062	90.62
Mrs. Nannie McD. Eustaphieve 1257 S. 2nd Street	40	1.2083	120.83
Charles S. Evans 4401 W. Broadway	1100	33.2385	3,323.85
Mrs. Flora Annette Evans 4401 W. Broadway	552	16.6742	1,667.42
George L. Everbach by The Louisville Trust Company Administrator	190	5.7396	573.96
C. Omar Ewing 961 S. 3rd Street	400	12.0831	1,208.31
Mattie B. Ewing, Committee for J. M. Ewing 1005 S. 1st Street	450	13.5935	1,359.35
Nancy Hazzard Ewing 3rd & Kentucky Streets	20	.6042	60.42
Galvin M. Fackler Danville, Ky.	240	7.2498	724.98
Maria E. Farmer 1420 Third Street	160	4.8332	483.32
Alex T. Farnsley 126 W. Main Street	500	15.1038	1,510.38
B. H. Farnsley Louisville Trust Building	140	4.2291	422.91
Edward Farrell c/o National Bank of Kentucky	80	2.4166	241.66
Alden L. Fawcett 502 Columbia Building	22	.6646	66.46
Norma K. Fegenbush 2111 Spinel Avenue	50	1.5104	151.04
Miss Eva Felsenthall 1332 S. 2nd Street	100	3.0208	302.08
Annette H. Fenley St. Matthews, Kentucky	50	1.5104	151.04
Frances M. Fenley, Jr. St. Matthews Kentucky	50	1.5104	151.04
Mary W. Fenley 1233 Heyburn Building	80	2.4166	241.66
Omar Fenley, dead Mrs. Mary W. Fenley, Executrix of his will 1488 S. 3rd Street	5000	151.0385	15,103.85
John B. Fetter 410 W. Main Street	250	7.5519	755.19
Fidelity & Columbia Trust Company Louisville, Kentucky	27	.8156	81.56
Fidelity & Columbia Trust Company Guardian of Clara Allen	40	1.2083	120.83
Fidelity & Columbia Trust Company Guardian for Frances Allen	40	1.2083	120.83
Fidelity & Columbia Trust Company Guardian for Katherine Allen	40	1.2083	120.83
Fidelity & Columbia Trust Company Trustee for D. Barclay, Jr., et al	60	1.8125	181.25
Fidelity & Columbia Trust Company Executor of A. Hite Barrett	2390	72.1964	7,219.64
Fidelity & Columbia Trust Company Agent Cary F. Baynes	60	1.8125	181.25
Fidelity & Columbia Trust Company Agent for Morris S. Belknap	480	14.4997	1,449.97
Fidelity & Columbia Trust Company Trustee for Udolph T. Bradley	160	4.8332	483.32
Fidelity & Columbia Trust Company Treasurer, Church Home for Females & Infirmary for the Sick of Both Sexes	240	7.2498	724.98
Fidelity & Columbia Trust Company Trustee for Frances T. Cole	30	.9062	90.62
Fidelity & Columbia Trust Company Agent for Elisha R. Coleman	330	9.9685	996.85
Fidelity & Columbia Trust Company Agent Ethel Allen Cage	330	9.9685	996.85
Fidelity & Columbia Trust Company Agent for Irene H. Gathright Trustee James R. Marshall	60	1.8125	181.25
Fidelity & Columbia Trust Company Executor of will of Hattie R. Caulbert	1690	51.0510	5,105.10
Fidelity & Columbia Trust Company Agent for Abbie C. Goodloe	40	1.2083	120.83
Fidelity & Columbia Trust Company Trustee under agreement of Adelia V. Lee Estate	40	1.2083	120.83
Fidelity & Columbia Trust Company Trustee Belle B. Lee Estate	70	2.1145	211.45
Fidelity & Columbia Trust Company Agent for Mary Potter Leigh	640	19.3329	1,933.29
Fidelity & Columbia Trust Company Trustee Annie T. Minzigrode	100	3.0208	302.08
Fidelity & Columbia Trust Company Agent Anna Ray Muir	130	3.9270	392.70
Fidelity & Columbia Trust Company Trustee Orphanage of Good Shepherd	60	1.8125	181.25
Fidelity & Columbia Trust Company Agent for Fannie G. Rankin	60	1.8125	181.25
Fidelity & Columbia Trust Company Trustee for Margaret G. Schell	80	2.4166	241.66
Fidelity & Columbia Trust Company Trustee Minnie M. Shuttleworth	370	11.1768	1,117.68
Fidelity & Columbia Trust Company Trustee John D. Taggart, Jr.	350	10.5727	1,057.27
Fidelity & Columbia Trust Company Trustee for Eugene A. Taylor	30	.9062	90.62
Fidelity & Columbia Trust Company Agent for Mrs. Annie G. Thompson	500	15.1038	1,510.38
Fidelity & Columbia Trust Company Trustee for Ralph S. Thompson	480	14.4997	1,449.97
Fidelity & Columbia Trust Company Trustee for Mary J. Verhoeff	300	9.0623	906.23
Fidelity & Columbia Trust Company Agent for Edward L. Warren	30	.9062	90.62
Fidelity & Columbia Trust Company Trustee for Mary Lee Warren et al	40	1.2083	120.83

Exhibit 155

Fidelity & Columbia Trust Company Trustee Ethel R. Wood	220	6.6457	664.57
Fidelity & Columbia Trust Company Agent Henry Fink Zinno	60	1.8125	181.25
Fidelity & Columbia Trust Company Trustee for Ferda Zorn Moren under will of Sebastian Zorn, deceased	510	15.4059	1,540.59
Lizzie Field c/o W. H. Field, 408 W. Ormsby	50	1.5104	151.04
Mattie Field c/o W. H. Field, 408 W. Ormsby	50	1.5104	151.04
Sue F. Field 2900 Field Avenue	110	3.3228	332.28
William H. Field 408 W. Ormsby	60	1.8125	181.25
Mrs. D. M. Fink 128 W. Ormsby	110	3.3228	332.28
Margaret Fix 527 E. Oak Street	30	.9062	90.62
Mrs. Milta B. Fleming 4142 W. Broadway	50	1.5104	151.04
Gustav Flexner 417 W. Market Street	120	3.6249	362.49
J. A. Flexner Francis Building	200	6.0415	604.15
Lillie R. Flexner 2208 Lauderdale Road	40	1.2083	120.83
Morris Flexner 619 Heyburn Building	50	1.5104	151.04
Arthur Fleischaker Willow Terrace Apt. 33	250	7.5519	755.19
Minnie Fleischaker 125 W. Lee Street	320	9.6665	966.65
John A. Floersh 1118 S. 3rd Street	130	3.9270	392.70
L. L. Fontaine 2325 Alta Avenue	720	21.7495	2,174.95
Louis Franconia St. Matthews, Ky.	100	3.0208	302.08
Dr. Louis Frank 614 Heyburn Building	1060	32.0202	3,202.02
Frankfort Cemetery Company Frankfort, Ky.	590	17.8225	1,782.25
Franklin Printing Company 416 W. Main Street	150	4.5311	453.11
Francesca Fransman 2205 Alta Avenue	80	2.4166	241.66
George Fransman 4304 W. Broadway	222	6.7061	670.61
Harry Fransman 4304 W. Broadway	70	2.1145	211.45
Miss Louisa Fransman 4304 W. Broadway	60	1.8125	181.25
Matilda J. Frazee 1190 E. Broadway	8	.2417	24.17
Matilda J. Frazee, Trustee 1190 E. Broadway	370	11.1768	1,117.68
Samuel E. Frazee 231 W. Main Street	200	6.0415	604.15
Virginia S. Frazier 1030 Brook Street	300	9.0623	906.23
Mrs. Elizabeth C. Frehe 922 Cherokee Road	50	1.5104	151.04
Reverend George Friedrich 1226 W. Oak	28	.8456	84.56
William Fronmiller 2114 E. Main Street	100	3.0208	302.08
Bernard A. Fueglein 421 E. Oak Street	20	.6042	60.42
Dr. Gavin Fulton 552 Francis Building	40	1.2083	120.83
Kate A. Fults c/o Turst Department The Louisville Trust Company	20	.6042	60.42
Wm. Furiong 419 W. Jefferson Street	1000	30.2077	3,020.77
Maurice L. Galvin Covington, Ky.	1600	48.3323	4,833.23
Annie J. Gamble 119 W. Ormsby Avenue	60	1.8125	181.25
Rose Gamble, dead Fidelity & Columbia Trust Company Administrator de bonis non with will annexed.	160	4.8332	483.32
Thomas Hoyt Gamble 119 W. Ormsby Avenue	100	3.0208	302.08
Albert J. Gans 1935 Deer Park	50	1.5104	151.04
Miss Ina M. Gardner c/o First Hardin National Bank Elizabethtown, Ky.	70	2.1145	211.45
Mrs. Laura B. Garland 223 N. Broadway, Lexington, Ky.	70	2.1145	211.45
James Garnett 1083 Cherokee Road	170	5.1353	513.53
Mrs. James Garnett 1083 Cherokee Road	20	.6042	60.42
Jennie W. Garnett Columbia, Ky.	190	5.7395	573.95
Mary Gunn Garnett Cadiz, Ky.	320	9.6665	966.65
Mrs. P. A. Garrety 970 S. Third Street	30	.9062	90.62
James W. Garrison Inter-Southern Building	50	1.5104	151.04
Chas. D. Gates c/o Turner Day & Woolworth Handle Co.	40	1.2083	120.83
Mrs. Christine P. Gates 940 Cherokee Road	20	.6042	60.42
Mrs. E. H. Gates 130 E. Gray Street	20	.6042	60.42
Fred W. Gates c/o The Louisville Trust Co.	150	4.5311	453.11
Mrs. Irene H. Gathright 1231 S. 2nd Street	40	1.2083	120.83
R. Alexander Gayle Frankfort, Ky.	25	.7552	75.52
George M. Gayle Frankfort, Ky.	95	2.8697	286.97
J. W. Gayle Frankfort, Ky.	75	2.2656	226.56
Wilbur E. Geiser 2032 S. 1st Street	20	.6042	60.42
General Association of Baptists in Kentucky, 205 E. Chestnut Street	660	19.9371	1,993.71
Mrs. Laetitia Lucas Gentry 244 N. Broadway, Lexington, Ky.	840	25.3745	2,537.45
Clara Gerst 729 S. 38th Street	80	2.4166	241.66
Walter F. Gerst 729 S. 38th Street	50	1.5104	151.04
Mrs. Sallie E. Gilkerson Lebanon, Ky.	80	2.4166	241.66
Helen Gill Lancaster, Ky.	280	8.4581	845.81
J. B. Gill Co City	50	1.5104	151.04
J. L. Gill Lancaster, Ky.	120	3.6249	362.49
Martha Gill Lancaster, Ky.	240	7.2498	724.98
Miss Ollie Ginochio 240 Lexington Ave., Lexington, Ky.	80	2.4166	241.66
Lula Stafford Gipperich 1733 S. 3rd Street	20	.6042	60.42
Walter H. Girdler 1303 Shelby Street	1400	42.2908	4,229.08
Mrs. Annie R. Glazebrook 1334 S. 3rd Street	750	22.6558	2,265.58
James Glazebrook 231 E. Main Street	80	2.4166	241.66
W. A. Glazebrook 231 E. Main Street	1030	31.1139	3,111.39
Ethel H. Gleason 411 Cornell Place	150	4.5311	453.11
Margie R. Gleeson 1241 E. Parkway	100	3.0208	302.08
Albert C. Gnau 2046 Alta Avenue	50	1.5104	151.04
Annie C. Goby 1031 S. Brook Street	22	.6646	66.46
Francis J. Goby 1031 S. Brook Street	21	.6344	63.44
Martin S. Goby 1031 S. Brook Street	22	.6646	66.46
John Warren Godfroy 4B Thierman Apts.	30	.9062	90.62
Fred Gohmann c/o Kentucky Title Trust Co.	30	.9062	90.62
John E. Goldbach 120 S. 5th Street	20	.6042	60.42
Willie F. Goldthwaite Dundee Road	192	5.799	579.99
Hallie Dudley Goodloe 355 Puritan Apts.	60	1.8125	181.25
Wilhelmina Goodloe 247 N. Mill St., Lexington, Ky.	300	9.0623	906.23
Fleet H. Goodridge 1514 Cherokee Road	400	12.0831	1,208.31
Mrs. E. B. Gorley 2216 Wrocklage Avenue	130	3.9270	392.70
Albert C. Gorman & Aline Gorman as Joint Tenants with Right of Survivorship and not as Tenants in Common 2172 Gladstone	25	.7552	75.52
Mrs. Anna C. Goss 1978 Trevilian Way	90	2.7187	271.87
Edward S. Graff 2225 Village Drive	300	9.0623	906.23
W. Pruett Graham, Curator Frankfort, Ky.	960	28.9994	2,899.94
Henry R. Grant c/o National Bank of Kentucky	400	12.0831	1,208.31
Maria L. Grant Anchorage, Ky.	120	3.6249	362.49
Mrs. Nell E. Grant Anchorage, Ky.	60	1.8125	181.25
Dr. Raymond Grant Starks Building	350	10.5727	1,057.27
Eunice Tyler Grasch Jeffersontown, Ky.	20	.6042	60.42
Louise A. Graves Erlanger, Ky.	200	6.0415	604.15
Downey M. Gray 315 Guthrie Street	50	1.5104	151.04
Mary T. Gray Frankfort, Ky.	480	14.4997	1,449.97
McDonald Gray Anchorage, Ky.	20	.6042	60.42
Joseph E. Greathouse 1218 S. 2nd Street	20	.6042	60.42

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Exhibit 155

Annie Amis Green, dead Ben J. Johnson, Administrator Louisville Trust Bldg.	80	2.4166	241.66
Dora Green or Elizabeth Green or The Survivor of Either 1286 Willow Ave.	60	1.8125	181.25
Lavelle B. Green 1270 S. Brook Street	160	4.8332	483.32
Miss Sara T. Green 850 W. St. Catherine	1100	33.2285	3,322.85
Thomas Green 2300 Thrush Road	400	12.0831	1,208.31
M. F. Greenstein 402 W. Main Street	60	1.8125	181.25
J. Marcus Greer 436 W. Main Street	100	3.0208	302.08
Howard C. Griswold 424 W. Main Street	1000	30.2077	3,020.77
Mary W. Guerrant Danville, Ky.	60	1.8125	181.25
Mrs. Karoline E. Gund Richmond Road, Lexington, Ky.	340	10.2706	1,027.06
Mrs. Amy Guntermann 676 S. 40th Street	50	1.5104	151.04
George Gunther 730 Sutcliffe Avenue	20	.6042	60.42
Mrs. Margaret G. Gunther 730 Sutcliffe Avenue	30	.9062	90.62
George W. Haas 111 N. 7th Street	50	1.5104	151.04
W. A. Haas 1218 Garvin Place	320	9.6665	966.65
Albert J. Hackman 1917 Richmond Drive	25	.7552	75.52
Herbert Hart Hagan 908 Brown Building	25	.7552	75.52
John G. Hager, dead John G. Hager, Jr., Administrator 2121 Murray Avenue	100	3.0208	302.08
Mrs. Charles H. Hagerty 1242 Ormsby Court	70	2.1145	211.45
Annie A. Halleck 1184 S. 3rd Street	200	6.0415	604.15
C. L. Hamilton 1104 Cherokee Road	60	1.8125	181.25
Henry S. Hammond 1918 2nd Street	230	6.9478	694.78
Bernard Handmaker 122 S. 3rd Street	100	3.0208	302.08
Sidney D. Handmaker 1617 Inter-Southern Building	25	.7552	75.52
Granville S. Hanna 608 Brown Building	400	12.0831	1,208.31
Mrs. Mary H. Hanly 1105 Richmond Road, Lexington, Ky.	100	3.0208	302.08
Mrs. Neville D. Hannah 879 Beaumont Ave., Harrodsburg, Ky.	20	.6042	60.42
Miss Mary A. Hannan c/o E. J. O'Brien Co.	850	25.6765	2,567.65
James P. Harbeson Flemingsburg, Ky.	200	6.0415	604.15
Mrs. Ophelia Hardin Prospect, Ky.	32	.9666	96.66
Augusta Willey Harris Anchorage, Ky.	30	.9062	90.62
Laura L. Harris 1446 S. 4th Street	240	7.2498	724.98
Miss Louise I. Harris 426 W. Main Street	30	.9062	90.62
John H. Harrison 2043 Douglas Blvd.	30	.9062	90.62
William B. Harrison 1460 St. James Court	150	4.5311	453.11
Isaac S. Hartley 121 S. 6th Street	300	9.0623	906.23
William F. Hartmetz 2046 Frankfort Avenue	50	1.5104	151.04
William F. Haas 713 E. Oak Street	35	1.0573	105.73
Mrs. Anna B. Hastings 2008 Grasmere Drive	50	1.5104	151.04
George Bright Hawes Mazie, Ky.	70	2.1145	211.45
George Bright Hawes, Trustee of Miss Georgetta S. Hawes Mazie, Ky.	300	9.0623	906.23
Hettie S. Hawes 1004 Brown Hotel	60	1.8125	181.25
William H. Hawes 1021 Eastern Parkway	100	3.0208	302.08
James J. Hayes c/o National Bank of Kentucky	500	15.1039	1,510.39
Mrs. Etta Hast Hays 316 W. Broadway	200	6.0415	604.15
George D. Heaton Lincoln Bank	60	1.8125	181.25
Amalia Hebel, Life Tenant Chas. M. S. Hebel Estate 1421 Rosewood Avenue	800	24.1662	2,416.62
Mollie Hebel 1421 Rosewood Avenue	90	2.7187	271.87
Mrs. Thelma Heck 213 Sycamore Road, Lexington, Ky.	20	.6042	60.42
R. Lee Heflin Francis Building	260	7.8519	785.19
William S. Heidenberg Realty Building	.00	3.0208	302.08
Louis Heil & Hedwig Heil 1006 Lydia Street	50	1.5104	151.04
E. J. Heimerdinger 201 Warnock Street	50	1.5104	151.04
Frieda W. Heller 1232 E. Broadway	30	.9062	90.62
Clarence J. Hellman c/o Hunter Hillman Ins. Co. Board of Trade Bldg.	100	3.0208	302.08
Mrs. Adelaide Stoll Helm 202 Coral Avenue	30	.9062	90.62
T. K. Helm Inter-Southern Bldg.	300	9.0623	906.23
Dr. M. Joseph Henry Brown Bldg.	200	6.0415	604.15
Violet F. Henry Mayflower Apts.	80	2.4166	241.66
Mrs. Lillian N. Henshaw Goshen, Ky.	100	3.0208	302.08
Mrs. Louise C. Henthorne Ashland, Ky.	30	.9062	90.62
Louise B. Herrington 1350 Starks Bldg.	100	3.0208	302.08
Mrs. Alex Hertzman 1468 Starks Bldg.	68	2.0541	205.41
Irvine & Aaron Hertzman 1484 Starks Bldg.	300	9.0623	906.23
Rachel Hertzman Reeser Place	50	1.5104	151.04
Anna Vogt Heuser 2101 Eastern Parkway	1000	30.2077	3,020.77
Miss Evelyn V. Heuser 2101 Eastern Parkway	30	.9062	90.62
G. A. Heuser c/o Henry Vogt Machine Co.	1200	36.2492	3,624.92
Henry B. Heuser 2101 Eastern Parkway	30	.9062	90.62
William A. Heuser National Ice Cream Co.	50	1.5104	151.04
E. A. Hewett 1639 Spring Drive	3200	96.6646	9,666.46
Mrs. Ida F. Hewett 1639 Spring Drive	110	3.3229	332.29
Margaret Fink Hewett 301 W. Main Street	360	10.8748	1,087.48
Alice W. Heyman 124 W. Ormsby	450	13.5935	1,359.35
Charles W. Hibbitt 2300 Alta Ave.	70	2.1145	211.45
Robert F. Hibbitt 1110 S. Brook	40	1.2083	120.83
Baylor O. Hickman 231 W. Main Street	1460	44.1022	4,410.22
Mrs. Louise J. Hickman 231 W. Main Street	160	4.8332	483.32
Beth Higgins 719 S. 43rd Street	100	3.0208	302.08
John Higgins 719 S. 43rd Street	200	6.0415	604.15
Samuel L. Hikes 2065 Eastern Parkway	260	7.8519	785.19
Verna Ray Hikes 2065 Eastern Parkway	260	7.8519	785.19
P. P. Hill Columbia, Ky.	450	13.5935	1,359.35
Mrs. Rose B. Hillerich 1307 Willow Ave.	600	18.1246	1,812.46
Edward H. Hilliard 419 W. Jefferson	300	9.0623	906.23
Fred J. Hinkebein 1429 Goddard	200	6.0415	604.15
John W. Barr, Jr. & Allen R. Hite Trustees of Estate of W. C. Hite	600	18.1246	1,812.46
Harry L. Hoagland 2727 Dumesnil Street	25	.7552	75.52
Lucy Gilmer Hobbs Anchorage, Ky.	40	1.2083	120.83
Ewena Hobson Greensburg, Ky.	192	5.7999	579.99
Joseph P. Hodapp 821 Sutcliffe	47	1.4198	141.98
Mrs. Mary T. Hodges 198 W. 5th St., Russellville, Ky.	320	9.6665	966.65
Clyde C. Hodges 206 S. 5th Street	30	.9062	90.62
Louis F. Hoehle 4004 River Park Drive	60	1.8125	181.25
Ida Hoefle R3, Box 570	100	3.0208	302.08
Margaret Hoefle R3, Box 570	100	3.0208	302.08
Flora Hofstatter 3322 Rudd	30	.9062	90.62
Miss Mary H. Hogan c/o National Bank of Kentucky	100	3.0208	302.08
H. H. Hohemas Madisonville, Ky.	400	12.0831	1,208.31
Miss Fannie Holladay Columbia, Ky.	260	8.7602	876.02
Wm. S. Holladay Columbia, Ky.	160	4.8332	483.32
J. Claude Holman 1622 Beechwood	100	3.0208	302.08
Gertrude Holmes c/o U. S. Trust Co.	150	4.5311	453.11
Elizabeth Holt Anchorage, Ky.	50	1.5104	151.04

Exhibit 155

Jane P. Hopper, Executrix of Estate of Mrs. Annie B. Hopper Lancaster, Ky.	140	4.2291	422.91
Jacob H. Horn 1476 Cherokee Road	400	13.0831	1,308.31
W. A. Horneman 4126 Cedar	280	7.5519	755.19
James G. Hougland 207 Pleasant View Ave.	100	3.0208	302.08
Mrs. Anna Augusta Samm Howard 210 Shawnee Drive	280	8.4581	845.81
Ben C. Howard 210 Shawnee Drive	170	5.1383	513.83
Mrs. Minnie Howard 210 Shawnee Drive	22	.6646	66.46
Edyth W. Howry 2827 Field Ave.	43	1.2989	129.89
Frank Huber 1226 Cherokee Road	200	6.0415	604.15
Joseph Huber 1057 Eastern Parkway	70	2.1145	211.45
Walter E. Huffaker Marion E. Taylor Bldg.	60	1.8125	181.25
Harry H. Hummel Starks Bldg. c/o Kentucky Actuarial Bureau	20	.6042	60.42
Lovell M. Humphrey c/o The Louisville Trust Company	360	16.9163	1,691.63
Howard Hunter c/o Miss Davis National Bank of Kentucky	80	2.4166	241.66
Willard C. Hunter and Mabel Hunter 513 W. St. Catherine	25	.7552	75.52
Elizabeth L. Hunman c/o D. H. Ewing & Son	75	2.2656	226.55
Mary L. Hutcheson 134 N. Bayly Ave.	26	.7854	78.54
Caroline C. Hutchings c/o The Louisville Trust Company	115	3.4739	347.39
Wm. E. Hutchings, dead Kentucky Title Trust Company, Administrator de bonis non with will annexed	1760	53.1655	5,316.55
Miss Winifred Hutchings 2415 Longest	100	3.0208	302.08
Ben Louis Straus Hutchins 523 W. St. Catherine	120	3.6249	362.49
J. Bernard Hutchins c/o National Bank of Kentucky	180	4.5312	453.12
Joseph B. Hutchins 526 W. Jefferson St.	25	.7552	75.52
John W. Hutchison 2201 Osage	10	.3021	30.21
Miss Margaret S. Hutchison 666 S. 39th Street	6	.1812	18.12
J. Wiley Irvine 2131 Woodbourne Ave.	60	1.8104	181.04
Lee D. Irving 2801 Western Parkway	60	1.8125	181.25
Albert Ivison 18th & Brookinridge	300	9.0623	906.23
Edna Jacks 1180 E. Broadway	70	2.1145	211.45
L. C. Jackson 2227 Cherokee Parkway	25	.7552	75.52
Walter F. Jacobs 802 Inter-Southern Building	150	4.5312	453.12
Mrs. Margaret Vance Jarvis 1431 St. James Court	50	1.5104	151.04
M. Eunice Jean Buechel, Ky.	380	11.4780	1,147.80
Mrs. Alma C. Irvine 356 W. Broadway, Danville, Ky.	30	.9062	90.62
Mrs. W. M. Irvine c/o Citizens National Bank Richmond, Ky.	405	12.2341	1,222.41
Myers S. Jean Buechel, Ky.	180	5.4374	543.74
Chas. D. Jefferson 2074 Sherwood	250	7.5519	755.19
Mrs. Elise Bennett Jefferson Richmond, Ky.	130	3.9270	392.70
Hal T. Jefferson 101 W. Main	1100	33.2285	3,322.85
Julia S. Jefferson 101 W Main	670	20.2392	2,023.92
J. William Jefferson 101 Main Street	500	15.1038	1,510.38
Lewis S. Jefferson 101 W. Main Street	300	9.0823	906.23
Mrs. Sallie G. Jefferson 1715 Windsor Place	130	3.9270	392.70
Carrie U. Jeane 1421 Rosewood	80	2.4166	241.66
F. L. Jeane 1207 S. Shelby	20	.6042	60.42
Joseph Jeane 1126 E. Burnett	17	.5135	51.35
Mrs. Mary O. Johnson R. F. D. 6, Box 121, Anchorage, Ky.	150	4.5312	453.12
Alice L. Jones 119 W. Ormsby Ave.	30	.9062	90.62
Anne M. Jones 1129 Cherokee Road	25	.7552	75.52
Mrs. Leslie W. Jones Columbia, Ky.	100	3.0208	302.08
Saunders P. Jones Jones-Dabney Company	60	1.8125	181.25
Samuel D. Jones Board of Education	30	.9062	90.62
Dorothy L. Joseph No. 20 Walden Place	50	1.5104	151.04
Oscar G. Joseph Breslin Building	270	8.1561	815.61
Mrs. Nancy Otter Joyce Commodore Apts., 2160 Bonnycastle	60	1.8125	181.25
J. J. Kavanagh 511 Marion E. Taylor Building	50	1.5104	151.04
Charles A. Kaye 1110 Cherokee Road	40	1.2083	120.83
Eugenia Hail Keeney 677 S. 38th Street	50	1.5104	151.04
Walker B. Keightley Harrodsburg, Ky.	25	.7552	75.52
D. Y. Keith 40 Castlewood	100	3.0208	302.08
Milburn P. Kelley, dead Louisville Trust Company Executor of his will	200	6.0415	604.15
George E. Kelley Lebanon, Ky.	100	3.0208	302.08
Helen M. Kennits 4307 W. Broadway	390	11.7810	1,178.10
Theodore Kennits 4307 W. Broadway	270	8.1561	815.61
W. L. Kennett Bourbon Stock Yards	500	15.1038	1,510.38
Kentucky State Life Insurance Co Heyburn Building	500	15.1038	1,510.38
Cornelia S. Kern 1327 Highland	60	1.8125	181.25
Joseph X. Kennck 2314 Sycamore Street	19	.5739	57.39
Mrs. Lucy M. Kidd 270 S. Limestone, Lexington, Ky.	240	7.2498	724.98
Mrs. Edna Kigel 2220 Wrocklage Ave.	20	.6042	60.42
James L. Killoran 1851 Edgeland Ave.	20	.6042	60.42
Mrs. Ida Kilvington 1221 S. 28th Street	20	.6042	60.42
Mrs. Marie H. Kimball Somerset, Ky.	20	.6042	60.42
Mrs. Flossie C. Kinniard Lancaster, Ky.	180	5.4374	543.74
George T. Kinnarney 510 E. Broadway c/o National Bank of Kentucky	400	13.0831	1,308.31
James W. Kinnarney 618 E. Broadway	100	3.0208	302.08
Nora Kirch c/o The Louisville Trust Company	170	5.1383	513.83
Marie Greenwood Kirchner 325 Stiltz Ave.	50	1.5104	151.04
E. Emmett Kirwan 216 Columbia Bldg.	250	7.5519	755.19
Mrs. Josephine S. Kirwan 1540 Lauderdale Road	500	15.1038	1,510.38
J. William Klapheke 1539 Hepburn Ave.	160	4.8332	483.32
G. L. Knight Nicholasville, Ky.	160	4.8332	483.32
Sallie J. Knott Lebanon, Ky.	30	.9062	90.62
Charles Kobert Lebanon, Ky.	832	28.1328	2,813.28
Ben J. Kohn 207 E. Madison	50	1.5104	151.04
Walter I. Kohn Commercial Bldg., 4th & Main	860	25.9786	2,597.86
Fred A. Kratch 1000 E. Broadway	25	.7552	75.52
Belle Gordon B. Krebs 720 W. Main Street	240	7.2498	724.98
Charles C. Krebs 2128 Sherwood	25	.7552	75.52
Eleanor G. Kremer 2121 Bonnycastle Ave.	50	1.5104	151.04
George Krim 1818 Wilson Street	30	.9062	90.62
John J. Kunz City Hall Annex	100	3.0208	302.08
W. F. Edwin Kunz 663 Western Parkway	50	1.5104	151.04
Mrs. Amelia Kuttner 652 Cecil Ave.	20	.6042	60.42
Edmund S. LaFollette & Mary LaFollette as Joint Tenants with Right of Survivorship and Not As Tenants in Common	50	1.5104	151.04
Helena Land 1406 Rufer Ave.	100	3.0208	302.08
Miss Caroline E. Lang 1147 S. Shelby St.	100	3.0208	302.08
Richard D. Langan Louisville Trust Building	50	1.5104	154.10
George W. Langford 802 Inter-Southern Building	150	4.5312	453.12
Mary Gilbert Langford 315 Columbia Building	150	4.5312	453.12
Frank H. Lanham 604 Weissinger-Gaulbert Apts.	180	5.4374	543.74
John W. Latham 1011 Audubon Park 320 S.4th St.	60	1.8125	181.25

Exhibit 155

In Witness Whereof said Trustees have caused their corporate seal to be hereunto affixed, and this certificate to be signed by their Chairman or Vice-Chairman, and by their Secretary or Assistant Secretary, on this _____

_____ _____

Assistant Secretary of said Trustees. Vice-Chairman of said Trustees.

Countersigned at Louisville, Kentucky, _____

THE LOUISVILLE TRUST COMPANY,
Transfer Agent of said Trustees.

By _____
Assistant Secretary.

THE NATIONAL BANK OF KENTUCKY,
Registrar.

By _____
Assistant Cashier.

IX.

RESPONSIBILITY OF TRUSTEES.

(1) The trustees shall not be responsible for any acts done by them as Trustees in good faith and in the exercise of an honest judgment. No Trustee shall be liable for the act or omission of another Trustee.

(2) They shall not be liable, except as Trustees to the extent of the Trust funds held by them, by reason of the ownership of stock in any corporation. They shall be indemnified against any such liability by each holder of Trustees' Participation Certificates to the extent hereinafter set forth.

(3) Each owner of a Trustees' Participation Certificate issued hereunder shall be subject to the same liability thereon as he would have been subject to in case he had been the owner of record of such proportionate part of the shares held by the Trustees in any corporation as the number of shares called for by his Trustee's Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Certificates; and to such extent he shall indemnify and hold harmless the Trustees owning such stock from any loss or liability on account of being the holders or owners thereof. The measure of liability assumed hereunder shall be the same as that provided by law with reference to the holders of stock in any particular corporation in which the Trustees may hold stock as is provided by law with reference to the holders of such stock, and no more.

X.

TERMINATION OR MODIFICATION OF AGREEMENT.

1. The trust herein created shall continue until the death of the last survivor of all those persons who are now stockholders of either of said institutions who presently enter into this agreement, and for the further period of twenty-one years after the death of such last survivor, unless sooner terminated, as it may be, by a vote of the owners of not less than two-thirds in amount of the Trustees' Participation Certificates, such vote to be taken at a special meeting called for that purpose, of which notice shall be given in writing thirty days in advance of such meeting as above provided.

2. By a vote of two-thirds had at a meeting called as above, this agreement may be modified, such modification being evidenced by the signatures of the owners of Trustees' Participation Certificates assenting thereto, in person or by proxy. Such written modification shall be lodged with the Trustees and a copy thereof lodged with The National Bank of Kentucky and The Louisville Trust Company.

XI.

EFFECTIVE DATE OF AGREEMENT.

This agreement shall become effective only when it shall have been executed by the owners of not less than one-half in amount of the stock in The Louisville Trust Company and one-half in amount of the stock in The National Bank of Kentucky by signing this agreement or assigning their stock to the Trustees. It shall, however, remain open for one hundred and twenty days from the date hereof for additional stockholders to make themselves parties hereto by signing it or a counterpart hereof and which additional period may be further extended by a majority vote of the persons herein named as Trustees.

WITNESS the hands of the parties the day and year first above written.

Plaintiff states that the trustees named and provided for in aforesaid trust agreement accepted said trust and took unto themselves as such trustees proper assignments of said 17,225 shares of capital stock of The Louisville Trust Company and said 20,220 shares of capital stock of The National Bank of Kentucky, and caused all of aforesaid shares of capital stock to be issued unto themselves in their capacity as trustees under said trust agreement upon the books and records of the trust company and bank respectively, and that on September 1, 1929, and thereafter continuously until the date of the dissolution of the trust existing under aforesaid trust agreement, as hereinafter set out said 17,225 shares of the capital stock of The Louisville Trust Company and said 20,220 shares of the capital stock of said National Bank of Kentucky stood upon the books of said trust company and said bank respectively in the name of the trustees under aforesaid trust agreement and that during all of said time said trustees were the holders of the legal title, as shown by the stock books and records of both said trust company and said bank, of the aforesaid shares of capital stock of said trust company and bank respectively.

Plaintiff states that, as provided for in aforesaid trust agreement, said trustees, prior to the 1st day of September, 1929, caused to be issued and delivered unto the respective owners of the shares of trust company stock and the shares of bank stock as transferred Trustees' Participation Certificates, in the form as set out in said trust agreement, evidencing the ownership of the number of shares of the par value of $100.00 each of the indivisible trust estate created as aforesaid, in each of said certificate holders equal to the number of shares of stock so transferred by them respectively; that after such issue by said trustees of Trustees' Participation Certificates of the par value of $100.00 each, but before the 1st day of September, 1929, said trustees reduced the par value of the shares of the indivisible trust estate evidenced by said Trustees' Participation Certificates and issued in lieu of all outstanding certificates evidenced by shares of the par value of $100.00 each, new Trustees' Participation Certificates for shares of said indivisible trust estate of the par value of $10.00 each.

Plaintiff states that on September 1, 1929, and continuously thereafter until said indivisible trust estate was dissolved as hereinafter set out, the total number of Trustees' Participation Certificates outstanding had a par value of $2,700,500.00, being 270,050 shares of the par value of $10.00 each, and that the owners of said Trustees' Participation Certificates were the beneficial owners of said 17225 shares of said trust company stock and said 20,220 shares of said bank stock in the proportions which the respective shares evidenced by their Trustees' Participation Certificates bore to the total number of shares evidenced by the Trustees' Participation Certificates outstanding.

Plaintiff states that, in and by Clause IX of aforesaid trust agreement, it was expressly provided that each owner of a Trustees' Participation Certificate issued under and pursuant to said trust agreement, should be subject to the same liability thereon as such owner would have been subject to in case he had been the owner of record of such proportionate part of the shares of stock held by said trustees in any corporation as the number of shares called for by such owner's Trustees' Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Certificates.

Plaintiff states that, in and by Clause X of aforesaid trust agreement, it was provided and agreed that the trust therein and thereby created should be revocable and terminable at any time by a vote of the owners of not less than two-thirds in amount of the Trustees' Participation Certificates outstanding under said trust agreement, such vote to be taken at a special meeting called for that purpose, of which notice should be given in writing thirty days in advance of such meeting; that pursuant to aforesaid provision, a special meeting of the holders and owners of said Trustees' Participation Certificates was duly called to be held in the directors' room of the old Louisville Trust Company Building, 5th and Market Streets, City of Louisville, on December 28, 1929, at 10 o'clock A. M., for the purpose of considering and voting upon the question of dissolving and terminating said trust agreement and restoring to the holders of Trustees' Participation Certificates their shares of stock in The Louisville Trust Company and their shares of stock in The National Bank of Kentucky; that due notice of said special meeting and of the purpose for which the same was called was given in writing to all holders and owners of outstanding Trustees' Participation Certificates thirty days in advance of said meeting as in said trust agreement provided; that pursuant to the written notice given as aforesaid, a special meeting of the holders and owners of said Trustees' Participation Certificates was held at the

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time and place as fixed in said notice, and that at said meeting, by the affirmative vote of the owners of more than two-thirds in amount of said Trustees' Participation Certificates outstanding, said trust agreement was forthwith terminated and said 17,235 shares of the capital stock of the Louisville Trust Company, and said 30,230 shares of the capital stock of The National Bank of Kentucky then became distributable unto the holders and owners of outstanding Trustees' Participation Certificates in proportion to their respective interests in said indivisible trust estate as represented by their shares therein.

Plaintiff states that the various defendants herein were respectively, at the time hereinafter shown, the owners of Trustees' Participation Certificates for the number of shares of the par value of $10.00 each as hereinafter set out, and that by virtue of such ownership of Trustees' Participation Certificates said certificate owners respectively were the beneficial owners of shares of the capital stock of The Louisville Trust Company in the proportions of 3.0207695 per cent of a share of stock of The Louisville Trust Company of the par value of $100.00 each for every share represented by said Trustees' Participation Certificates of the par value of $10.00 each.

Plaintiff states that under and by the express terms of aforesaid trust agreement, and by reason of the voluntary creation and the nature of the estate created by said trust agreement and its revocability as therein provided, each and all of said Trustees' Participation Certificate owners were and remained and continued to be subject to liability as stockholders of The Louisville Trust Company to the same extent as if they had respectively been and remained stockholders of The Louisville Trust Company upon its own proper records for the number of shares computed in proportion to 3.0207695 per cent of a share of trust company stock for each Trustees' Participation Certificate-share of the par value of $10.00 each.

Plaintiff states that all the defendants hereinafter named in GROUP I and GROUP II were respectively, within the period of one day less than two years immediately preceding the date of the filing of this petition, the owners of said Trustees' Participation Certificates for the number of shares of the par value of $10.00 each, as shown in the first column opposite the name of each of said listed defendants.

GROUP No. 1

Trustees' Shares of the Louisville Trust Company—National Bank of Kentucky and Interim Certificates Representing Same Traceable Into BancoKentucky Stock

Name and Address	Holdings in terms of Trustees' shares of $10 par value	In terms of The Louisville Trust Company stock of $100 par value	100% assessment on same
Herman R. Ackermann Louisville Trust Building	30	1.5104	$151.04
I. B. Ades Columbia Building	20	.6042	60.42
Simon Ades 631 W. Main Street	330	16.0101	1,601.01
E. C. Adolph 210 E. Walnut Street	30	.6042	60.42
Mollie Ahrens	51	1.5404	154.04
1825 Hampden Court Maud Ainslie	210	6.3436	634.36
1315 S. 3rd Street John S. Akers	300	6.0622	906.22
120 N. Hite Mrs. B. K. H. Akers	170	5.1353	513.53
Greensburg Deposit Bank Greensburg, Kentucky			
Miss Bettie F. Alford	25	.7552	75.52
1916 Deer Park Avenue Darden Allen	150	4.5312	453.12
3126 Oriole Drive F. P. Allen	100	3.0208	302.08
1909 Spring Drive J. W. Allen, Jr.	40	1.2083	120.83
1628 W. Ormsby Victor W. Allen	25	.7552	75.52
Courier-Journal Job Printing Co. William B. Allen, Lafon Allen, Charles W. Allen and Arthur D. Allen, Trustees for Mrs. Ethel Allen Gage	170	5.1353	513.53
Inter-Southern Building Henry Almstedt	200	6.0415	604.15
119 S. 8th Street Julius Ambrosius	80	2.4166	241.66
830 S. Brook Street Robert Ambrosius	80	2.4166	241.66
710 W. Market Street Allen Ament	160	4.8322	483.22
222 S. Birchwood Amelia W. Anderson	50	1.5104	151.04
1021 S. 4th Street Amelia W. Anderson, Executrix Annie N. Wilson, deceased	150	4.5312	453.12
c/o The Louisville Trust Company Miss. Florence S. Anderson	500	15.1080	1,510.80
Route 10, Bonnbel, Kentucky S. Tanner Anderson	30	.9062	90.62
609 S. 26th Street W. Sherman Anderson	806	18.2851	1,828.51
c/o W. L. Lyons & Company Warren L. Anderson	25	.7552	75.52
Caseyville, Kentucky Ida S. Anderson	123	2.7156	271.56
1121 W. Main Street Amelia B. Angermeier	60	1.8125	181.25
1516 Cherokee Road H. J. Angermeier	2980	90.0189	9,001.89
1516 Cherokee Road J. Frank Anneer	100	3.0208	302.08
c/o P. Lorillard Company Walter G. Appel	50	1.5104	151.04
2127 Sherwood Avenue Mrs. Rose P. Archer	50	1.5104	151.04
1111 Cherokee Road George Armstrong	25	.7552	75.52
2211 W. Market Street Calvin G. Arnold	100	3.0208	302.08
Francis Building Norbourn Arterburn	1200	36.2492	3,624.92
St. Matthews, Kentucky Bernard Asman	100	3.0208	302.08
632 Brooks Building			

Name and Address	Holdings in terms of Trustees' shares of $10 par value	In terms of The Louisville Trust Company stock of $100 par value	100% assessment on same
W. F. Axton	500	15.1080	1,510.80
c/o Axton Fisher Tobacco Co. F. B. Ayres	50	1.5104	151.04
802 Columbia Building F. A. Bade	30	.9062	90.62
1434 Everett Avenue Marion L. Bade	30	.9062	90.62
2024 Eastern Parkway Eleanor D. Baird	50	1.5104	151.04
c/o The Louisville Trust Company Mrs. W. J. Baird	250	7.5519	755.19
1825 Spring Drive Minnie L. Baldauf	60	1.8125	181.25
1806 Alfresco Place Carlton Ball	99	2.9906	299.06
208 Republic Building Mrs. Elizabeth Ball	40	1.2083	120.83
Millersburg, Kentucky Sunshine H. Ballard	3000	90.6231	9,062.31
Glenview, Kentucky Eva B. Bandman	300	9.0623	906.23
1477 S. 3rd Street Rodman Thurman Barber	50	1.5104	151.04
2605 Top Hill Road S. Lyman Barber	360	10.8748	1,087.48
525 Marion E. Taylor Building Caroline F. Barbour	190	5.7396	573.96
1317 S. 4th Street Mrs. Elizabeth Akin Barbour	90	2.7187	271.87
1304 S. 6th Street Mrs. Allencre R. Barker	150	4.5312	453.12
1007 Baxter Avenue Kenneth A. Barker	100	3.0208	302.08
240 E. Lee Street Thos. A. Barker	80	2.4166	241.66
207 Louisville Trust Building Claude R. Barnes	240	7.2498	724.98
1236 S. 4th Street Mrs. Chamie W. Barr	300	9.0623	906.23
c/o Louisville Trust Company John W. Barr, Jr.	1508	45.5532	4,555.32
Columbia Building Ellen R. Barret	300	9.0623	906.23
431 Park Avenue Thomas L. Barret	96	2.8999	289.99
112 S. 2nd Street Austin G. Bartlett, devisee of Ella G. Bartlett	1000	30.2077	3,020.77
Blankenbaker Lane Mai Hill Bartlett Billen	1450	43.8012	4,380.12
Anchorage, Ky Charles P. Barton	100	3.0208	302.08
525 W. Main Street Mrs. Henrietta W. Barton	750	22.6558	2,265.58
1301 S. 3rd Street James T. Basham	70	2.1145	211.45
Leitchfield, Kentucky R. M. Bass	50	1.5104	151.04
Russellville, Kentucky Mrs. Lora Lee Bates	50	1.5104	151.04
1224 Cherokee Road Mrs. Sue S. Bayly	1010	30.5098	3,050.98
1222 S. 4th Street Rufe B. Bean	680	20.5412	2,054.12
1271 Cherokee Road Mrs. Willie May Beard	50	1.5104	151.04
Alta Vista Road Mrs. Alice M. Beattie	50	1.5104	151.04
1927 S. 2nd Street Anna Fillion Beck	75	2.2656	226.56
2903 Grinstead Drive Miss Emma T. Beck	150	4.5312	453.12
1827 Edenside Avenue			

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O. F. Beck 921 S. 9th Street	400	12.0821	1,208.21
Max Belker 115 E. Lee Street	50	1.5104	151.04
Lexie K. Bell Madisonville, Kentucky	100	3.0208	302.08
Sallie V. Bell 146 Bell Court, East Lexington, Ky.	20	.6042	60.42
Richard C. Beinhoff 1602 River Road	25	.7552	75.52
Nina Benedict 1340 S. 3rd Street	30	.9062	90.62
Archie Benninger 315 W. Market Street	100	3.0208	302.08
Charles Benninger 315 W. Market Street	350	10.5727	1,057.27
Milton Benninger 315 W. Market Street	200	6.0415	604.15
Thekla Berg 1804 Douglass Blvd.	290	8.7602	876.02
Dora Berger 2445 Sherry Avenue	70	2.1145	211.45
P. C. Berger 2445 Sherry Drive	130	3.9270	392.70
Rebecka D. Berger 1808 Harvard Drive	50	1.5104	151.04
Dennis Berman 220 W. Market Street	50	1.5104	151.04
Frank D. Bernheim 1201 Lincoln Bank Building	530	16.0101	1,601.01
Gladys R. Bernheim 1201 Lincoln Bank Building	550	16.6142	1,661.42
Lynn B. Bernheim 1201 Lincoln Bank Building	520	15.7080	1,570.80
Samuel Bernheim 1201 Lincoln Bank Building	520	15.7080	1,570.80
Henry Besten, dead, William A. Reinert, Executor of his will 383 Starks Building	250	7.5519	755.19
Mary MacDonald Bethel 35 Weisinger-Gaulbert Building	680	20.5433	2,054.33
Henry S. Beyer 2118 W. Market Street	40	1.2083	120.83
Carroll C. Bigley 719 S. 6th Street	25	.7552	75.52
James W. Bigley 719 S. 6th Street	36	1.0875	108.75
James M. B. Birdwhistell Lawrenceburg, Kentucky	50	1.5104	151.04
William C. Bittner 1464 Cherokee Road	160	4.8332	483.32
Ray Bizot 3809 W. Broadway	30	.9062	90.62
Mrs. Blanche H. Blake 2200 Alta Avenue	50	1.5104	151.04
Myra B. Blanton Danville, Kentucky	400	12.0831	1,208.31
Dr. John M. Blau 2022 Grasmere Drive	100	3.0208	302.08
Lee Block 6th & Ormsby	130	3.9270	392.70
Omar E. Bloch 316 W. Broadway	375	11.3279	1,132.79
Bernard N. Block 2060 Eastern Parkway	300	9.0623	906.23
O. A. Block 2237 Saratoga Drive	500	15.1038	1,510.38
William Block 3094 Napoleon Blvd.	100	3.0208	302.08
Nathan P. Bloom c/o Adler Mfg. Co.	30	.9062	90.62
R. V. Board c/o Kentucky Wagon Mfg. Co.	100	3.0208	302.08
Charles Bobeien 602 Marion E. Taylor Bldg.	70	2.1145	211.45
Edward Bobeien 602 Marion E. Taylor Building	40	1.2083	120.83
C. J. Bodemer 3226 Broadmeade Road	30	.9062	90.62
Temple Bodley 452 W. Oak Street	60	1.8125	181.25
Charles R. Bohmer c/o Security Bank	300	9.0623	906.23
Mrs. Jeanette C. Bohn 3922 Rainbow Drive	25	.7552	75.52
Thomas A. Bohon 2242 Napoleon Blvd	50	1.5104	151.04
William O. Bonnie 216 Columbia Bldg.	250	7.5519	755.19
George O. Bormer 231 W. Main Street	1900	57.3946	5,739.46
Berea Lodge I. O. O. F. 3606 W. Vermont Avenue	50	1.5104	151.04
Percy N. Booth Lincoln Bank Building	200	6.0415	604.15
Mrs. Anna E. Bosler 69 Willow Terrace	25	.7552	75.52
R. R. Boswell 135 N. Peterson	30	.9062	90.62
Margaret S. Bowmer c/o J. R. Skillman 1409 Rosewood Avenue	870	26.2807	2,628.07
Mrs. Bell Watson Bosler Eminence, Kentucky	60	1.8125	181.25
Robert D. Bottomley Louisville Trust Company	250	7.5519	755.19
Roberta Botterff 410 Urban Building	20	.6042	60.42
J. C. Bourne 1008 Dorothy Avenue	350	10.5727	1,057.27
Benton B. Bower 120 E. Gray Street	30	.9062	90.62
Mrs. Laura B. Bower 120 E. Gray Street	70	2.1145	211.45
T. W. Bowmer c/o L. & N. R. R. Co., 1st & Water	100	3.0208	302.08
Burl Boyd Weisinger-Gaulbert	100	3.0208	302.08
Eugene W. Breitling c/o Commercial Lithographing Co.	130	3.9270	392.70
Philip V. Breon 1726 Edmonds Ave.	220	6.6446	664.46
Miss Elizabeth Breckinridge Cortlandt Apts.	150	4.5311	453.11
Lawrence W. Breed c/o Arctic Ice Co., 426 S. 7th Street	380	11.4799	1,147.99
Miss Mary K. Breed 1117 S. 1st Street	280	8.4581	845.81
Miss Persis M. Breed 1117 S. 1st Street	105	3.1718	317.18
George B. Breidenthal 2244 Taylorsville Road	25	.7552	75.52
J. A. O. Brennan 621 S. 5th Street	800	24.1662	2,416.62
Thomas Brennan II 621 S. 5th Street	280	8.4581	845.81
George A. Brent Louisville Trust Bldg.	200	6.0415	604.15
Mrs. Fannie B. Brent c/o Geo. A. Brent, Louisville Trust Bldg.	100	3.0208	302.08
Lillian Alfaneda Brewer 303 Gaston Bldg.	50	1.5104	151.04
Annie G. Bridges 217 W. Burnett Avenue	70	2.1145	211.45
Emma T. Bridges 217 W. Burnett Avenue	70	2.1145	211.45
R. W. Bright c/o Blyth & Co.	100	3.0208	302.08
W. L. Briscoe, Jr. 1477 Cypress Street	50	1.5104	151.04
Elsie S. Broadus 2045 Rainbow Drive	220	6.6446	664.46
Margaret Brodie 734 Frederica Street Owensboro, Kentucky	450	13.5934	1,359.34
Corinne V. Brovinski 1843 Rutherford	260	8.7602	876.02
R. V. Brovinski 1843 Rutherford	300	9.0623	906.23
Burt A. Brown 1143 Garvin Place	135	4.0780	407.80
Carl F. Brown c/o First National Bank South Louisville Branch	25	.7552	75.52
Frank H. Brown 607 Marion E. Taylor Bldg.	100	3.0208	302.08
George Brown 610 Columbia Bldg.	600	18.1246	1,812.46
Harry M. Brown 610 Columbia Bldg.	50	1.5104	151.04
James B. Brown Alta Vista Road	19800	592.6084	59,260.84
John J. Brown P. O. Box 569, 733 E. Madison St.	70	2.1145	211.45
John Walkers Brown 1078 Starks Bldg.	210	6.3436	634.36
P. H. Brubeck c/o Brubeck & Co., Belle Lane	50	1.5104	151.04
Mrs. Helen Floyd Bryan 808 W. Jefferson Street	22	.6646	66.46
S. H. Bryant Bagdad, Kentucky	575	11.3279	1,132.79
Elizabeth Mildred Buchanan 1260 Cherokee Road	40	1.2083	120.83
Miss Anna B. Budde 1106 E. Broadway	42	1.2687	126.87
Hugh Kennedy Bullitt 1241 S. 3rd Street	20	.6042	60.42
Hugh K. Bullitt, Trustee for C. M. Bullitt, H. H. Bullitt & A. S. Bullitt 1241 S. 3rd Street	350	10.5727	1,057.27
Fred G. Burdorf 427 S. 3rd Street	250	7.5519	755.19
Joseph E. Burghard c/o Peter & Burghard Stone Co. 600 S. 13th Street	630	19.0308	1,903.08
Mrs. Marie M. Burke c/o Robt. T. Burke Inter-Southern Bldg.	50	1.5104	151.04
James R. Burkholder, Jr. 123 S. 9th Street	100	3.0208	302.08
A. Ray Burks 911 W. Broadway	50	1.5104	151.04
W. Bowmer Burks c/o Standard Sanitary Mfg. Co. Campbell & Broadway	500	15.1038	1,510.38
Mrs. Mary M. Burton Route 4, Box 488, City	90	2.7187	271.87
Business Enterprise Co., Inc 213 S. 5th Street	250	7.5519	755.19

Exhibit 155

Mrs. Fannie S. Butler, dead, Thos. L. Butler, Executor of her will Hill Road, Castlewood	840	25.3745	2,537.45
Miss Maude Butler 1416 S. 1st Street	50	1.5104	151.04
Dr. Thomas L. Butler Hill Road, Castlewood	190	5.7395	573.95
Fontain Fox Caldwell Danville, Kentucky	100	3.0208	302.08
Hamilton P. Caldwell 129 River Road	50	1.5104	151.04
Callahan & Sons 918 S. 13th Street	1560	47.1240	4,712.40
Mrs. Ella Brook Campbell 1311 College Street Bowling Green, Kentucky	170	5.1353	513.53
Justine Tandy Campbell Ghent, Kentucky	144	4.3499	434.99
Virginia B. M. Campbell Shelbyville, Kentucky	580	17.5208	1,752.05
Mrs. Cecelia B. Cardwell Lebanon, Kentucky	150	4.5311	453.11
Charles L. Caron 1033 Everett Avenue	60	1.8125	181.25
Jennie B. Carothers 3 Parsons Apts.	150	4.5311	453.11
Judge A. J. Carroll Inter-Southern Bldg.	30	.9062	90.62
A. J. Carroll, Trustee Inter-Southern Bldg.	64	1.9333	193.33
Ellen R. Carter 1317 S. 4th Street	80	2.4166	241.66
James G. Carter 223 S. Birchwood	20	.6042	60.42
Mrs. Lou Ella Carter 942 S. 6th Street	30	.9062	90.62
Maria G. Carter 1808 Morton Ave.	160	4.8332	483.32
Mrs. Ernestine W. Charlton 1031 Garvin Place	160	4.8332	483.32
William J. Chawk 1336 S. Floyd	250	7.5519	755.19
John W. Check c/o First National Bank South Louisville Branch	25	.7552	75.52
J. A. Cheek Danville, Kentucky	60	1.8125	181.25
Miss Alice Chinn Frankfort, Kentucky	90	2.7187	271.87
Miss Sally Chinn Frankfort, Kentucky	40	1.2083	120.83
Ella Chrisler 114 Crescent Court	100	3.0208	302.08
Zach Church Frankfort, Kentucky	60	1.8125	181.25
City Bank & Trust Co. of Hopkinsville, Ky., Trustee for John P. Garnett, Est. Hopkinsville, Kentucky	60	1.8125	181.25
Mrs. Ray M. Claggett 3000 Dundee Road	25	.7552	75.52
Mary P. Clancy 208 W. Main Street	60	1.8125	181.25
Mrs. Mary P. Clancy c/o John Clancy, 208 W. Main Street	100	3.0208	302.08
Iada Helm Clark Box 486, Upper River Road	30	.9062	90.62
Leslie C. Clark 1321 S. 26th Street	30	.9062	90.62
Morris C. Clark 1133 Garvin Place	340	10.2708	1,027.08
Walter S. Clark 512 W. Main	100	3.0208	302.08
Mrs. Mattie A. Clarke c/o The Louisville Trust Co.	120	3.6249	362.49
Fred A. Clegg 110 S. 1st Street	262	7.9144	791.44
John W. S. Clements 611 W. Chestnut Street	500	15.1038	1,510.38
Anne L. Cochran Paint Lick, Kentucky	40	1.2083	120.83
T. Wilson Cochran 811 W. Main Street	250	7.5519	755.19
Wilbur B. Cogshall Courier-Journal & Times	100	3.0208	302.08
Harry N. Cohen 141 N. 2nd Street	50	1.5104	151.04
Adolph Cohn 847 S. 4th Street	25	.7552	75.52
Lewis W. Cole 2224 Speed Avenue	1000	30.2077	3,020.77
Edith E. Coleman 2155 Alta Avenue	380	11.4789	1,147.89
Mrs. Eliza R. Coleman 973 S. 4th Street	60	1.8125	181.25
Hilton Collins Tyler Hotel	210	6.3436	634.36
Mary R. Collins Corthandt Hotel	80	2.4166	241.66
Mary R. Collins c/o R. D. Langan 602 Inter-Southern Bldg.	50	1.5104	151.04
Harriet C. Coffin 1801 Lauderdale Road	100	3.0208	302.08
Miss Nancy M. Colville 209 Sycamore Street Carlisle, Kentucky	30	.9062	90.62
Mary Ford Condit 1220 Bath Ave., Ashland, Ky.	50	1.5104	151.04
Adelia L. Conrad 607 S. 4th Street	40	1.2083	120.83
Converse & Co. 412 S. 3rd Street	30	.9062	90.62
Cook Benevolent Institution c/o Jos. Burge, President Columbia Building	350	10.5727	1,057.27
S. W. Coons c/o Standard Oil Co. 424 W. Bloom Ave.	120	3.6249	362.49
Thomas Cooper Lexington, Ky.	160	4.8332	483.32
Mrs. Nettie E. Cornell 1817 Bardstown Road	18	.5437	54.37
Francis R. Cotton 1118 S. 3rd Street	70	2.1145	211.45
Jane B. Courtenay 1319 S. Brook Street	140	4.2291	422.91
Attilla Cox 1706 Inter-Southern Bldg.	100	3.0208	302.08
Carrie G. Cox Route 1, Box 419, Louisville, Ky.	600	18.1246	1,812.46
Wilson D. Crabb Kenyon Bldg.	50	1.5104	151.04
Annie Craig Pewee Valley, Ky.	190	5.7395	573.95
H. C. Cralle 1330 S. 3rd Street	50	1.5104	151.04
Lee E. Cralle 1330 S. 3rd Street	1800	54.3738	5,437.38
Mary E. Cralle 1330 S. 3rd Street	50	1.5104	151.04
Mary W. Crawford Weisinger-Gaulbert	90	2.7187	271.87
Matt H. Crawford 400 Marion E. Taylor Bldg.	250	7.5519	755.19
Matt H. Crawford, Trustee Mary W. Crawford 400 Marion E. Taylor Bldg.	1300	39.27	3,927.00
Mrs. Della Crutcher 1407 Starks Bldg.	30	.9062	90.62
Margaret Cummins 340 Elsewell Street	30	.9062	90.62
Mrs. Mary K. Cummins 72 Weisinger-Gaulbert	300	9.0623	906.23
Mamie M. Curd 2015 Lauderdale Road	50	1.5104	151.04
W. P. Cumnock c/o Roth Lumber Co. Story & Buchanan Streets	300	9.0623	906.23
L. R. Curtis Inter-Southern Bldg.	100	3.0208	302.08
Mrs. Mattie G. Daniel Shelbyville, Ky.	20	.6042	60.42
John P. Dant, Sr. 1718 Windsor Place	160	4.8332	483.32
Joseph B. Dant 1479 S. 4th Street	3250	98.1749	9,817.49
Mrs. Ewing P. Daugherty 1190 E. Broadway	39	1.1781	117.81
Katherine Bowman Davies c/o Cole Bowman & Hodge 916 Fairbank Bldg., Eminence, Ky.	340	10.2708	1,027.08
Carrie R. Davis 221 Speed Bldg.	40	1.2083	120.83
Charles A. Davis Harrodsburg, Ky.	50	1.5104	151.04
Harry V. Davis 514 Crutcher & Starks Bldg.	30	.9062	90.62
Isadore Davis Frankfort, Ky.	150	4.5311	453.11
I. Davis Frankfort, Ky.	150	4.5311	453.11
De Molay Commandery No. 12 Knights Templar, 212 W. Broadway	130	3.9270	392.70
Mrs. H. Edna Denson 2026 Alta Avenue	20	.6042	60.42
Mrs. Lena DeSopo 202 E. Jefferson Street	310	9.3644	936.44
Miss Rose DeSopo 202 E. Jefferson Street	25	.7552	75.52
George B. Diefenbach 150 N. Galt Avenue	30	.9062	90.62
Richard P. Dietsman 4816 S. 3rd Street	70	2.1145	211.45
C. P. Dodd 14th & Kentucky Streets	320	9.6665	966.65
Edward A. Dodd 608 Louisville Trust Bldg.	25	.7552	75.52
John L. Dodd 427 W. Market Street	400	12.0831	1,208.31
Sidney E. Dodge Valley Station, Ky.	64	1.9333	193.33
Walter J. Doerting 2426 Elliott Avenue	70	2.1145	211.45
Martha A. Doherty c/o P. S. Pogue, Columbia Bldg.	120	3.6249	362.49
William B. Doherty Orchard Hill	80	2.4166	241.66
Priscilla W. Dohoney c/o Bank of Columbia, Columbia, Ky.	200	6.0415	604.15

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Exhibit 155

Mary B. Latham Elizabethtown, Ky.	50	1.5104	151.04
A. E. Latta 426 W. Main St.	1000	30.2077	3,020.77
Isabel Ray LaVielle, dead Fidelity & Columbia Trust Co. Executor of her Will	626	18.9100	1,891.00
Miss Christine Layer 2701 W. Chestnut	100	3.0208	302.08
Charles F. Leathers The Louisville Trust Co	150	4.5312	453.12
John Allen Leathers 1507 S. Brook Street	50	1.5125	151.25
Edward E. Lee c/o National Bank of Kentucky Transit Dept.	390	11.7810	1,178.10
Mrs. Estelle Lee 1026 S. 4th Street	25	.7552	75.52
Carolyn A. Leech Brown Hotel	1400	42.2908	4,229.08
Jennie B. Leedom Russellville, Ky.	220	6.6457	664.57
Walter V. Leedom Russellville, Ky.	70	2.1145	211.45
Frank LeFevre Route 2, Box 122, Anchorage, Ky.	175	5.2863	528.63
Louis Leib, dead Fidelity & Columbia Trust Co. Executor of his Will	350	10.5727	1,057.27
R. J. Leonards 98 A, Weiningen-Caulbert Apts.	150	4.5312	453.12
George F. Leonard 2625 Grinstead Drive	50	1.5104	151.04
Harry N. Levey 202 Bankers Trust Bldg.	20	.6042	60.42
Fred Levy 3rd & Market	365	11.0258	1,102.58
James S. Levy 627 W. Jefferson Street	50	1.5104	151.04
L. M. Levy 2171 Barringer Avenue	200	6.0415	604.15
Markham Levy 911 W. Main Street	50	1.5104	151.04
Miss Ada S. Lewis 86 F. Weiningler-Caulbert	130	3.9270	392.70
Esmeralda B. Lewis 1966 Roanoke Avenue	150	4.5312	453.12
Jacob B. Lewman 821 W. Main Street	240	7.2498	724.98
Mary V. Lewman 45 Hill Road, Castlewood	80	2.4166	241.66
Mrs. Emma Lieber 309 W. Broadway	80	2.4166	241.66
Fred H. Lieber 2169 Sherwood Avenue	130	3.9270	392.70
Miss Genevieve Lindsey 601 Wapping St., Frankfort, Ky.	50	1.5104	151.04
H. Watson Lindsey 814 W. Oak	200	6.0415	604.15
Julia R. Lindsey 1911 Deer Park Ave.	40	1.2083	120.83
John B. Lindsey, Jr. 601 Wapping St., Frankfort, Ky.	210	6.3436	634.36
Miss Lillian Lindsey 601 Wapping St., Frankfort, Ky.	50	1.5104	151.04
Miss Maria Lindsey Frankfort, Ky.	50	1.5104	151.04
Alvin Linker 123 S. 6th Street	40	1.2083	120.83
Barnet Linker 1560 Eastern Parkway	300	9.0623	906.23
Harry Linker 1373 S. 1st Street	50	1.5104	151.04
Max M. Lipski 108 W. Market Street	25	.7552	75.52
H. T. Lively 604 S. 44th St.	150	4.5312	453.12
Walls C. Logan Hartford, Ky.	20	.6043	60.43
Edith B. Longest 2215 Cherokee Parkway	240	7.2498	724.98
George A. Long, dead Fidelity & Columbia Trust Co. Executor of his Will	1700	51.3530	5,135.30
L. H. Long 528 W. Jefferson Street	100	3.0208	302.08
Nellie J. Long Bashford Manor, Bussbel, Ky.	300	9.0623	906.23
Arthur Loomis Todd Bldg.	500	15.1038	1,510.38
Louisville Cement Company c/o W. S. Speed	500	15.1038	1,510.38
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Mrs. Amelia W. Anderson	30	.9062	90.62
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Mary M. Barclay	220	6.6668	666.68
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Mary Barkley Brown for Sally R. Barkley and Wm. Barkley	50	1.5104	151.04
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Mary Barkley Brown for William Barkley	10	.3021	30.21
The Louisville Trust Company Trustee for Laura R. Bashaw	90	2.7187	271.87
The Louisville Trust Company Trustee Lucy Whipps for Dorothy Beard	20	.6042	60.42
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trus- tee Under Will Clara K. Bullitt	290	8.7602	876.02
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Anna B. Burton	100	3.0208	302.08
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Under Agreement for Kate W. Crawford	140	4.2291	422.91
Liberty Bank & Trust Co., Successor to The Louisville Trust Co., Trustee Under Will George W. Detchen for Minnie Detchen	150	4.5312	453.12
Liberty Bank & Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Louisa S. Detchen for Minnie Detchen	220	6.6478	664.78
Liberty Bank & Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Louise S. Detchen for Minnie Detchen	10	.3021	30.21
Liberty Bank & Trust Co., Successor to The Louisville Trust Co., Trustee Minnie Detchen	1470	44.4063	4,440.63
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Under Will W. W. Drummond	500	15.1038	1,510.38
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Under Will B. F. Guthrie	200	6.0415	604.15
United States Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Joseph Hahn, Sr.	20	.6042	60.42
The Louisville Trust Co., Agent Isabel Haldeman and Isabel Haldeman 1377 S. 3rd Street	400	12.0831	1,208.31
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Executor Jennie C. Hanks	150	4.5312	453.12
The Louisville Trust Co., Trustee Estate Theodore Harris	3530	106.6311	10,663.11
The Louisville Trust Co., Trustee William Hastings	40	1.2083	120.83
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Frank Heck for Mary B. Heck	190	5.7395	573.95
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee for Francis Griffith Hogan	70	2.1145	211.45
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Agent W. G. Holladay	50	1.5125	151.25
The Louisville Trust Co., Trustee Rose Anna Hughes	2400	72.4985	7,249.85
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Guardian for Beverly Jeans	50	1.5129	151.25
Kentucky Title Trust Co., Successor to The Louisville Trust Co., and Stuart E. Duncan, Trustees Under Will Kate A. Leathers for Stuart R. Leathers	150	4.5322	453.22
The Louisville Trust Co., Trustee Stella A. McKinney	370	11.1768	1,117.68
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Executor Frank A. Manns	800	24.1662	2,416.62
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Lucy Elizabeth Moorman Under Will C. P. Moorman, Deceased	2480	74.9151	7,491.51
Central Trust Co. of Owensboro, Ky., Successor to The Louisville Trust Trustee Under Will C. L. Morehead	10	.3021	30.21
Central Trust Co., of Owensboro, Ky., Successor to The Louisville Trust Co., Trustee for C. J. Morehead, Fannie Morgan and Clara Blocher	1620	48.9365	4,893.65
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Caldwell Norton	130	3.9270	392.70
Fidelity & Columbia Trust Co., Successor to The Louisville Trust Co., Trustee Mary Pirtle	90	2.7187	271.87
The Louisville Trust Co. Trustee Effie L. Powers	20	.6042	60.42
Kentucky Title Trust Co., Successor to The Louisville Trust Co., Trustee Under Will Warren A. Smith for Katie Smith	400	12.0831	1,208.31
The Louisville Trust Co., Trustee Under Will of Henry Stratton	410	12.3852	1,238.52
The Louisville Trust Co., Trustee Under Will Frank P. Straus for Harry C. Straus	110	3.3229	332.29

Exhibit 155

The Louisville Trust Co., Trustee Under Will Frank P. Straus for Ruth Naomi Straus	120	3.6249	362.49
Mary C. Wesley & Elizabeth Cloud c/o Security Trust Co., Lexington, Ky.	100	3.0208	302.08
Florence Y. Love & Amanthus B. Love Under Terms of Will of James Y. Love, probated July 13, 1876 980 S. 3rd Street	960	28.9984	2,899.94
Alberta Lucas 4410 W. Market Street	20	.6042	60.42
May Belle Ludwig 716 Hazel, Apt. 2	150	4.5312	453.12
J. S. Lute 4340 Park Blvd.	50	1.5104	151.04
Birdie Kelly Lynch Lebanon, Ky.	20	.6042	60.42
Staughton B. Lynd c/o Citizens Union National Bank	170	5.1353	513.53
H. Guy Lyon 534 W. Main Street	20	.6042	60.42
Mrs. Kathleen Kelly Lyon 1857 Overlook Terrace	50	1.5104	151.04
S. Clay Lyons c/o W. L. Lyons & Co.	100	3.0208	302.08
George H. McAlister 213 S. 5th Street	1900	57.3946	5,739.46
Florence McClelland Weisinger-Gaulbert Apt. 21-F	20	.6042	60.42
John H. McClure 2313 W. Jefferson Street	20	.6042	60.42
Richard L. McCready 825 W. Ormsby	380	11.4789	1,147.89
Ida M. McCulloch 2120 Kenilworth Place	80	2.4166	241.66
Manie C. McCulloch 3622 Western Parkway	70	2.1145	211.45
Charles H. McDonald 4435 Michigan Drive	150	4.5312	453.12
Donald McDonald, Jr. 1721 S. 7th Street	30	.9062	90.62
Mrs. Elsie B. McDowell 428 W. Ormsby	300	9.0623	906.23
Joe McDowell 306 Maple Ave., Danville, Ky.	100	3.0208	302.08
James P. McGee 1907 Rutherford	20	.6042	60.42
James H. McGibboney Middlesboro, Ky.	50	1.5104	151.04
Stephenson W. McGill 1206 S. 1st Street	80	2.4166	241.66
William J. McGonigale P. O. Box 2360, Louisville, Ky.	100	3.0208	302.08
Marie D. McGoodwin 1214 Summitt	220	6.6464	664.64
James S. McKenna Fairfield, Ky.	100	3.0207	302.07
Stafford E. McKenna Fairfield, Ky.	100	3.0208	302.08
Evelyn B. McKenzie c/o The Louisville Trust Co.	33	.9948	99.48
Mrs. Rosa H. McLennan 1500 3rd Avenue	830	25.0723	2,507.23
R. W. McRery (dead) Fidelity & Columbia Trust Co. Administrator with his will annexed	800	24.1663	2,416.63
Thomas McShane 2501 Rowan Street	80	2.4166	241.66
Joseph F. McWilliams Prospect, Ky.	25	.7552	75.52
Mrs. Teresa K. MacDonald 35 Weisinger-Gaulbert	720	21.7483	2,174.83
Ruby Macklin 212 Washington Street Frankfort, Ky.	80	2.4166	241.66
Mrs. Rose G. MacNeal 4200 W. Market Street	40	1.2083	120.83
Mary G. Malone c/o E. J. O'Brien 815 W. Main Street	150	4.5311	453.11
Irvi Mann 1506 E. Washington	20	.6042	60.42
Mrs. Lucy J. Mann 130 E. 3rd Street Newport, Ky.	30	.9063	90.63
William Mann 1985 Rutherford	50	1.5104	151.04
Allie H. Manning 322 S. Ashland Lexington, Ky.	100	3.0208	302.08
M. Marshak c/o Kaufman Straus & Co.	350	10.5727	1,057.27
Lyman C. Martin 1386 Basset Avenue	60	1.8134	181.34
Alexander B. Massey Danville, Ky.	200	6.0416	604.16
Thomas J. Mattingly Buechel, Ky.	50	1.5104	151.04
Mrs. Hannah Maurer 2114 Wrenlinge	20	.6042	60.42
C. W. May 2034 S. 1st Street	25	.7553	75.53
J. E. Mayle 2640 Hale Avenue	150	4.5311	453.11
Ellison C. Means Box 328, Ashland, Ky.	800	24.1663	2,416.63
William Mehler 742 E. Jefferson	50	1.5104	151.04
Mrs. Florence S. Melton 908 Cherokee Road	40	1.2083	120.83
C. C. Mengel 1325 3rd Avenue	280	8.4581	845.81
Clarence R. Mengel Columbia Bldg.	300	9.0623	906.23
Edwin Potter Mengel 1303 Eastern Parkway	100	3.0208	302.08
Robert L. Mercke 1700 Spring Drive	100	3.0208	302.08
Stella Evans Mercke 131 N. Hite Avenue	180	5.4373	543.73
Ben J. Metcalfe c/o The Louisville Trust Co.	2530	76.4354	7,643.54
Louis F. Metz 614 Barret Avenue	300	9.0623	906.23
Mary Michel 1614 Rosewood	20	.6042	60.42
Max Miehl 107 W. Market Street	210	6.3436	634.36
Mrs. Florence L. Miles 2303 Cherokee Parkway	120	3.6249	362.49
Mrs. Alice Miller 714 S. 34th St.	30	.9063	90.63
Mrs. Alice L. Miller Hodgenville, Ky.	100	3.0208	302.08
Ben M. Miller 215 S. 5th Street	100	3.0208	302.08
Mrs. Ben M. Miller 215 S. 5th Street	50	1.5104	151.04
Emil F. Miller 1075 Bardstown Road	50	1.5104	151.04
Frank Miller 315 Raymond Avenue	400	12.0831	1,208.31
Frank H. Miller Louisville Railway Co.	50	1.5104	151.04
Gordon Miller 118 E. Main Street	300	9.0623	906.23
Harold W. Miller c/o Will R. Miller 12th and Oldham	200	6.0415	604.15
J. S. Miller 814 Cherokee Road	20	.6043	60.43
J. William Miller 1455 S. 7th Street	700	21.1454	2,114.54
Mrs. Lottie C. Miller 1800 Castleberry Road	380	11.4789	1,147.89
Mary Floyd Miller 1454 4th Street	800	24.1663	2,416.63
Neville Miller Inter-Southern Bldg.	100	3.0208	302.08
Perry B. Miller 604 Marion E. Taylor Bldg.	220	6.6457	664.57
J. Fred Miles United States Trust Bldg.	60	1.8125	181.25
L. L. Miles c/o The Louisville Taxicab Co.	500	15.1038	1,510.38
Mrs. Jennie E. C. Mills 1888 Rutherford Avenue	90	2.7187	271.87
T. J. Minary 316 W. Jefferson Street	3490	105.4248	10,542.48
James B. Miner c/o University of Kentucky Lexington, Ky.	60	1.8124	181.24
Charles W. Minrath 230 Ohio Street	20	.6042	60.42
Robert B. Minton Barbourville, Ky.	40	1.2083	120.83
Estate of Robert Mitchell by J. H. Mitchell, Henry J. Mitchell, I. T. Fugate, Trustees 235 E. College Street	640	19.3329	1,933.29
Miss Theresa Moellman 3601 W. Broadway	400	12.0831	1,208.31
J. H. Mogan Bank of Buechel Buechel, Ky.	50	1.5104	151.04
Catherine D. Mooney 301 N. Western Parkway	80	2.4166	241.66
Mrs. Emma L. Moore 2427 Cherokee Parkway	410	12.3851	1,238.51
The Charles P. Moorman Home for Women, c/o James Garnett Inter-Southern Bldg.	2480	74.9151	7,491.51
Mrs. Marion Moorman 418 Wallace Avenue Covington, Ky.	110	3.3228	332.28
Ferdo Zora Moren Weisinger-Gaulbert Apts.	100	3.0208	302.08
John J. Moran 712 S. 3rd Street	440	13.2913	1,329.13
Miss Margaret Moriarty 531 W. St. Catherine	35	1.0573	105.73
Andrew H. Morris, Sr. c/o Bacon & Sons	200	6.0415	604.15
Miss Ellen W. Morrison c/o Booker & Kinnaird Columbia Bldg.	40	1.2083	120.83
Mrs. Mary H. Morriss 1523 Hepburn	160	4.8331	483.31

Exhibit 155

Henry D. Ormsby c/o First National Bank	1000	30.3078	3,030.78
Robert W. Osborn First National Bank, South Louisville Branch	50	1.5104	151.04
Charles J. Osborne 519 S. 4th Street	20	.6042	60.42
Mrs. Nettie C. Osterman 670 S. 41st Street	30	.9062	90.62
H. E. Ottenheimer c/o Lincoln Bank & Trust Co.	100	3.0208	302.08
J. A. Paradis c/o Brandeis Machinery & Supply Co. 2235 S. Brook Street	250	7.5519	755.19
Annie Mary Parker The Cortlandt	50	1.5104	151.04
George H. Parker 940 Starks Bldg.	200	6.0416	604.16
J. C. Parker Douglas Blvd. and Millvale Ave.	120	3.6249	362.49
Minnie White Parker Douglas Blvd. and Millvale Ave.	60	1.8125	181.25
Miss Edna Parrott 1262 S. 3rd Street	20	.6042	60.42
Parrs Rest Louisville, Ky.	260	7.8540	785.40
Mrs. Jennie M. Patterson 1407 S. 1st Street	90	2.7187	271.87
Walter K. Patterson University of Ky. Campus Lexington, Ky.	1200	36.2483	3,624.83
Mrs. Lena Paull Columbia, Ky.	40	1.2083	120.83
Mrs. Rena W. Paull Columbia, Ky.	800	24.1662	2,416.62
Anna S. Payne 1224 Cherokee Road	30	.9063	90.63
George L. Peabody 1851 Spring Drive	18	.5437	54.37
James R. Peabody, Jr. 1851 Spring Drive	20	.6042	60.42
Dr. Charles S. Pearcy Starks Bldg.	25	.7553	75.53
Mary E. Pell 743 S. 22nd Street	40	1.2083	120.83
W. O. Penick Bluff Boom, Green Co., Ky.	200	6.0416	604.16
Roy T. or Hallie Pernell as Joint Tenants with Right of Survivorship but not as Tenants in Common 977 S. 3rd Street	30	.9062	90.62
Arthur Peter 716 Inter-Southern Bldg.	100	3.0208	302.08
Miss Mary A. Pettet and Miss Margaret Pettet as Joint Tenants with Right of Survivorship 1340 S. 4th Street	60	1.8125	181.25
Henry C. Pfingst 1274 Cherokee Road	100	3.0208	302.08
Richard F. Platt 923 Cherokee Road	26	.7854	78.54
John B. Pirtle, Incompetent Fidelity & Columbia Trust Co. Committee	2200	66.3946	6,639.46
Miss Juliet Nold Pirtle 420 Belgravia Court	50	1.5104	151.04
Miss Lena Plouvier 1428 W. Kentucky	20	.6042	60.42
Genevieve D. Pogue Columbia Bldg.	120	3.6249	362.49
Cleo Seifrit Pollat 2122 Edgeland Avenue	80	2.4166	241.66
William C. Poteet 2614 Rudd Avenue	20	.6042	60.42
Josephine G. Potter 4700 Southern Parkway	100	3.0208	302.08
Mrs. Alice Pound Route 15, Jeffersontown, Ky.	20	.6042	60.42
Mrs. Elsie G. Powell 1453 St. James Court	100	3.0208	302.08
Miss Annie B. Poynter Shelbyville, Ky.	440	13.2914	1,329.14
Charles H. Pratt Alta Vista Avenue	200	6.0416	604.16
Charles R. Price c/o Belknap Hardware Company	100	3.0208	302.08
John W. Price, Jr., and Charles B. Price, executors Estate John W. Price, Brown Bldg.	350	11.4789	1,147.89
Mrs. Mary Belle Price Frankfort, Ky.	200	6.0416	604.16
John W. Pruett Frankfort, Ky.	200	6.0416	604.16
Mrs. Juanita Kline Pruett Frankfort, Ky.	200	6.0416	604.16
Mrs. Cora E. Quinn 211 Hillcrest Avenue	20	.6042	60.42
W. Embry Quinn 211 Hillcrest	120	5.6272	562.72
C. K. Ramp 626 S. 35th Street	19	5.720	57.20
W. M. Randall 1026 2nd Street	200	6.0416	604.16
David C. Morton c/o United States Trust Co. 5th and Main	330	9.9686	996.86
E. D. Morton 516 W. Main Street	100	3.0208	302.08
Edward D. Morton 516 W. Main Street	25	.7553	75.53
Jane L. Morton c/o The United States Trust Co.	20	.6042	60.42
Rogers C. B. Morton c/o The United States Trust Co.	50	1.5104	151.04
Thruston Ballard Morton c/o The United States Trust Co.	70	2.1145	211.45
Forrest L. Moseley 117 Hillcrest Avenue	400	12.0831	1,208.31
Marie B. Moses 1218 Willow Avenue	400	12.0831	1,208.31
Mrs. Minnie A. Mosher 2023 W. Jefferson Street	20	.6042	60.42
Timothy I. Mossberger 2101 W. Burnett	20	.6042	60.42
Miss Gretchen Mueller 420 Belgravia Court	120	3.6270	362.70
Annie B. Muir Shelbyville, Ky.	100	3.0208	302.08
D. X. Murphy The Louisville Trust Co. Bldg.	480	14.5018	1,450.18
D. X. Murphy & Bro. The Louisville Trust Co. Bldg.	650	19.6250	1,962.50
Miss Della G. Murphy 1223 Ella Avenue	25	.7553	75.53
J. C. Murphy Louisville Trust Bldg.	400	12.0831	1,208.31
Mrs. Mary Sue Murphy 96 Valley Road	20	.6042	60.42
Mrs. Elizabeth J. Myer 212 Kennedy Court	600	18.1246	1,812.46
Fidelity & Columbia Trust Co. Guardian of Sarah Sebastian Zorn	290	8.7602	876.02
Kentucky Title Trust Co. Successor to National Bank of Kentucky, Trustee for Ferda Zorn Moran	170	5.1353	513.53
Lamar W. Noblett 979 Baxter	50	1.5104	151.04
H. H. Noel 981 S. 3rd Street	50	1.5103	151.03
Nellie Cooke Nelson 215 N. 4th Street Danville, Ky.	60	1.8125	181.25
Squire F. Nelson Lynch, Ky.	20	.6042	60.42
Mrs. Cleo Nettelroth 1301 Speed Avenue	200	6.0415	604.15
Christopher L. Neu 2427 Maple	10	.3021	30.21
Herman D. Newcomb 509 W. Ormsby	90	2.7187	271.87
Laura M. Newell 127 E. 3rd, Maysville, Ky.	50	1.5104	151.04
Wilbur I. Newhouse c/o National Bank of Kentucky	100	3.0208	302.08
Miss Martha C. Newman 2100 Bonnycastle	30	.9062	90.62
Mrs. Martha Frances Newman 2100 Bonnycastle	300	9.0623	906.23
Annie F. Nicholson c/o W. H. Field, 406 W. Ormsby	50	1.5104	151.04
Walter J. Niebel Providence, Ky.	100	3.0208	302.08
G. Douglas Nock c/o The Louisville Trust Co.	120	3.6249	362.49
Alphonso L. Noe c/o Income Life Insurance Co. 3rd and Main	25	.7553	75.53
Mrs. Hattie Lee Noe 2129 Edgehill Road	25	.7551	75.51
Mrs. Ella T. Norton 1240 S. 3rd Street	300	9.0623	906.23
Miss Mary Norton 1018 S. Brook	150	4.5311	453.11
R. J. O'Brien, Jr. 215 W. Main Street	800	24.1662	2,416.62
R. J. O'Brien, Sr. (dead) Richard Whelan, Edward J. O'Brien, James B. O'Brien, Executors	800	24.1661	2,416.61
Arthur H. Ochs 944 S. 41st Street	40	1.2083	120.83
Rt. Rev. John A. Floersh, Successor to Rt. Rev. D. O'Donaghue, and J. F. Crumes, George W. Schuman and C. J. O'Connell, Treasurers under will of J. D. O'Leary, deceased	30	.9062	90.62
Jacob B. Ohlgschlager 84 Board of Trade Bldg.	20	.6042	60.42
Mrs. Clara Oliver 226 E. Brecksbridge	270	8.1560	815.60
Matthias R. Oliver 226 E. Brecksbridge	90	2.7187	271.87

Exhibit 155

Mrs. Fannie G. Rankin 616 Maple Avenue Henderson, Ky.	70	3.1145	211.65
Mrs. Rose Marie Raque 1935 Avery Street	35	.7583	75.83
Joseph Rauch 2119 Woodford Place	60	1.5135	151.35
Marie Ray 2116 Murray Avenue	350	10.5727	1,057.27
Harry P. Reager Starks Bldg.	20	.8043	80.43
Mrs. Susan P. Redd 243 N. 32nd Street Danville, Ky.	50	1.5104	151.04
G. Lee Redmon 1004 Audubon Parkway	200	6.0415	604.15
E. W. Reed Columbia, Ky.	50	1.5104	151.04
Frances Jones Reed Columbia, Ky.	430	12.9883	1,298.83
G. R. Reed Columbia, Ky.	50	1.5104	151.04
Mary E. Reed 2320 Douglas Blvd.	300	9.0623	906.23
Mrs. Kate W. Reid 507 W. Main Street Danville, Ky.	400	12.0821	1,208.21
Dr. Alexander M. Reitzel 338 N. 25th Street	56	1.6916	169.16
Adolph Reutlinger 606 W. Jefferson	450	13.5885	1,358.85
Richard S. Reynolds c/o United States Foil Co.	220	6.6465	664.65
Miss Annie A. Richardson 1479 S. 4th Street	410	12.3861	1,238.61
John Riehl 215 S. 5th Street	50	1.5104	151.04
William Ritcher 1100 S. 4th Street	100	3.0208	302.08
D. Yandell Roberts Francis Bldg.	240	7.2498	724.98
Ben Robertson 915 E. Kentucky	900	27.1869	2,718.69
Ella B. Robertson 3945 Rainbow Drive	70	3.1145	211.65
Eugene B. Robertson Lincoln Bank & Trust Co.	500	15.1038	1,510.38
Charles P. Robinson 524 W. Main Street	100	3.0208	302.08
Charles F. Rockwood Brown Hotel	100	3.0208	302.08
Marie L. Rogers Puritan Apts.	130	3.9269	392.69
Roman Catholic Bishop of Louisville, Incorporated 1112 S. 3rd St.	800	24.1662	2,416.62
Mrs. Maria J. Romiser 652 S. 20th Street	100	3.0208	302.08
Rommel Brothers 919 E. Broadway	220	6.6465	664.65
August Ropke 618 S. 2nd Street	100	3.0208	302.08
Frank Ropke 306 Custom House	50	1.5104	151.04
D. B. G. Rose 224 S. 1st Street	50	1.5104	151.04
Ben Rosenbaum 900 E. Market Street	480	14.4997	1,449.97
Harry Rosenbaum 900 E. Market Street	470	14.1976	1,419.76
Isaac Rosenbaum & Sons 900 E. Market Street	80	2.4166	241.66
Jesse Rosenbaum 900 E. Market Street	510	15.4059	1,540.59
Leon Rosenbaum 900 E. Market Street	540	16.3121	1,631.21
Sam Rosenbaum 900 E. Market Street	480	14.4997	1,449.97
Mrs. Caroline Rosenberger 4204 W. Broadway	70	3.1145	211.45
Erma M. Rosenblum 1411 Willow Avenue	80	2.4166	241.66
H. Rosenblum 1411 Willow Avenue	50	1.5104	151.04
Miss Anna C. Roth 800 S. Western Parkway	25	.7563	75.63
Emanuel A. Rothschild 626 W. Main Street	40	1.2083	120.83
Ella G. Rudolph 261 S. Western Parkway	80	2.4166	241.66
R. C. Ruff 1207 S. Shelby Street	100	3.0208	302.08
W. H. Ruff 716 Cecil Avenue	50	1.5104	151.04
George W. Russell 41 Lincoln Apartments	50	1.5104	151.04
Harry W. Russell or Rebecca Russell Thierman Apartments	220	6.6465	664.65
Mrs. Lillian S. Russell 205 Paterson Avenue	200	6.0415	604.15
Mrs. Ruby Russell Columbia, Ky.	100	3.0208	302.08
B. Ruthenberg 604 Inter-Southern Bldg.	175	5.2863	528.63
Arthur M. Rutledge The Louisville Trust Bldg.	170	5.1353	513.53
Rosalie W. Rutledge 600 W. Ormsby Avenue	300	9.0623	906.23
W. Frank Ryan 1830 Bleeniko Avenue	25	.7583	75.83
Mrs. Bert B. Sachs 1444 Eastern Parkway	50	1.5104	151.04
D. A. Sachs, Jr. Inter-Southern Bldg.	40	1.2083	120.83
Mrs. Esther S. Sachs 516 Inter-Southern Bldg.	50	1.5104	151.04
Fred M. Sackett 315 Guthrie Street	700	21.1454	2,114.54
Mrs. Olive S. Sackett c/o Senator Fred Sackett 315 Guthrie Street	800	24.1661	2,416.61
St. Andrews Church Second and Kentucky Streets	30	.9062	90.62
Mrs. Kate L. Sanders 1629 S. 3rd Street	50	1.5104	151.04
Mrs. Minnie Graves Sanders Campbellsville, Ky.	50	1.5104	151.04
Harry Church Sargent Frankfort, Ky.	30	.9062	90.62
U. V. Sargent Frankfort, Ky.	70	3.1145	211.65
Joseph J. Sass Columbia Bldg.	150	4.5313	453.13
Susan Barr Satterwhite 234 E. Gray Street	30	.9062	90.62
Mary L. Sayre c/o Security Trust Company Lexington, Ky.	250	7.5519	755.19
Rose Dudley Scearce Shelbyville, Ky.	50	1.5104	151.04
Mary W. Schachner 844 S. 40th Street	1900	48.3323	4,833.23
Mrs. Seraphine M. Schaefer 604 S. 26th Street	40	1.2083	120.83
Mrs. Margaret Schanzenbacher 2151 Barlinger Avenue	100	3.0208	302.08
Albert Scheik, Jr. 103 Crescent Avenue	30	.9062	90.62
John J. Schleicher 1112 S. Logan Street	40	1.2083	120.83
Lorena Schleicher 1427 DeBarr Street	60	1.8125	181.25
Mrs. Carrie F. Schlegel 2027 Eastern Parkway	45	1.3593	135.93
Louise Schmalzried c/o Louisville Trust Co.	25	.7563	75.63
Annie E. Schmid 2300 W. Market Street	53	1.5708	157.08
Martin L. Schmidt 1530 Bank Street	100	3.0208	302.08
Mrs. Helen C. Schmitt 4507 Western Parkway	60	1.8125	181.25
C. J. Schneider 526 S. 5th Street	50	1.5104	151.04
Edw. Schneider, Jr. 746 E. Market Street	50	1.5104	151.04
Samuel J. Schneider 62 Kenyon Building	150	4.5313	453.13
William Schnell 1134 S. 7th Street	50	1.5104	151.04
L. F. Scholl Jamestown, Ky.	100	3.0208	302.08
Miss Anna Scholtian Louisville Hotel	50	1.5104	151.04
Mrs. Flora B. Schoppenhorst 1904 W. Jefferson Street	135	3.7760	377.60
William J. Schopp 212 Keller Bldg.	25	.7583	75.83
Joseph J. Schrocker 2400 Napoleon Blvd.	25	.7583	75.83
Louis Schuster 106 E. Market Street	20	.6043	60.43
Eugene Schwab 815 Logan Street	100	3.0208	302.08
Joseph Schwab 2146 Baringer Avenue	200	6.0415	604.15
Julius J. Schwab 2116 Maryland Avenue	18	.5437	54.37
Mrs. Mary Schwarz 2025 Grasmere Drive	180	4.3323	433.23
Mrs. Fannie G. Schweitzer 426 W. Main Street	50	1.5104	151.04
Mrs. Fannie G. Scruggs c/o James Garnett Inter-Southern Bldg.	240	7.2498	724.98
Horace H. Seay 21 Cavalier Apartments	20	.6042	60.42
Security Trust Company, Trustee for Susan S. Townsend under agreement dated February 15, 1902, Lexington, Ky.	20	.6042	60.42
Otto Seelbach 1904 Village Drive	200	6.0415	604.15
Alfred Seligman Marion E. Taylor Bldg.	180	4.3323	433.23
Bernard Seligman Commodore Apts.	100	3.0208	302.08

Exhibit 185

Mrs. Florence M. Selligman Commodore Apts.	80	1.5104	151.04
Mrs. Jennie K. Selligman 2130 Edgeland Avenue	500	6.0415	604.15
Joseph Selligman 1415 Willow Avenue	700	9.0823	908.23
Semonin Goodman, Incorporated Marion E. Taylor Bldg.	80	1.5104	151.04
Charles B. Semple 200 W. Main Street	400	12.0831	1,208.31
George C. Semple Pendennis Club	470	14.1976	1,419.76
Lottie D. Semple 2511 Ransdell Avenue	330	9.0856	908.56
Caroline C. Settle 1416 Willow Avenue	80	1.5104	151.04
John M. Settle 139 River Road	500	15.1038	1,510.38
Nannie E. Settle Cortland(Hotel	20	.6043	60.43
Max Shapira & Sons Springfield, Ky.	20	.6043	60.43
Cornell D. Shea 923 S. 3rd Street	115	3.4739	347.39
Miss Elizabeth M. Shea 1819 Edgeland Avenue	70	2.1145	211.45
Jesse W. Shea 938 S. 3rd Street	115	3.4739	347.39
Eva Macklin Shedd 212 Washington Street Frankfort, Ky.	80	2.4166	241.66
Miss Mary F. Sheehan Reliance Varnish Company 915 E. Kentucky Street	20	.6043	60.43
The Shelby County Trust Company Trustee for Bertie M. Cox Shelbyville, Ky.	70	2.1145	211.45
Mary H. Shelow c/o Otto Zimmerman & Son 130 E. 3rd Street Newport, Ky.	60	1.8125	181.25
Mrs. Pearl G. Sheppard 3822 Western Parkway	130	3.9349	393.49
Bertha C. Sheridan 120 S. 2nd Street	25	.7553	75.53
Mary C. Short 43 Hill Road	860	25.9786	2,597.86
William Short, deceased by Thomas L. Butler, Administrator de bonis non will annexed, 43 Castlewood	700	21.1454	2,114.54
C. R. Shrader 1008 W. Jefferson Street	50	1.5104	151.04
H. U. Shrader 1008 W. Jefferson Street	50	1.5104	151.04
Adam T. Siler Williamsburg, Ky.	250	7.5519	755.19
H. S. Simon 715 W. Main Street	450	13.5935	1,359.35
Mrs. Florence C. Simpson 1100 W. Broadway	60	1.8125	181.25
J. H. Simpson 914 Brown Bldg.	80	2.4166	241.66
Mary F. Simpson c/o W. H. Field 406 W. Ormsby Avenue	50	1.5104	151.04
Dr. Virgil Simpson 1100 Francis Bldg.	160	4.8332	483.32
John J. Skaggs, Jr. Inter-Southern Bldg.	150	4.5313	453.13
Mrs. Mary Gilmour Skillman 1409 Rosewood Avenue	120	3.6249	362.49
O. T. Skillman Cloverport, Ky.	100	3.0208	302.08
Ethel R. Skinner 1156 S. 1st Street	80	2.4166	241.66
Francis Skinner 1156 S. 1st Street	20	.6042	60.42
Reburn H. Sleek 1004 Everett Avenue	30	.9062	90.62
Thomas C. Small 3433 W. Market Street	20	.6043	60.43
Estate of D. H. Smith Mary B. Smith, Executrix Hodgenville, Ky.	260	7.8540	785.40
Fred W. Smith 1021 Baxter Avenue	50	1.5104	151.04
Mrs. Julia G. Smith 167 Forest Avenue Lexington, Ky.	50	1.5104	151.04
Mrs. Katie Smith 365 S. Western Parkway	200	6.0415	604.15
Mrs. Lenore C. Smith 1457 Beech Street	20	.6043	60.43
R. Harry Smith Nellie Cook Smith, Executrix 121 S. 6th Street	110	3.3229	332.29
William E. Smith Standard Oil Company	200	6.0415	604.15
Mrs. Emma Sargent Smithers Frankfort, Ky.	30	.9062	90.62
Isabella Smyser Route No. 4, Box 709	30	.9062	90.62
Thomas S. Snead 2309 Village Drive North	50	1.5104	151.04
Theo. C. Snively 947 S. 4th Street	40	1.2083	120.83
Hiram T. Snyder Louisville Pottery Co.	100	3.0208	302.08
Mrs. Mary F. Snyder 363 S. Broadway Lexington, Ky.	430	12.9872	1,298.72
Mendel Snyder 304 Shawnee Drive	50	1.5104	151.04
Joe Spalding c/o Louisville Trust Company	50	1.5104	151.04
Peter E. Spalding 835 S. 19th Street	225	6.7976	679.76
Peter E. Spalding, Jr. 927 Cardinal Drive	25	.7553	75.53
Henry P. Spatz 309 Haldeman	30	.9062	90.62
William S. Speed 315 Guthrie Street	4000	121.3461	12,134.61
William S. Speed, Trustee for Alice Speed Stoll, 315 Guthrie	270	8.1561	815.61
William S. Speed Louisville Cement Company	500	15.1038	1,510.38
Dr. Edward Speidel Francis Bldg.	40	1.2083	120.83
L. C. Spillman 2145 Baringer Avenue	250	7.5540	755.40
Samuel Sprowles 518 W. Main Street	20	.6043	60.43
Mrs. Olive Spurling 3091 Tophill Road	10	.3021	30.21
Jennie M. Standeber 76 Willow Terrace	25	.7553	75.53
Leon Standeber (dead) Jennie M. Standeber, Executrix 76 Willow Terrace	125	3.7760	377.60
Charles B. Stansbury c/o Charles D. Barney & Co. Starks Bldg.	100	3.0208	302.08
Haiam B. Stark 822 S. 5th Street	40	1.2083	120.83
Isaac P. Starks Starks Bldg.	100	3.0208	302.08
Millicent Starks 3433 Cross Hill Road	60	1.8125	181.25
Mrs. Emma G. Starr 1219 S. 2nd Street	30	.9062	90.62
State Bank & Trust Co. of Harrodsburg, Committee of James A. Stout, Harrodsburg, Ky.	1500	45.3092	4,530.92
Lillian Elizabeth Stagg 1202 S. 1st Street	30	.9062	90.62
William A. Stalden 1626 Everett Avenue	200	6.0415	604.15
Joseph C. Steidle c/o Standard Oil Company	200	6.0415	604.15
Frank Steier 630 E. St. Catherine	60	1.8125	181.25
William Steier 728 Barbee Way, South	30	.9062	90.62
Mrs. Hannah Steinau 1006 2nd Street	50	1.5104	151.04
Joseph C. Steitenpohl 1941 Alfresco Place	200	6.0415	604.15
W. L. Stephan 904 Hilton Avenue	50	1.5104	151.04
Margaret M. Stewart Elizabethtown, Ky.	50	1.5104	151.04
Ida Stilwell 732 N. 33rd Street	30	.9062	90.62
Jarrett Stites c/o Louisville Trust Co.	30	.9062	90.62
Amelia Stockhoff 408 E. Market Street	180	5.4374	543.74
Lucy Ann Stockhoff 121 Vernon Avenue	300	9.0623	906.23
Mrs. Alice Speed Stoll 3458 Grinstead Drive	100	3.0208	302.08
Sam H. Stone 710 Columbia Bldg.	1000	30.2077	3,020.77
Stanley W. Stopher Louisville Trust Company	60	1.8125	181.25
Wallace L. Stopher 1013 W. Main Street Shelbyville, Ky.	50	1.5104	151.04
Harvey Stout Route No. 2, Buechel, Ky.	30	.9062	90.62
Morris Stout Buechel, Ky.	50	1.5104	151.04
Warden Stout Route No. 15, Jeffersontown, Ky.	30	.9062	90.62
Bertrand H. Straus 526 W. Main Street	100	3.0208	302.08
Harry A. Strater 906 S. 3rd Street	1350	40.7804	4,078.04
Mrs. Fannie B. Straus 6-A Dartmouth Apartments	100	3.0270	302.70
Fannie B. Straus, Samuel L. Straus and Ludwig Frank, Trustees under the will of Ben Straus for Samuel L. Straus 709 W. Market Street	30	.9062	90.62

Exhibit 155

Mary G. Street Cadiz, Ky.	50	1.5104	151.04
Fannie Henly Streng 1458 Cherokee Road	200	6.0472	604.72
Jesse F. Streng Morris Plan Industrial Bank	150	4.5813	458.13
Eleanor Carter Strickler Country Club Road	20	.6043	60.43
Lane P. Stucky 416 W. Breckenridge	60	1.8135	181.35
Lane P. Stucky beneficiary of estate of T. Hunt Stucky 416 W. Breckenridge	300	9.0622	906.22
Luella M. Sutton, Executrix of will of Frank Sutton, deceased 86 Valley Road	100	3.0208	302.08
George Cary Tabb Inter-Southern Bldg.	130	3.9270	392.70
J. Preston Tabb 1280 S. Brook Street	80	2.4166	241.66
Jeanette P. Tabb 1358 Willow Avenue	100	3.0208	302.08
William F. Tafel 800 E. Market Street	50	1.5104	151.04
Ann Caywood Talbott Paris, Ky.	80	2.4166	241.66
Mrs. Elizabeth Knox Tarkington Corner 3rd and Broadway Danville, Ky.	130	3.9270	392.70
W. H. Tarvin c/o Kentucky Rock Asphalt Co. 714 Marion E. Taylor Bldg.	300	9.0622	906.22
E. C. Taylor 2234 Saratoga Drive	300	9.0622	906.22
Edmund Watson Taylor Box 346, Frankfort, Ky.	100	4.5322	453.22
E. Leland Taylor 1016 Francis Bldg.	600	18.1244	1,812.44
Francis B. Taylor 1016 Francis Bldg	50	1.5104	151.04
Horace A. Taylor Starks Bldg.	250	7.5519	755.19
Miss Mildred Taylor 1016 Francis Bldg.	50	1.5104	151.04
Horace A. Taylor and T. P. Taylor, devisees of T. P. Taylor, deceased Starks Bldg.	250	7.5519	755.19
Henry Thiemann 1227 Hepburn Avenue	1700	53.1055	5,310.55
Miss Anne Thomas 713 Washington St. Frankfort, Ky.	1820	55.2901	5,529.01
Emily H. Thomas (dead) Fidelity & Columbia Trust Co., Administrator de bonis non with the will annexed	1810	54.6750	5,467.50
Mrs. Mary B. Thomas Danville, Ky.	60	1.8135	181.35
John C. Thompson, Administrator Nannie G. Thompson Cadiz, Ky.	110	3.3238	332.38
Mrs. Minerva Thompson Mt. Sterling, Ky.	340	10.2706	1,027.06
Robert F. Thompson Route No. 1, Box 216	200	6.0415	604.15
Mrs. Sarah C. Thompson 1583 S. 1st Street	30	.9062	90.62
William S. Threlkeld Pleasureville, Ky.	100	3.0208	302.08
C. O. Tice 4441 Park Blvd.	50	1.5104	151.04
Elsie Tobe 719 E. Kentucky Street	70	2.1145	211.45
Bosworth M. Todd Frankfort, Ky.	100	3.0208	302.08
Mrs. Marshall Paul Todd 306 Garrard Street Covington, Ky.	110	3.3229	332.29
Edward J. Tracy 444 E. Oak Street	100	3.0208	302.08
Mrs. Launa Davies Trammell 1800 Windsor Place	480	14.4997	1,449.97
Thomas Trammell 1800 Windsor Place	4000	120.8333	12,083.33
John H. Trent, Jr. 6916 S. 2nd Street	50	1.5104	151.04
H. L. Trimble Russellville, Ky.	20	.6043	60.43
Mrs. Ina White Trimble Mt. Sterling, Ky.	500	15.1038	1,510.38
Robert M. Trimble, Jr. 1446 Lowering Street	150	4.5311	453.11
Selden Y. Trimble Hopkinsville, Ky.	50	1.5104	151.04
E. B. Trosler Louisville Trust Company	150	4.5311	453.11
Miss Carrie Trueheart Weissinger-Gaulbert Apartments	20	.6043	60.43
Harriet Semple Truman 2240 Field Avenue	70	2.1145	211.45
Jesse W. Tuley 1918 Mulberry Street	50	1.5104	151.04
Florence O'Bannon Turner Hueysons, Ky.	20	.6043	60.43
Marshall Turner 1246 S. 1st Street	80	2.4167	241.67
Virginia W. Tyler Owensboro, Ky.	260	7.854	785.40
William Unmacht 121 S. 43rd Street	20	.6043	60.43
United States Trust Company and David C. Morton, Trustees under the will of Mary B. Morton 8th and Main Streets	70	2.1145	211.45
Charles Van Overbeke 2114 Napoleon Blvd.	50	1.5104	151.04
Emile Van Overbeke 937 S. Peterson Avenue	50	1.5104	151.04
Jennie Van Overbeke 944 S. Peterson Avenue	50	1.5104	151.04
Benj. Vaughn 2002 W. Chestnut	100	3.0208	302.08
Robert F. Vaughn Marion E. Taylor Bldg.	100	3.0208	302.08
Sanford Vaughn 4240 River Park Drive	100	3.0208	302.08
C. Ed Veeneman c/o S. Zorn & Company 14th and Ormsby Avenue	18	.5437	54.37
Mrs. Emma Veeneman 1310 S. 2nd Street	26	.7854	78.54
Carolyn Verhoeff 731 S. 2nd Street.	110	3.3229	332.29
Mary Verhoeff 731 S. 2nd Street.	110	3.3229	332.29
Albert L. Viglini 167 Pennsylvania Avenue	750	22.6556	2,265.56
J. A. Viglini 602 Inter-Southern Bldg.	540	16.3121	1,631.21
Catherine E. Vissman Louisville Hotel	140	4.2291	422.91
Louis Vissman c/o County Court House	100	3.0208	302.08
Albert R. Vogel 1700 Windsor Place	50	1.5104	151.04
Clarence W. Vogt 1308 S. Shelby Street	200	6.0415	604.15
F. Sherman Vogt 50 Kenyon Bldg.	18	.5443	54.43
Henry Vogt 10th and Ormsby Avenue	6000	181.2707	18,127.07
Harry A. Volz 14th and Ormsby Avenue	70	2.1145	211.45
Harry A. Volz, Jr. c/o S. Zorn & Company	20	.6043	60.43
Mrs. Lucien Waggener Danville, Ky.	40	1.2083	120.83
Lucien Waggener, Jr. Danville, Ky.	2020	61.0196	6,101.96
Mrs. Anna D. Wahking 1113 S. Brook Street	280	8.4581	845.81
Edward H. Wahking 718 W. Main Street	200	6.0415	604.15
Mrs. Elizabeth K. Wahking 1436 Cherokee Road	825	24.9214	2,492.14
Mrs. Lillie Wahking 66-A Castlewood	630	18.7288	1,872.88
Robert C. Wahking 718 W. Main Street	200	6.0415	604.15
William Wahking 1113 S. Brook Street	300	9.0622	906.22
Henry P. Wahl 1027 E. Kentucky	60	1.8135	181.35
Joseph T. Wahl 827 E. Oak Street	190	5.7395	573.95
Dunlap Wakefield 418 W. Jefferson St.	50	1.5104	151.04
Isaac N. Wakefield Bloomfield, Ky.	20	.6043	60.43
Dr. J. J. Wakefield Bloomfield, Ky.	60	1.8135	181.35
Max Waldman 513 Marion E. Taylor Bldg.	25	.7553	75.53
H. Wallace 1095 S. 3rd Street	50	1.5104	151.04
J. K. Waller Morganfield, Ky.	500	15.1038	1,510.38
Mrs. Minna Waltemberger 1506 Cherokee Road	100	3.0208	302.08
Lawrence Walter 1210 St. Anthony Place	170	5.1353	513.53
C. L. Walter, Jr. Shelbyville, Ky.	50	1.5104	151.04
Sadie C. Walter during her life under the will of her mother, Emma G. Hacker Shelbyville, Ky.	190	5.7395	573.95
Henry H. Waltring 2050 Highland Avenue	100	3.0208	302.08
Mrs. Blanche C. Ware 845 S. 42nd Street	30	.9062	90.62
R. F. Warfield 1441 S. 4th Street	1600	48.3322	4,833.22
Clinton G. Warren 1909 Alfresco Place	100	3.0208	302.08

Exhibit 155

Edward L. Warren (dead) ..... Fidelity & Columbia Trust Co. Executor of will	730	22.0616	2,205.16
Emma Warren ..... 1869 Alfresco Place	306	9.2435	924.35
Ben F. Washer ..... Marion E. Taylor Bldg.	500	15.1028	1,510.28
Morris Wasserman ..... 1469 S. 2nd Street	100	3.0206	302.06
R. E. Wathen ..... 1297 S. 3rd Street	30	.9062	90.62
J. W. Watkins ..... Spring Drive Apartments	800	24.1662	2,416.62
Mrs. Angie P. Waugh ..... 1010 Avery Court	21	.6344	63.44
Mrs. Katherine B. Weakley ..... Bagdad, Ky.	35	1.0573	105.72
George A. Weatherford ..... c/o B. F. Avery & Sons	50	1.5104	151.04
Mamie L. Weaver ..... 611 Weisinger-Gaulbert Apts.	430	12.9873	1,298.73
Carolyn Weber ..... c/o Louisville Trust Company	20	.6042	60.42
George E. Wedding ..... Goshen, Ky.	200	6.0415	604.15
Elmer H. Wedekind ..... First National Bank	20	.6042	60.42
Mrs. Louise D. Wedekind ..... 1904 Cherokee Road	25	.7553	75.53
Ruth Wedekind ..... 1904 Cherokee Road	20	.6042	60.42
Henry Wehmhoff ..... 1918 Roanoke Avenue	130	3.9270	392.70
George W. and Ida K. ..... Weingardner, joint tenants 105 S. Western Parkway	150	4.5313	453.13
Edwin J. Wejsman ..... 1818 Highland Avenue	60	1.8125	181.25
R. Weinstock ..... First National Bank	750	22.6557	2,265.57
George A. Weiss ..... 1410 Dixie Highway	200	6.0415	604.15
B. F. Wempe ..... 119 N. 3rd Street	200	6.0415	604.15
G. A. Wesch ..... 215 W. Main	250	7.5519	755.19
Mrs. Anna S. Wessel ..... 823 S. 6th Street	50	1.5104	151.04
Frank S. West ..... 1440 Cherokee Road	800	24.1662	2,416.62
Whayne Company ..... 216 S. 5th	100	3.0206	302.06
Miss Dora Wheat ..... 2047 Sherwood Avenue	90	2.7187	271.87
Dora Wheat or Mary Wheat or ..... survivor of either 2047 Sherwood Avenue	500	15.1028	1,510.28
Miss Mary Wheat ..... 2047 Sherwood Avenue	90	2.7187	271.87
Blakemore Wheeler ..... 806 W. Liberty	300	9.0623	906.23
Mrs. Georgia B. Wheeler ..... 1381 S. 4th Street	50	1.5104	151.04
Minnie W. Wheeler ..... 1385 4th Avenue	1750	52.8636	5,286.36
W. C. Wheeler ..... 806 W Liberty	900	27.1809	2,718.09
Richard J. Whelan ..... 1408 Hepburn	100	3.0206	302.06
Clara W. White ..... 155 E. Maxwell Street Lexington, Ky.	140	4.2291	422.91
Clara W. White, Trustee ..... 155 E. Maxwell Street Lexington, Ky.	120	3.6250	362.50
Clarence White ..... 213 W. Main	80	2.4166	241.66
Mrs. Ella E. White ..... 1121 S. 4th Street	200	6.0415	604.15
Rita H. White ..... 1343 E. Gray Street	30	2.4166	241.66
Lewis H. White ..... 213 W. Main Street	60	1.8125	181.25
Mattie White ..... 134 E. Gray Street	140	4.2291	422.91
Thomas E. Whitehead ..... Paris, Ky.	200	6.0415	604.15
Mrs. Janet H. Whitesides ..... Mayflower Apts.	70	2.1145	211.45
A. G. Whitley ..... 219 W. Main Street	250	10.5727	1,057.27
Mabel R. Whitley ..... c/o Fulton Conway Company	250	7.5519	755.19
H. J. or C. J. Whittier ..... as joint tenants with remainder to survivor, 417 Starks Bldg.	30	.9062	90.62
John J. Wiehstead ..... c/o Louisville Trust Co.	50	1.5104	151.04
Miss Mary L. Wiest ..... 649 S. Floyd	22	.6646	66.46
Benedict J. Wight ..... 1126 Payne Street	60	1.8125	181.25
Laura M. Willey ..... Anchorage, Ky.	130	3.9270	392.70
Caroline R. Williams ..... 219 S. Hoyt Avenue	30	.9062	90.62
Richard R. Williams ..... Bankers Trust Co. Bldg.	300	9.0415	904.15
Thomas N. Willis ..... 1110 Francis Bldg.	25	.7553	75.53
Amelia Barnes Wilson (dead) ..... Claude R. Barnes, Executor 1228 S. 4th Street	100	3.0206	302.06
Clarence B. Wilson ..... 723 S. 22nd Street	100	3.0206	302.06
George C. Wilson ..... Hawesville, Ky.	200	6.0415	604.15
Henry L. Wilson ..... 723 M. E. Taylor Bldg.	50	1.5104	151.04
Mattie A. Wimp for life ..... with remainder as under will of Juia V. Thomas 225 E. College	60	1.8125	181.25
Mrs. Lilly B. Windell ..... 2620 Dundee Road	20	.6042	60.42
Mary E. Winston (dead) ..... Kentucky Title Trust Co. Executor of will Louisville, Ky.	90	2.7187	271.87
Clara May Wirth ..... 1068 Cherokee Road	50	1.5104	151.04
Mrs. Emma C. Wirth ..... 1068 Cherokee Road	480	14.4997	1,449.97
Louis K. Wirth ..... 153 Vernon Avenue	150	4.5311	453.11
Mrs. Mary Wirth ..... 153 Vernon Avenue	50	1.5104	151.04
Mrs. Sallie S. Withers ..... Cynthiana, Ky.	96	2.8999	289.99
Mrs. Frankie L. Witherspoon ..... Lawrenceburg, Ky.	550	16.6142	1,661.42
Laura G. Wittgenstein ..... Box 297, Frankfort, Ky.	20	.6042	60.42
Flora Wolbert ..... 4141 Greenwood Avenue	20	.6042	60.42
Dr. Claude T. Wolfe ..... Heyburn Bldg.	200	6.0415	604.15
George M. Wolff ..... 506 Starks Bldg.	50	1.5104	151.04
A. W. Wolpert ..... c/o National Bank of Kentucky	40	1.2083	120.83
Annie B. Wood ..... 134 S. 5th Street	200	6.0415	604.15
Ellen B. Wood ..... 1228 Bassett Avenue	350	10.5727	1,057.27
George R. Wood ..... Anchorage 16, Ky.	340	10.2706	1,027.06
Lizzie B. Wood ..... 630 Puritan Apts.	330	10.0101	1,001.01
Nannie A. Wood ..... Danville, Ky.	140	4.2291	422.91
Walter E. Wood ..... Campbellsville, Ky.	300	9.0623	906.23
Alex M. Woodruff ..... 604 Columbia Bldg.	50	1.5104	151.04
George R. Woodruff ..... Route No. 7, Shelbyville, Ky.	500	15.1028	1,510.28
Woodson Kratch Monument Co. ..... 1000 E. Broadway	300	9.0623	906.23
Isaac T. Woodson ..... 1000 E. Broadway	125	3.7759	377.59
Clementine V. Woodward ..... 511 Park Avenue	140	4.2291	422.91
Rowan E. Wornall ..... Crestwood Route No. 2	32	.9669	96.69
Charles C. Wren ..... 2173 S. 3rd Street	70	2.1145	211.45
Wright & Taylor ..... Francis Bldg.	2500	75.5192	7,551.92
John R. Wright ..... Francis Bldg.	100	3.0206	302.06
Clara H. Wulf ..... 1027 Roger Street	90	2.7187	271.87
Mrs. Amelia Wunsch ..... 1415 2nd Street	40	1.2083	120.83
Virginia Quarrier Wynn ..... 33 Eastover Court	25	.7553	75.53
Estill Lewis Yager (dead) ..... Sam W. Eskew, Executor No. 2 Sherman Place	130	3.9270	392.70
Mrs. Eliza S. Young ..... Bardstown, Ky.	344	10.3915	1,039.15
Hugh W. Young ..... Columbia Bldg.	90	2.7187	271.87
Mrs. Irene Taggart Young ..... 1134 Cherokee Road	100	3.0206	302.06
Mildred E. Young ..... 2516 Talbott Avenue	20	.6042	60.42
Utley B. Young ..... 2516 Talbott Avenue	320	9.6665	966.65
Elmer Zarbell ..... 800 L. & N. Bldg.	140	4.2291	422.91
Belle W. Zellner ..... 1477 S. 3rd Street	990	29.9056	2,990.56
A. C. Zoeller ..... 1010 Schiller Avenue	25	.7553	75.53
Mrs. Helen A. Zoll ..... 1241 S. Brook Street	100	3.0206	302.06
Mrs. Marie A. Zoll ..... c/o M. DeSapo 208 E. Jefferson Street	25	.7553	75.53
Mrs. P. an Temple Zorn ..... 1128 Cardinal Drive Audubon Park	270	8.1561	815.61
W. T. Zurbuchmiede ..... c/o National Bank of Kentucky	250	7.5519	755.19
	347496	10,497.9556	$1,049,795.56

2011

Exhibit 155

GROUP No. II

Stocks Not Traceable Direct To BancoKentucky Company

Name and Address	Holdings in name of Trustee shown at 12/3 per value	In name of the Louisville Trust Company stock at 12/3 per value	100% amount on same
M. J. Aden 947 Marion E. Taylor Bldg.	700	21.1484	$1,114.54
John S. Albers 190 N. Hite Avenue	100	3.0307	302.07
Frances H. Y. Allen Box 490, Route 1, Mocking Bird Valley	60	1.8135	181.35
Winthrop Allen 1236 Bates Court	20	.6043	60.43
Bush W. Allin Harrodsburg, Ky.	50	1.5104	151.04
Wm. B. Allen Route 1, Box 600	260	7.8538	785.39
Almstedt Bros. 435 W. Market	2462	74.3714	7,437.14
Montgomery Merrit Alves Henderson, Ky.	120	3.625	362.50
Clifford L. Alderson 726 S. Fourth Street	20	.6043	60.43
H. J. Angermeier 1516 Cherokee Road	100	3.0308	302.08
Willard O. Anderson, dead Fidelity & Columbia Trust Co. Successor to National Bank of Kentucky Trusted under his will	100	4.3333	433.33
Mrs. Minnie W. Atchison Puritan Apts.	60	1.8135	181.35
Richey J. Baird Logan and Oak Streets	100	3.0308	302.08
Milton W. Barkhouse, dead Joseph Seligman (Executor) Marion E. Taylor Bldg.	500	15.1038	1,510.38
A. H. Barret, dead Fidelity & Columbia Trust Co. Executor of his will	4780	144.3037	14,430.37
Alex. G. Barret, dead Thos. J. Wood, Executor of his will Inter-Southern Bldg.	120	3.625	362.50
Elizabeth M. Barret Inter-Southern Bldg.	90	2.7187	271.87
Abe Bass 1506 Cherokee Road	250	7.5519	755.19
Mrs. Henrietta W. Bartom 1201 S. 3rd Street	750	22.6558	2,265.58
Ethel N. Bayless Anchorage, Ky.	90	2.7187	271.87
Richard Bean 6671 Cherokee Road	8972	270.8979	27,089.79
Mrs. Eleanor Beard Hardinsburg, Ky.	550	16.6162	1,661.62
James W. Beattie 1927 S. 2nd Street	25	.7550	75.50
Mrs. Ethel Beeson 120 E. Gray Street	20	.6043	60.43
Juliet R. Belknap 419 W. Jefferson Street c/o Meldrum & Meldrum	1110	33.5306	3,353.06
Wm. B. Belknap, A. D. Allen and J. H. Scales, Trustees for Mary B. Gray c/o Meldrum & Meldrum 419 W. Jefferson Street	170	5.1353	513.53
Wm. B. Belknap, A. D. Allen and J. H. Scales, Trustees for Alice B. Hawkes c/o Meldrum & Meldrum 419 W. Jefferson Street	220	6.6467	664.67
Arthur B. Benninger Marion E. Taylor Bldg.	250	7.5519	755.19
Florence M. Black, devisee of Wm. Black, deceased 1313 Cherokee Road	150	4.5311	453.11
Mary R. Blain and Linda C. H. Blain, devisees of Randolph H. Blain, deceased Weisinger-Gaulbert Apts.	60	1.8135	181.35
Oscar E. Bloch c/o Weisinger-Gaulbert	100	3.0308	302.08
Blyth & Co. Inter-Southern Bldg.	734	21.8704	2,187.04
C. J. Bodemer 1706 Tyler Parkway	30	.9062	90.62
Charles H. Bohmer c/o Security Bank	100	3.0308	302.08
Mrs. Neely H. Booker Franklin, Ky.	230	9.6695	966.95
David Bordorf 896 3rd Street	200	6.0415	604.15
Bertha S. Bottom Lebanon, Ky.	30	.9062	90.62

Name and Address	Holdings in name of Trustee shown at 12/3 per value	In name of the Louisville Trust Company stock at 12/3 per value	100% amount on same
Margaret S. Bowmer c/o J. R. Stillman 121 W. Main Street	870	26.2897	2,628.97
Dorothy C. Boyce Lexington Rd. east of Juanita	100	3.0307	302.07
Lucie Clark Boyce Lexington Rd. east of Juanita	400	12.0831	1,208.31
Frank Bray 1573 Story Avenue	240	7.2498	724.98
Grace Breed c/o U. S. Trust Co.	120	3.6270	362.70
Miss Lilla N. Breed 2061 Sherwood Avenue	150	4.5313	453.13
Persis M. Breed 1117 S. 1st Street	120	3.6270	362.70
Winthrop N. Breed c/o U. S. Trust Co.	100	3.0308	302.08
Bettie Bridges c/o First National Bank (South Louisville Branch)	90	2.7187	271.87
Harry Bridges 720 W. Main Street	330	9.9695	996.95
Harry King Brooking c/o The Louisville Trust Co.	100	3.0308	302.08
Davis Brown Lawrenceburg, Ky.	140	4.2331	423.31
James B. Brown Alta Vista Avenue, south of Lexington Road	500	15.1038	1,510.38
Miss Mary Browning 963 S. 6th Street	20	.6043	60.43
Sallie W. Bruce Executrix Helm Bruce, deceased 1411 3rd Street	274	8.2788	827.88
Edward O. Buddo 1186 E. Broadway	120	3.6270	362.70
Mrs. Annie L. Bullitt, dead Fidelity & Columbia Trust Company, Executor of her will	90	2.7187	271.87
Cabell B. Bullock 269 N. Broadway, Lexington, Ky.	120	3.625	362.50
Mrs. Nellie Burks 4 Charmont Apts., 2nd and Kentucky	100	3.0308	302.08
Cynthia S. Burnam Richmond, Ky.	60	1.8135	181.35
Everett B. Butler 354 Francis Bldg.	100	3.0308	302.08
Mary L. Byrne Russellville, Ky.	30	.9062	90.62
O. O. Byrne 1572 Cherokee Road	450	13.5935	1,359.35
R. L. Callahan 918 S. 18th St.	100	3.0308	302.08
Lou. A. Carpenter 406 W. Main, Lebanon, Ky.	123	3.7154	368.54
A. J. Carroll Inter-Southern Bldg.	130	3.9300	392.00
Children's Free Hospital 226 E. Chestnut	140	4.2331	422.31
J. Matt Chilton Inter-Southern Bldg.	1000	40.2232	4,022.32
Ada T. Clark South side Lexington Road, east of Juanita	2200	66.4569	6,645.69
George M. Clark South side Lexington Road, east of Juanita	6000	182.0827	18,208.27
Robt. R. Cleland Frankfort, Ky.	120	3.625	362.50
Maurice S. Cohn Berkeley Hotel	100	3.0308	302.08
Lewis W. Cole 427 W. Jefferson Street	1475	44.5563	4,455.63
John P. Coleman 1533 Rosewood Avenue	50	1.5104	151.04
Jacob D. Coleman 1172 Starks Bldg.	50	1.5104	151.04
John V. Collis Inter-Southern Bldg.	580	17.5304	1,753.04
Mrs. Louise Conrad and Miss Ricks Hartmets or Survivor of other 1636 Story Avenue	30	.9062	90.62
Mrs. Elma Stiles Cook 1344 S. 6th Street	40	1.2085	120.85
S. W. Cosne c/o Standard Oil Co.	100	3.0308	302.08
Denver B. Cornet 1119 Starks Bldg.	250	7.5519	755.19
Anna G. Cowan c/o U. S. Trust Co.	600	18.1246	1,812.46

Exhibit 159

Millard F. Cox, dcsd Bonnie Pollard Cox, Executrix of his will 2106 Confederate Place	60	1.8135	181.35
Horace C. Dale Deposit Bank, Eminence, Ky.	50	1.5104	151.04
W. F. Dandridge Frankfort, Ky.	640	19.3229	1,933.29
Frank L. Dant, Guardian of William Wallace Cardwell Lebanon, Ky.	50	1.5104	151.04
Forest Dennis 1068 Starks Bldg.	50	1.5104	151.04
Leon B. Dennis 1068 Starks Bldg.	100	3.0208	302.08
Allen P. Dodd 6 Eastover Park	100	3.0208	302.08
Charles H. Doll 138 W. Market Street	110	3.3228	332.28
B. A. Duerson c/o The Louisville Trust Co.	100	3.0208	302.08
Harry Dumesnil 729 W. Main Street	200	6.0415	604.15
Jos. P. Dumesnil 729 W. Main Street	100	3.0208	302.08
Stuart E. Duncan Mocking Bird Valley	100	3.0208	302.08
Wm. G. Duncan Greenville, Ky. c/o Andrew Wallace Duncan	160	4.8333	483.33
John L. Dunlap & Co. 235 S. 5th Street	450	13.5935	1,359.35
Bonner S. Dunkerson, Guardian for Patricia S. Dunkerson 504 Mayflower Apts.	50	1.5104	151.04
Joseph H. Durham 2235 Cherokee Parkway	100	3.0208	302.08
Thomas H. Elliott LaFayette, Ky.	100	3.0208	302.08
Hugh H. Ellis Buechel, Ky.	55	1.6614	166.14
Merritt L. Emrich 220 Weissinger-Gaulbert	150	4.5313	453.13
Henry V. Escott 2085 Douglas Blvd.	130	3.9269	392.69
George R. Ewald Marion E. Taylor Bldg.	100	3.0208	302.08
C. O. Ewing, 2nd 981 S. 3rd Street	100	3.0208	302.08
Wm. E. Fallis Francis Bldg.	25	.7552	75.52
Mrs. Anna May Peaslee Farnsley c/o B. Farnsley Louisville Trust Bldg.	960	28.9994	2,899.94
Fidelity & Columbia Trust Company Trustee Ida Shallcross Andresen	120	3.6250	362.50
Fidelity & Columbia Trust Company Trustee Theo. L. Barret	500	15.1038	1,510.38
Fidelity & Columbia Trust Company Trustee Mary S. Beasley under will of J. Sidney Hewett	20	.6042	60.42
Fidelity & Columbia Trust Company Trustee Mary S. Beasley under will of R. C. Hewett	1000	30.2077	3,020.77
Fidelity & Columbia Trust Company Trustee Martha P. Blacker and Belle B. Thomson	110	3.3228	332.28
Fidelity & Columbia Trust Company Trustee David G. Boehne	200	5.7692	576.92
Fidelity & Columbia Trust Company Trustee Virgie Barret Bridges	600	18.1246	1,812.46
Fidelity & Columbia Trust Company Trustee Pearl R. Burford	50	1.5104	151.04
Fidelity & Columbia Trust Company Trustee Pearl R. Burford under will of H. M. Burford	100	3.0208	302.08
Fidelity & Columbia Trust Company Trustee Ellen M. Bush	50	1.5104	151.04
Fidelity & Columbia Trust Company Trustee Mrs. Lily T. Butler	350	10.5727	1,057.27
Fidelity & Columbia Trust Company Trustee Mary P. Clancy	100	3.0208	302.08
Fidelity & Columbia Trust Company Trustee Eliza P. R. Coleman	300	9.0623	906.23
Fidelity & Columbia Trust Company Agent Henrietta T. Compton	200	6.0415	604.15
Fidelity & Columbia Trust Company Agent Carrie Cooper	350	10.5727	1,057.27
Fidelity & Columbia Trust Company Trustee under will of Howard Cornelius	160	4.8333	483.33
Fidelity & Columbia Trust Company Trustee under will of Andrew Cowan	1000	30.2077	3,020.77
Fidelity & Columbia Trust Company Trustee Ida F. Curry	20	.6042	60.42
Fidelity & Columbia Trust Company Trustee Alma B. Davis	60	1.8135	181.35
Fidelity & Columbia Trust Company Trustee under agreement Emma C. Dick	40	1.2083	120.83
Fidelity & Columbia Trust Company Trustee Margaret Russell Dillon	20	.6042	60.42
Fidelity & Columbia Trust Company Trustee Elizabeth B. Dowling	190	5.7396	573.96
Fidelity & Columbia Trust Company Trustee Helen J. Ewald	1220	39.8743	3,987.43
Fidelity & Columbia Trust Company Agent L. Philip Ewald	1100	33.2285	3,322.85
Fidelity & Columbia Trust Company Trustee Philip Louis Ewald	500	15.1038	1,510.38
Fidelity & Columbia Trust Company Trustee Sterling D. Ewald	1220	39.8743	3,987.43
Fidelity & Columbia Trust Company Trustee Ida B. Flexner	80	2.4166	241.66
Fidelity & Columbia Trust Company Agent Hannah B. Forman	10	.3021	30.21
Fidelity & Columbia Trust Company Trustee Mrs. Alta Fulton	90	2.7187	271.87
Fidelity & Columbia Trust Company Agent Bessie G. Glover	650	19.6350	1,963.50
Fidelity & Columbia Trust Company Agent M. Alice Hays	650	19.6350	1,963.50
Fidelity & Columbia Trust Company Trustee E. Hesse Estate	20	.6042	60.42
Fidelity & Columbia Trust Company Guardian Annie Marie Hite	30	.9063	90.63
Fidelity & Columbia Trust Company Trustee John C. Hoge	10	.3020	30.20
Fidelity & Columbia Trust Company Trustee Annie T. Liggett	350	10.5727	1,057.27
Fidelity & Columbia Trust Company Trustee Isabella T. Lloyd	80	2.4166	241.66
Fidelity & Columbia Trust Company Agent Ellen [illegible] Milton	300	9.0623	906.23
Fidelity & Columbia Trust Company Trustee Lily B. Moorman	100	3.0208	302.08
Fidelity & Columbia Trust Company Trustee Morris G. Munn	80	2.4166	241.66
Fidelity & Columbia Trust Company Trustee Annie Mary Parker	60	1.8125	181.25
Fidelity & Columbia Trust Company Trustee under will of Corintha G. Platt	270	8.1560	815.60
Fidelity & Columbia Trust Company Trustee Louise E. Rhem	30	.9063	90.63
Fidelity & Columbia Trust Company Trustee Alice N. Richardson	40	1.2083	120.83
Fidelity & Columbia Trust Company Trustee Kate J. Potter	380	11.4789	1,147.89
Fidelity & Columbia Trust Company Executor Kate J. Potter	510	15.4063	1,540.63
Fidelity & Columbia Trust Company Trustee Florence D. Seaman under will of Fannie M. DePauw	250	7.5519	755.19
Fidelity & Columbia Trust Company Trustee under will of Lillian M. Semple	100	3.0208	302.08
Fidelity & Columbia Trust Company Trustee Eliza P. Sheltman	60	1.8125	181.25
Fidelity & Columbia Trust Company Agent Eliza Parker Sheltman	30	.9063	90.63
Fidelity & Columbia Trust Company Trustee Annie C. Stewart	30	.9063	90.63
Fidelity & Columbia Trust Company Trustee W. Russell Taggart	350	10.5727	1,057.27
Fidelity & Columbia Trust Company Trustee W. B. Thomas	100	3.0208	302.08
Fidelity & Columbia Trust Company Agent Mrs. Annie G. Thompson	1500	45.3115	4,531.15
Fidelity & Columbia Trust Company Trustee Mary J. Verhoeff under will of H. Verhoeff, deceased	340	10.2706	1,027.06
Fidelity & Columbia Trust Company Trustee J. J. Wakefield	100	3.0208	302.08
Fidelity & Columbia Trust Company Executor Ella M. Warren	50	1.5104	151.04
Fidelity & Columbia Trust Company and Edward L. Warren Executors and Trustees under will of Ella M. Warren	190	5.7396	573.96
Fidelity & Columbia Trust Company Trustee for Mrs. Kate Ray Wilson	40	1.2083	120.83
Fidelity & Columbia Trust Company Trustee Elise D. Winter	20	.6042	60.42
Fidelity & Columbia Trust Company Committee Sidney Wolfe	120	3.6250	362.50
Fidelity & Columbia Trust Company Executor Elizabeth C. Wood Estate	70	2.1145	211.45
Fidelity & Columbia Trust Company Trustee Elizabeth C. Wood Estate	30	.9063	90.63
Fidelity & Columbia Trust Company Trustee Ethel R. Wood	100	3.0208	302.08
Fidelity & Columbia Trust Company Trustee Ethel R. Wood	120	3.6250	362.50
Fidelity & Columbia Trust Company Trustee Jacob Zinsmeister and Carl F. Zinsmeister	400	12.0831	1,208.31
Fidelity & Columbia Trust Company Trustee Jacob Zinsmeister and Lee G. Zinsmeister	400	12.0831	1,208.31
Mary W. Penley 1458 S. 3rd Street	80	2.4166	241.66
Mrs. Charlotte P. Fraser 1274 Cherokee Road	50	1.5104	151.04
Mrs. Elizabeth T. Forgy Elkton, Ky.	60	1.8125	181.25

Exhibit 153

Ludwig Frank 700 W. Market Street	100	2.0000	302.00
A. R. Furnish c/o The Louisville Trust Co.	440	13.2814	1,339.14
James Garnett Inter-Southern Bldg.	100	2.0000	302.00
Mrs. Hiram H. Gaylord 1833 Rutherford	40	1.2083	120.83
Anthony Gerst 729 S. 39th Street	35	1.0573	105.73
Mrs. Annie R. Glazebrook 1234 S. Third Street	1450	43.8013	4,388.13
Emma P. Graham c/o Nat'l Branch Bank of Ky. Frankfort, Ky.	900	26.8804	2,699.04
Anne Wood Grant 1435 Castlewood	40	1.2083	120.83
Ownley Grant Heyburn Bldg.	110	3.3227	332.27
Louise B. Graves 2500 Longest Avenue	30	2.4106	241.06
Angerona Gray c/o Louisville Trust Co.	100	3.0200	302.00
D. W. Gray, dead Hortense Horton Gray, Executrix c/o Lawrence S. Poston Inter-Southern Bldg.	400	12.0821	1,208.21
Henry O. Gray Anchorage, Ky.	7000	211.4585	21,145.85
Lavelle B. Green 1370 S. Brook Street	100	4.2323	423.23
S. J. Greenstein 408 W. Main Street	40	1.2082	120.82
Henry J. Greive 440 S. Floyd Street	40	1.2126	121.26
Bailey Grinstead 207 Keller Bldg.	100	3.0200	302.00
Sidney Grossman 123 S. 6th Street	30	.9062	90.62
Laura L. Gwathmey Anchorage, Ky.	30	2.4106	241.06
Bruce Haldeman Glenview, Ky.	250	7.5519	755.19
Mrs. P. T. Hale 1300 Willow Avenue	30	2.4106	241.06
Mamie E. Hamilton 1361 Bardstown Road	110	3.3220	332.20
Henrietta D. Harvey 1217 Garvin Place	140	4.2281	422.81
Annie L. and Mamie Hay Greenville, Ky.	150	4.5313	453.13
James J. Hayes 1513 Edgewood Place	100	3.0200	302.00
R. W. Hays & Co. 439 W. Market Street	3711	112.1007	11,210.07
Virgil A. Heck 118 Dashs Road, Lexington, Ky.	25	.7553	75.53
Paul Heflin Flemingsburg, Ky.	50	1.5104	151.04
T. K. Helm Inter-Southern Bldg.	100	3.0200	302.00
J. Buford Hendrick Frankfort, Ky.	1350	37.7596	3,775.96
Henning Chambers & Co. 421 W. Jefferson Street	4341	131.1319	13,113.19
Mrs. M. Estelle Herr 436 N. Broadway, Lexington, Ky.	50	1.5104	151.04
Dr. Henry C. Herrmann 1100 Francis Bldg.	75	2.2655	226.55
Mrs. Jean Hester 1278 S. 3rd Street	175	5.2863	528.63
Julia B. Heyburn 400 W. Ormsby Avenue	1740	52.5614	5,256.14
William Heyburn, Trustee under 5th clause of will of Henry W. Barret, deceased, Heyburn Bldg.	800	24.1655	2,416.53
R. Baylor Hickman 221 W. Main Street	3670	110.9345	11,093.45
C. C. Hieatt 221 S. 8th Street	100	3.0200	302.00
C. C. Hieatt 221 S. 8th Street	200	6.0415	604.15
Mrs. Mary Hillenmeyer Route 6, Lexington, Ky.	440	13.2914	1,329.14
Miss Alice L. Hilliard c/o J. J. B. Hilliard & Son 419 W. Jefferson Street	50	1.5104	151.04
J. J. B. Hilliard & Son 419 W. Jefferson Street	4462	134.8179	13,481.79
Dennis J. Hines 1401 Morton Avenue	1000	30.2077	3,020.77
Sophy K. Hirsch 1418 Willow Avenue	100	4.2323	423.23
Thatcher Hoertz 1040 Eastern Parkway	150	4.5313	453.13
Herbert Hart Hagan Brown Building	25	.7553	75.53
Phil Hollenbach 2823 W. Broadway	210	6.3436	634.36
T. Hales Hudson and his successor Trustee for Hattie Hudson under will J. Price Hudson, deceased 240 E. Lexington St., Danville Ky.	40	1.2082	120.82
George R. Hunt Lexington, Ky.	50	1.5104	151.04
Miss Winifred Huchings 2415 Longest Avenue	200	6.0415	604.15
Inter-Southern Life Ins. Co. Inter-Southern Bldg.	4130	124.7977	12,479.77
Mrs. W. M. Irvine c/o Citizens National Bank Richmond, Ky.	235	6.9281	692.81
J. R. Jansen 603 S. 4th	30	.9062	90.62
Henry M. Johnson Martin Brown Bldg.	50	1.5104	151.04
Joseph R. Johnson 723 Starks Bldg.	110	3.3223	332.23
Charles F. Jones Kentucky Hotel	1000	40.2000	4,020.00
Alice L. Jones 119 W. Ormsby	30	.9062	90.62
Saunders F. Jones, Jr. Jones Dabney Co.	100	3.0200	302.00
Alfred S. Joseph Brentin Bldg.	100	3.0200	302.00
Alfred S. Joseph Brentin Bldg.	100	3.0200	302.00
Sara Louise Kaufman 21 Willow Terrace	50	1.5104	151.04
Mrs. Rosa Keller 1027 Cecil Avenue	100	3.0200	302.00
James Kennedy, Administator for Paul Thompson, Mt. Sterling, Ky.	300	9.0622	906.22
Kentucky Title Savings Bank & Trust Co., Trustee under will William E. Ray, 5th and Court Place	100	3.0415	304.15
Mrs. Emma Kessler 2721 W. Main Street	30	2.4106	241.06
Oswald J. Kirchner 235 Stih Avenue	50	1.5104	151.04
John L. Klagbehn 1525 Rosewood Avenue	100	3.0200	302.00
Walter I. Kohn Commercial Bldg.	100	3.0200	302.00
Wm. H. Koppelmann, dead Liberty Bank & Trust Co., Administrator de bonis non with will annexed	35	1.0614	106.14
Paul Kreis, dead Kentucky Title Trust Co., Trustee under will	30	.9062	90.62
Mrs. Mary Kremer, dead Liberty Bank & Trust Co., Executor of her will	330	9.9686	996.86
John J. Kuss City Hall Annex	50	1.5104	151.04
Brainard Lemon, dead Liberty Bank & Trust Co., Administrator de bonis non with will annexed	5300	61.9139	16,191.39
J. Lewis Letterle, dead The Louisville Trust Co., Trustee under his will	1440	43.4899	4,348.99
Sol Levy 200 E. Jefferson Street	200	6.0415	604.15
Mrs. J. Lewis Letterle 1144 Dove Road, Audubon Park	100	3.0200	302.00
Marion W. Lewis, Jr. 1407 W. Jefferson Street	30	.9062	90.62
Isabelle Lindsey 491 Wapping St., Frankfort, Ky.	50	1.5104	151.04
J. W. Lindsey 514 W. Oak Street	370	11.1768	1,117.68
Thomas M. Lindsey 514 W. Oak Street	370	11.1768	1,117.68
Dabney Logan c/o The Mengel Co.	30	.9062	90.62
Mrs. Bettie Long 1421 S. 4th Street	50	1.5104	151.04
Louisville Trust Co., Trustee City	50	1.5104	151.04
The Louisville Trust Co., Guardian of D. W. and S. H. Baird	40	1.2083	120.83
Kentucky Title Trust Co., successor to the Louisville Trust Co., trustee Caroline C. Hutchings	900	27.1869	2,718.69
The Louisville Trust Co., Executor Joseph W. Irwin	30	1.2129	121.29
Fidelity & Columbia Trust Co. successor to the Louisville Trust Co., Trustee under will of J. B. Wilder	1400	42.2907	4,229.07
W. L. Lyons & Co. City	5854	176.8262	17,682.62
Mrs. Elise B. McDowell 428 W. Ormsby	100	3.0200	302.00
C. U. McElroy, Est. Bowling Green, Ky.	200	6.0415	604.15
John S. McElroy First National Bank Springfield, Ky.	180	5.4373	543.73
John B. McFerran, Jr. 1228 S. 4th Street	100	3.0200	302.00
Watson B. McFerran 1601 Spring Drive	40	1.2083	120.83
Mrs. Rosa H. McLennan 1500 S. 3rd Street	830	25.0734	2,507.34

2014

Exhibit 155

A. B. Madden 1187 Dixie Highway	150	4.5811	453.11
Miss Margaret L. Mahoney 84 Weissinger-Gaulbert	50	1.5104	151.04
Charles N. Manning Lexington, Ky.	200	7.2540	725.40
R. Marechall Fort Nelson Hotel	50	1.5125	151.25
Burgess B. Mason 215 S. Peterson	100	3.0300	302.00
Wm. K. Massie 211 Security Trust Bldg. Lexington, Ky.	500	15.1000	1,510.00
Harry L. Means Starks Bldg.	30	.9062	90.62
C. C. Mengel 1235 S. 3rd Street	100	3.0300	302.00
C. H. Merriman 326 W. Market Street	260	7.8819	765.19
Brenton L. Metzler 1302 Inter-Southern	30	.9062	90.62
Harold W. Miller 12th and Oldham	100	3.0300	302.00
James P. Miller 906 Inter-Southern Bldg.	25	.7562	75.62
Shackelford Miller, Jr. 1517 Inter-Southern Bldg.	100	3.0300	302.00
Will R. Miller 12th and Oldham Streets	1110	33.3324	3,333.24
T. J. Minary 316 W. Jefferson	100	3.0300	302.00
Miss Ruth M. Mitchell 419 W. Jefferson	30	.9062	90.62
Robert Montgomery 211 W. Chestnut Street	100	3.0300	302.00
Lily B. Moorman 1016 Inter-Southern Bldg.	220	6.6657	664.57
Margaret Moriarity 526 W. St. Catherine St.	10	.3021	30.21
William T. Moriarty 411 Inter-Southern Bldg.	535	16.1610	1,616.10
J. Morton Morris, Executor Fannie C. Morris Inter-Southern Bldg.	33	.9966	99.66
William E. Morrow 421 W. Market Street	50	1.5104	151.04
Harry E. Mosesson 5th and Walnut Streets	100	3.0300	302.00
Mrs. Lula M. Mueller, Trustee under will Hans Mueller, deceased 46 Willow Terrace	130	3.9270	392.70
Wm. G. Muse 400 Columbia Bldg.	80	2.4160	241.60
T. M. Murphy St. Matthews Farm Taylorsville Road	250	7.5519	755.19
Gertrude Dudley Munson 1698 Cherokee Road	400	12.0821	1,208.21
Kentucky Title Trust Co. Successor Trustee for Dr. Louis Frank	400	12.0856	1,208.56
Mrs. Jessie S. Norton 1261 S. Fourth	410	12.3861	1,238.61
Charles A. Nugent 1626 Everett	50	1.5104	151.04
Lee Oberdorfer National Bank of Kentucky	150	4.5322	453.22
E. J. O'Brien, Jr. 215 W. Main Street	100	3.0300	302.00
Squire R. Ogden 814 Marion E. Taylor Bldg.	100	3.0300	302.00
Henry D. Ormsby First National Bank	100	3.0300	302.00
Jessie Belle Otter 2100 Bonnycastle	50	1.5125	151.25
George H. Parker 511 Mayflower Apts.	150	4.5311	453.11
Edgar M. Parsons Louisville Trust Co.	30	.9062	90.62
W. A. Perry 213 S. 9th Street	100	3.0300	302.00
Robert L. Phillips 420 Jackson Street Campbellsville, Ky.	70	2.1145	211.45
John S. Pirtle, incompetent Fidelity & Columbia Trust Co., Committee	100	3.0300	302.00
Philip S. Pogue, Sr. (dead) Mrs. Genevieve D. Pogue, Executrix, 2036 Randell Avenue	500	15.1000	1,510.00
Miss Mabel Hardy Pollitt c/o U. of Ky. Campus, Walker K. Patterson Lexington, Ky.	240	7.2496	724.96
W. Logan Porter Glasgow, Ky.	100	3.0300	302.00
H. H. Pontish 210 S. 2nd St.	300	9.0622	906.22
A. P. Ramsor 1098 Strathmoor Blvd.	402	13.0730	1,307.30
George Ramsor 120 S. Brechinridge	30	.9062	90.62
Miss Frances O. Reed Columbia, Ky.	100	3.0300	302.00
W. M. Reed 215 Central Avenue	300	9.0925	904.25
Fred A. Reese, heir of Anna Amelia Reese, deceased, City Hall	290	8.7602	876.02
Laura D. Richardson 1447 Beech Street	40	1.2062	120.62
Harry Rieke, Sr. 306 W. Chestnut Street	24	.7250	72.50
William O. Robertson 2634 Vermont	190	5.7395	573.95
A. H. Robinson (dead) Kentucky Title Trust Co. Successor to the Louisville Trust Co., Executor	330	9.9665	996.65
Jacob Rosenheim 1578 Cherokee Road	340	10.2706	1,027.06
Robert L. Ross Mayfield, Ky.	50	1.5104	151.04
Miss Delphine Rothschild 1220 Eastern Parkway	50	1.5104	151.04
Flora Rothschild Louisville Trust Co.	33	.9967	99.67
Arthur M. Rutledge The Louisville Trust Bldg.	100	3.0300	302.00
Mrs. Jennie S. Salomon 1020 Avery Court	50	1.5104	151.04
Margaret L. Sanpion 2015 Woodland	30	.9062	90.62
Edna C. Schmidt 1021 Baxter Avenue	413	12.4456	1,244.56
Mrs. Gilbert Schneider 1223 S. 32th St.	50	1.5104	151.04
Gilbert Schneider 1223 S. 32th St.	200	6.0415	604.15
Theo Schultheis 512 W. Chestnut	100	3.0307	303.07
Edwin F. Schwab 515 Logan Street	100	3.0300	302.00
Stephen H. Shallcross Prospect, Ky.	22	.6646	66.46
Harry T. Shanks L. & Nashville R. R. Co. Ninth and Broadway	100	3.0307	303.07
D. G. Shannon 736 S. 43rd Street	30	.9041	90.41
Jesse W. Shea, Administrator Estate of Thomas Shea, deceased, 926 S. 3rd Street	115	3.4730	347.30
Henry S. Simon 715 W. Main Street	100	3.0300	302.00
Carrye K. Sloss 1701 Harvard Drive	40	1.2062	120.62
Mrs. Amy A. Smith 2016 Baringer	30	.9062	90.62
G. Ben Smith Hodgenville, Ky.	200	6.0415	604.15
Mildred Lee Smith 2634 Glenmary	50	1.5104	151.04
Baldee Kempshall Smith Indian Hills, St. Matthews, Ky.	200	6.0415	604.15
Margaret G. Snead 68 Weissinger-Gaulbert	840	25.3745	2,537.45
William S. Speed 215 Guthrie Street	100	3.0300	302.00
Fillison L. Spolden 221 Martin Brown Bldg.	200	6.0415	604.15
Julius L. Spoteberger 311 S. 6th Street	50	1.5104	151.04
Millicent Starks, Guardian of R. M. Starks, Jr., Josephine Starks and Elizabeth Starks, 2436 Cross Hill Road	90	1.8125	181.25
Stein Bros. & Boyce 427 W. Jefferson St.	290	26.8543	2,685.43
Fred R. Stewart 2053 Winston Avenue	33	.9966	99.66
John Stites The Louisville Trust Co.	100	3.0300	302.00
Lewis S. Strong 211 W. Chestnut Street	100	3.0307	303.07
George Cary Tabb 1368 Willow Avenue	50	1.5104	151.04
Louis Ochs and Nannie Burger Devisees of Mattie L. Tachau Estate (deceased) Brown Hotel	1030	30.8113	3,081.13
Harry G. Talamini 215 Weissinger-Gaulbert	30	.9062	90.62
Fidelity & Columbia Trust Company Guardian of Semrian Taylor and Mary Jane Taylor, Devisees of Charles F. Taylor (dead)	40	1.2062	120.62
Mrs. H. A. Taylor 1016 Francis Bldg.	100	3.0300	303.00
E. Leland Taylor 1016 Francis Bldg.	135	4.0729	407.29
Edith S. Taylor 1016 Francis Bldg.	650	19.6280	1,962.80
J. C. Taylor (dead) T. Guthrie Taylor, Administrator 500 S. 4th Street	150	4.5311	453.11

2015

Exhibit 155

J. Swigert Taylor (dead) —— C. W. Hay, Executor Frankfort, Ky.	350	10.5727	1,067.27
Major Taylor —— 1301 Bardstown Road	160	4.8333	483.33
Caroline F. Tevis —— 1217 Garvin Place	80	2.4166	241.66
A. V. Thompson (dead) —— Ben J. Johnson, Administrator de bonis non with will annexed, Louisville Trust Bldg.	240	7.2498	724.98
Alice M. Thurman, Executrix of will of I. H. Thurman, deceased Springfield, Ky.	400	12.0831	1,208.31
John White Trimble —— Seelbach Hotel	150	4.5311	453.11
United States Trust Co. —— Fifth and Main Streets	1084	32.7451	3,274.51
United States Trust Co. —— Trustee Anna G. Cowan Fifth and Main Streets	2000	60.4154	6,041.54
United States Trust Co. —— Trustee Ballard Library	10	.3021	30.21
United States Trust Co. —— Trustee Allen Breed	10	.3021	30.21
United States Trust Co. —— Trustee under will Mary P. Gill	320	9.6665	966.65
United States Trust Co. —— Trustee Caroline A. Reese	130	3.9270	392.70
Miss Emma Uri —— c/o National Bank of Kentucky	64	1.9333	193.33
A. C. VanWinkle —— 1115 Cherokee Road	40	1.2083	120.83
Elizabeth Vaughn —— 4340 River Park Drive	100	3.0208	302.08
Edward H. Viglini —— 167 Pennsylvania Avenue	300	9.0623	906.23
George J. Viglini —— 2422 Sherry Drive	550	16.6142	1,661.42
Marcie G. Viglini —— c/o Edward H. Viglini 167 Pennsylvania Avenue	550	16.6142	1,661.42
Henry Vogt —— 10th and Ormsby	100	3.0207	302.07
Joseph C. Wagner —— 1235 S. 9th Street	150	4.5311	453.11
William Wagner —— c/o Marion E. Taylor Bldg.	547	16.5236	1,652.36
Wakefield & Co. —— Fifth and Main Streets	29451	889.6467	88,964.67
Cary I. Warren —— 1241 Bardstown Road	40	1.2083	120.83
Freeman S. Webb —— Olive Hill, Ky.	25	.7552	75.52
Mrs. Belle M. Weil —— 1426 Jefferson Street Paducah, Ky.	270	8.1561	815.61
Alice A. White —— 124 E. Gray Street	160	4.8333	483.33
Rowland Whitney —— c/o Louisville Cement Co.	100	3.0208	302.08
Mrs. Isabella Talbot Wilder —— c/o Peoples Deposit Bank & Trust Co., Paris, Ky.	80	2.4166	241.66
Mrs. Elizabeth L. Williams —— 514 W. Oak Street	250	7.5519	755.19
James C. Willson & Co. —— 130 S. 5th Street	179	5.4071	540.71
Mrs. Kate R. Wilson —— 1405 Goddard Avenue	55	1.6614	166.14
Karl F. Wirth —— 152 Vernon Avenue	300	9.0623	906.23
Edgar G. Wells —— R. R. 14, Jeffersontown, Ky.	60	1.8125	181.25
Frieda S. Weygold —— 1970 Deer Park Avenue	30	.9062	90.62
Richard M. Williams ——	100	3.0207	302.07
Elizabeth Wilmore —— Richmond, Ky.	60	1.8125	181.25
Margaret Wilmore —— Richmond, Ky.	60	1.8125	181.25
Joseph C. Wolf —— 2715 Lexington Road	1000	30.2077	3,020.77
Ellen B. Wood —— 1285 Bassett Avenue	25	.7552	75.52
C. V. Woods —— 316 W. Jefferson Street	30	.9062	90.62
Joel H. Wright —— Shelbyville, Ky.	50	1.5104	151.04
Rudolph Zimmerman —— 1919 Frankfort Avenue	20	.6042	60.42
	179789	5431.0111	$543,101.11

Plaintiff states that I. H. Thurman, listed in GROUP II hereof as the owner of Trustees' Participation Certificates for 400 shares and subject to an assessment as herein set out in the sum of $1,208.31, died prior to July 3, 1931, and that the defendant, Alice M. Thurman, is the duly appointed, qualified and acting executrix of the will of said I. H. Thurman, deceased, and was such executrix at the time of the entry of the aforesaid judgment on July 3, 1931, and that this plaintiff has assessed against said executrix liability in the sum of $1,208.31 for and because of the ownership by said I. H. Thurman, deceased, of Trustees' Participation Certificates as aforesaid

Plaintiff states that at all times mentioned in this petition and at this time the defendants above named, to-wit:

Business Enterprise Company, DeMolay Commandery No. 12, Frankfort Cemetery Company, Franklin Printing Company, Kentucky State Life Insurance Company, Louisville Cement Company, Charles P. Moorman Home for Women, Semonin-Goodman, Inter-Southern Life Insurance Company, Woodson Kratch Monument Company, Wright & Taylor, Children's Free Hospital, Callahan & Sons, Cook Benevolent Institution, Blythe & Company and E. W. Hays & Company were and now are each and all corporations organised by and under the laws of the State of Kentucky and by their several and respective charters authorized to contract and be contracted with, sue and be sued; that the defendant, Roman Catholic Bishop, was and now is a corporation sole organised by and under the laws of the State of Kentucky and by its charter authorized to contract and be contracted with and sue and be sued as a corporate entity; that the defendant, Executive Board of General Association of Baptists in Kentucky was and is a corporation organised by and under the laws of the State of Kentucky and by its charter authorized to contract and be contracted with, sue and be sued.

Plaintiff further states that in listing in GROUP I and in GROUP II the various partnerships hereinafter set out, said list is to be read and construed as if the same included the names of the individual members composing said respective firms as the owners of the Trustees' Participation Certificates respectively listed opposite the names of said firms and as subject to the assessment liability as shown in the last column opposite each of said firm names; that the defendants, Isaac Hilliard, Edw. H. Hilliard, A. J. Howard, Marion H. Cardwell, Andrew P. Geis, Robert J. Theobald and Harold Walton constituted and now constitute and compose a partnership doing business under the name of J. J. B. Hilliard & Son; that the defendants, S. C. Lyons, B. C. Lyons, W. L. Lyons, W. G. Lyons and J. M. Warden constituted and now constitute and compose a partnership doing business under the name of W. L. Lyons & Company; that the defendants, Fred L. Almstedt, Henry Almstedt, and Richard H. Almstedt constituted and now constitute and compose a partnership transacting business under the firm name of Almstedt Brothers; that the defendants, Henning Chambers, Harrison Hunter, O. J. Turner and Louis Van Overbeke constituted and now constitute and compose a partnership transacting business under the name of Henning Chambers & Company; that the defendants, James C. Willson, Robert J. McBride, Henry T. Short, R. Alexander Robinson and Otto C. Ruth, Jr., constituted and now constitute and compose a partnership doing business under the firm name of James C. Willson & Company; that the defendants, W. Newman Clark and Alvin P. Bohmer constituted and now constitute and compose a partnership doing business under the firm name of John L. Dunlap & Company; that the defendants, Milton S. Trost (a resident of Kentucky), and Julian S. Stein, C. Prevost Boyce, Henry C. Evans and W. T. Childs and others (all of whom are non-residents of the State of Kentucky), constituted and now constitute a partnership transacting business under the firm name of Stein Brothers & Boyce; that the defendant, A. E. Latta, is the sole partner of and the owner composing the firm or business operated under the name of Wakefield & Company; that the defendants, D. X. Murphy and J. C. Murphy constituted and now constitute a partnership doing business under the firm name of D. X. Murphy & Brother.

Plaintiff states that out of a total of Trustees' Participation Certificates for an aggregate number of 570,550 shares of the par value of $10.00 each outstanding, Trustees' Participation Certificates for an aggregate number of 540,484 shares were assigned and transferred unto the BancoKentucky Company, a corporation organized and existing under the laws of the State of Delaware, in exchange for shares of the capital stock of said BancoKentucky Company at the rate of two shares of such corporate stock for each share represented by said Trustees' Participation Certificates, and that a large number of the defendants exchanged their Trustees' Participation Certificates for shares of the capital stock of The BancoKentucky Company, and that the defendants listed hereinabove in GROUP I respectively exchanged their Trustees' Participation Certificates, representing the number of shares of the par value of $10.00 each shown in said list, for shares of stock of The BancoKentucky Company

Plaintiff states that on the first day of September, 1929, The Louisville Trust Company was indebted to various and sundry creditors in an aggregate sum in excess of $6,000,000.00, and that this liability that existed at said time to such creditors continued until the closing of The Louisville Trust Company as hereinbefore set out, and that no part thereof was paid, discharged or released until after the reorganization and reopening of The Louisville Trust Company as hereinbefore set out, and that more than $1,750,000.00 of aforesaid indebtedness existing on September 1, 1929, still remains unpaid and that the creditors of The Louisville Trust Company to whom such liability is owing are legally and equitably entitled to all proceeds recoverable in this action.

Exhibit 155

Plaintiff states that said BancoKentucky Company was organized for the purpose of acquiring and it did acquire more than one-half of the entire capital stock of The Louisville Trust Company, and that such acquisition of more than one-half of the capital stock of The Louisville Trust Company by The BancoKentucky Company was in direct violation of the statutes of the Commonwealth of Kentucky, and that those of the defendants herein named who exchanged Trustees' Participation Certificate-shares for shares of the capital stock of The BancoKentucky Company, as hereinbefore set out, were parties to and co-operated and participated in such illegal acquisition by said BancoKentucky Company of said stock, and that said defendants still remain subject and now are subject to the maximum liability as stockholders of The Louisville Trust Company, to the same extent, measured by their beneficial ownership of Louisville Trust Company stock as hereinbefore set out, as if they had not respectively assigned their Trustees' Participation Certificates to The BancoKentucky Company in exchange for shares of its capital stock but had continued to retain ownership of their respective Trustees' Participation Certificates.

Plaintiff states that by virtue of the judgment and orders hereinbefore set out directing the assessment and collection of the stockholders' liability as aforesaid, plaintiff has assessed against the defendants herein respectively the sums as shown in the last column opposite their names; that each of said defendants is indebted unto this plaintiff in the amount so shown in the last column opposite such defendants names; and that this plaintiff is entitled to recover of the defendants respectively the amounts so shown, and that all of said sums are due and are wholly unpaid.

WHEREFORE plaintiff prays for a judgment against each of the defendants herein in the amounts as set opposite their respective names in the last column, together with interest thereon at the rate of six per cent (6%) per annum from date until paid, and plaintiff prays for all other legal and equitable relief that may be necessary or proper

JOHN C. WICKLIFFE, JR.,
Receiver of The Louisville Trust Company.

STATE OF KENTUCKY
COUNTY OF JEFFERSON.

The affiant, John C. Wickliffe, Jr., says that he is Receiver of The Louisville Trust Company and that he believes the statements contained in the foregoing petition to be true.

JOHN C. WICKLIFFE, JR.

Subscribed and sworn to before me in said county by John C. Wickliffe, Jr., on this the 10th. day of September, 1931.

My commission expires March 31, 1934.

ESTELLE M. FLEISCHER
Notary Public, Jefferson County, Kentucky.

Exhibit 155

No. 206,178.

JEFFERSON CIRCUIT COURT,
CHANCERY BRANCH,
SECOND DIVISION.

COMMONWEALTH OF KENTUCKY, On relation of O. S. Denny, Banking Commissioner, Plaintiff,

vs. JUDGMENT

THE LOUISVILLE TRUST COMPANY, Defendant.

At a court held on the 3rd day of July, 1931.

The Fidelity and Columbia Trust Company, Receiver of The Louisville Trust Company, having in its hands for administration and settlement the estate of The Louisville Trust Company, under the order and appointment of this Court heretofore made herein, and said Receiver having filed its petition in this proceeding seeking authority to assess, and to bring such actions and take such proceedings as may be necessary and proper to enforce, the maximum liability imposed upon the stockholders of The Louisville Trust Company and upon such other persons and estates subject to the liability imposed by Chapter 82, Section 547, Kentucky Statutes, and such other statutes as relate thereto; and this cause having been heard and submitted upon aforesaid petition of said Receiver and the testimony introduced in support thereof and the Court being advised:

IT IS CONSIDERED AND ADJUGED by the Court that at the time of the closing of The Louisville Trust Company on November 17, 1930, The Louisville Trust Company was and now is insolvent to such an extent that the amount of its indebtedness over and above the total value of its assets then was and now is in excess of $1,750,000.00, the aggregate amount of the par value of its shares of capital stock outstanding in the hands of its stockholders at the time of the closing of said company as aforesaid, and that it is necessary, under and for the proper administration of the assets and settlement of the estate of The Louisville Trust Company in the hands of its aforesaid Receiver, that an assessment of the maximum liability imposed by law upon the stockholders of The Louisville Trust Company and all persons and estates subject to such stockholders' liability be now made by said Fidelity and Columbia Trust Company, in its capacity as Receiver of The Louisville Trust Company, and that said Receiver bring such actions and take such proceedings as may be necessary and proper to enforce the maximum liability as aforesaid of all persons and estates subject thereto.

It is therefore FURTHER ADJUDGED that said Fidelity and Columbia Trust Company, Receiver of The Louisville Trust Company be and it is now ordered and directed to assess the maximum liability imposed by statute, measured by the par value of their respective shares of stock of The Louisville Trust Company, against all present stockholders of The Louisville Trust Company and against all its former stockholders who are still subject to such assessment, including all other persons and estates subject to the assessment on account of such stockholders' liability, and said Receiver is further ordered and directed to bring such actions and to take such proceedings as may be necessary and proper to collect each and all of said assessments and to enforce the maximum liability of all stockholders, other persons and estates subject to said liability under the statutes in such case made and provided.

This judgment may be executed forthwith.

LAFON ALLEN.

1931: July 8.

Attest: Louis Viesman, clerk, by H. W. Schoeffler, deputy clerk.

EXHIBIT "A"

1931, September 10, filed with petition. Attest, Louis Viesman, by G. Luker, deputy clerk.

Exhibit 156

District Court of the United States for the Western District of Ky.
A. M. Anderson, Receiver.....Plaintiff
vs. No. 1046
David J. Abbott, et al.....Defendants
Plaintiff's Defendants' Exhibit No. 156

Jefferson Circuit Court
Chancery Branch
Second Division

No. 205-178

Commonwealth of Kentucky, on relation of O. S. Denny, Banking Commissioner, Plaintiff,

- vs - JUDGMENT

The Louisville Trust Co., Defendant.

* * * * *

At a Court held on the 3rd day of July, 1931.

The Fidelity and Columbia Trust Company, Receiver of The Louisville Trust Company, having in its hands for administration and settlement the estate of The Louisville Trust Company, under the order and appointment of this Court heretofore made herein, and said Receiver having filed its petition in this proceeding seeking authority to assess, and to bring such actions and take such proceedings as may be necessary and proper to enforce, the maximum liability imposed upon the stockholders of the Louisville Trust Company and upon such other persons and estates subject to the liability imposed by Chapter 82, Section 547, Kentucky Statutes, and such other statutes as relate thereto; and this cause having been heard and submitted upon aforesaid petition of said Receiver and the testimony introduced in support thereof, and the Court being advised,:

IT IS CONSIDERED AND ADJUDGED by the Court that at

the time of the closing of The Louisville Trust Company on November 17, 1930, The Louisville Trust Company was and now is insolvent to such an extent that the amount of its indebtedness over and above the total value of its assets then was and now is in excess of $1,750,000.00, the aggregate amount of the par value of its shares of capital stock outstanding in the hands of its stockholders at the time of the closing of said company as aforesaid, and that it is necessary, under and for the proper administration of the assets and settlement of the estate of The Louisville Trust Company in the hands of its aforesaid Receiver, that an assessment of the maximum liability imposed by law upon the stockholders of The Louisville Trust Company and all persons and estates subject to such stockholders' liability be now made by said Fidelity and Columbia Trust Company, in its capacity as Receiver of the Louisville Trust Company, and that said Receiver bring such actions and take such proceedings as may be necessary and proper to enforce the maximum liability as aforesaid of all persons and estates subject thereto.

It is therefore FURTHER ADJUDGED that said Fidelity and Columbia Trust Company, Receiver of The Louisville Trust Company, be and it is now ordered and directed to assess the maximum liability imposed by statute, measured by the par value of their respective shares of stock of The Louisville Trust Company, against all present stockholders of The Louisville Trust Company and against all its former stockholders who are still subject to such assessment, including all other persons and estates subject to the assessment, on account of such stockholders' liability, and said Receiver is further ordered and directed to bring such action and to

Exhibit 156

take such proceedings as may be necessary and proper to collect each and all of said assessments and to enforce the maximum liability of all stockholders, other persons and estates subject to said liability under the statutes in such case made and provided.

This judgment may be executed forthwith.

Lafon Allen
JUDGE

A COPY

ATTEST: JOHN H. ALSMILLER, CLERK

BY John O. Morton D.C.

Entered Judgment Book 63

Page 426

Exhibit 157

FEDERAL RESERVE BANK
OF
ST. LOUIS

District Court of the United States for the Western District of Kentucky

A. M. Anderson, Receiver,.....Plaintiff
vs. No. 1046
David J. Aylett, et al.....Defendants
.....
Plaintiff's ~~Defendants'~~ Exhibit No. 157

October 24, 1929.

Mr. Robert F. Vaughan,
Marion E. Taylor Bldg.,
Louisville, Ky.

Dear Mr. Vaughan:

I wish to thank you for your letter of the 16th inst., advising that another stockholders' meeting was held on October 15 at which time it was voted to make the liquidation of the National Bank of Kentucky effective November 15. (We assume close of business that date.)

In an effort to avoid an interruption in the membership in the institution, as requested by you, we have worked out the procedure suggested in the attached letter to Mr. Chas. F. Jones, Cashier of the bank. If this procedure is satisfactory the form furnished Mr. Jones should be executed and returned to me as soon as possible in order that it may be forwarded to the Federal Reserve Board in Washington. It should be accompanied by a copy of the articles of incprporation of the new institution which I assume sets out the powers which it will exercise.

Awaiting your further favors, I am

Yours very truly,

C. M. Stewart (Signed)
Asst. Federal Reserve Agent.

Exhibit 158

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

October 11th, 1929.

Federal Reserve Bank of St. Louis,
St. Louis, Mo.

Attention: Mr. Martin, Federal Reserve Agent.

Dear Mr. Martin:

I am writing you as attorney for the National Bank of Kentucky, which has been authorized to dissolve in accordance with Sections 5220 and 5221, United States Revised Statutes, and is about to be converted into a State Bank, under the laws of Kentucky, to be known as The Bank of Kentucky. The Comptroller of the Currency has approved the resolution of the stockholders, and the articles of incorporation of the new bank will be filed tomorrow.

Under the terms of the resolution of the stockholders, the dissolution becomes effective October 15th, 1929. The directors have authorized application for cancellation of shares in the Federal Reserve Bank, and the new State Bank will desire to become a member of the System and subscribe for the identical number of shares.

Will you kindly send me the necessary forms for accomplishment this and advise how the liabilities of the National Bank of Kentucky can be properly taken care of in the meantime? You will recall that we recently went through this same process with the old Louisville National Bank & Trust Company, at the time of its merger with The Louisville Trust Company.

With very kindest regards, I am,

Yours very truly,

Robert F. Vaughan

RFV:BO'B

District Court of United States for the [illegible]

A. M. [illegible], [illegible] Plaintiff

[illegible] Defendants

Plaintiff's Exhibit No. 158

Exhibit 158-1

COPY

COMMONWEALTH OF KENTUCKY

OFFICE SECRETARY OF STATE

Frankfort

Ella Lewis
Secretary of State

Received of Gavin Cochran for the Bank of Kentucky the sum of $4.50 as fee for recording articles of said bank.

This October 12, 1929.

Ella Lewis (Signed)
Secretary of State.

District Court ... the United States for the ...

A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1046
David ... et al ..... Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 15 &

Exhibit 158-2

FEDERAL RESERVE BANK
OF
ST. LOUIS

October 12, 1929.

Mr. Robert F. Vaughan,
Marion E. Taylor Bldg.,
Louisville, Ky.

Dear Mr. Vaughan:

This morning I received your letter of October 10, stating that the National Bank of Kentucky is about to go into voluntary liquidation, and asking for the necessary forms for use in applying for surrender of the stock which it holds in this institution. Your letter of October 11, addressed to Mr. Martin, has also been referred to me in his absence.

From your letter to Mr. Martin, it is noted that the dissolution of the National Bank of Kentucky becomes effective October 15, 1929, and that it will be succeeded by a new State bank which desires to become a member of the Federal Reserve System.

In accordance with Section 5 of the Federal Reserve Act and Regulation 1, issued by the Federal Reserve Board, herewith I send you three copies of Form 86 for use by the Liquidating Agent or Committee of the National Bank of Kentucky in applying for surrender of the stock which it holds in the Federal Reserve Bank of St. Louis. The application should be executed in triplicate, two copies being returned to me and one retained for its files. The stock certificate should also be returned in order that it may be canceled.

I also enclose a copy of Form 83a for use by the new State bank in making application for membership in the Federal Reserve System. After it has been executed, it should be returned to me together with a copy of the charter and articles of incorporation, with amendments, if any. Regulation H, issued by the Federal Reserve Board, covers the membership of State banks and trust companies.

It is our practice to examine all State banks applying for membership in the Federal Reserve System and, if agreeable, we will arrange to visit the new institution as soon as possible.

You ask how the liabilities of the National Bank of Kentucky can be properly taken care of between the date the national bank goes into voluntary liquidation and the date the new State bank becomes a member of the System. The maturing paper of the national bank can be taken care of by the State bank opening a nonmember clearing account with our Louisville Branch and authorizing it to charge the paper, as it matures, against said account.

Exhibit 158-2

Upon receipt of the enclosed applications, we shall be pleased to give them prompt attention.

Yours very truly,

C. M. Stewart (Signed)
Asst. Federal Reserve Agent.

P.S. A copy of the Federal Reserve Board's Regulations is enclosed.

Exhibit 158-3

COPY

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

October 15th, 1929.

Office of the Comptroller of the Currency,

Washington, D. C.

Attention - Mr. Quinn

Dear Mr. Quinn:

The Federal Reserve Bank of St. Louis was unable to examine the Bank in time for an effective dissolution as of October 15th. It was therefore impractical to make the transfer now to the new State Bank, since it was desired that the latter become a Member of the Federal Reserve System, with the privileges of re-discount, etc.

When I discovered this condition, I called your office and in your absence talked to Mr. Awalt, who recommended that the former Resolution be rescinded and a new one adopted, fixing the effective date of liquidation as of November 15th, 1929.

Accordingly, a meeting was held this afternoon and this action was taken. I enclose you certified copy of the Resolution which I will thank you to substitute for the one previously sent.

With kind regards, I am,

Yours sincerely,

Robert F. Vaughan

RFV/BO'S
(Encl.)

158 3

Exhibit 158-4

COPY

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

October 16, 1929

Federal Reserve Bank of St. Louis
St. Louis, Missouri

Attention - Mr. C. M. Stewart

Dear Mr. Stewart:

At the time the resolution authorizing liquidation was adopted by the stockholders of the National Bank of Kentucky, it was not contemplated that the Federal Reserve Bank of St. Louis would require an examination of the successor state bank before admitting it to membership. We were fully cognizant of the general rule in this regard as applied to an entirely new institution or to an applicant theretofore having no connection with the Federal Reserve System, but we thought that rule would be waived (as it was recently in connection with The Louisville Trust Company) by virtue of the fact that the National Bank of Kentucky had been connected with the System from the beginning and further, that the state bank succeeded to all the assets and liabilities of the national association.

After conferring with Mr. Moore (of the local Branch) and finding that the Federal Reserve Bank of St. Louis would insist upon the rule, I communicated with the Comptroller of the Currency, and we held another stockholders' meeting on yesterday, prior to the effective operation of the former resolution, and rescinded that resolution and adopted a new one, making liquidation effective as of November 15th. This was communicated to Mr. Moore who told me that he would wire Mr. Atterberry.

Will you kindly arrange to have the examination of the Bank made within this extended period, so that when the transfers are made to the state bank, it will be immediately admitted to membership without any interruption of the rediscounting privileges?

Thanking you, I am

Yours sincerely,

Robert F. Vaughan

RFV:IS

158-4

Exhibit 158-S

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

October 19th, 1929.

Mr. Charles F. Jones,.
National Bank of Kentucky,
Louisville, Kentucky.

Dear Mr. Jones:

Please sign the enclosed statement as Cashier, and return to Miss Ella Lewis, Secretary of State, with One Dollar ($1.00) recording fee.

I also enclose you Certificate of Incorporation and a copy of the Articles of Incorporation, all of which should be inserted in the Minute Book of the new Bank.

Yours sincerely,

Robert F. Vaughan

RFV/BO'B

Exhibit 158-6

COPY

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

October 23rd, 1929.

Mr. W. A. Dicken,
Deputy Banking Commissioner,
Frankfort, Kentucky.

Re: Articles of Incorporation
The Bank of Kentucky

Dear Sir:

As per your recent communication addressed to The Bank of Kentucky, Louisville, Kentucky, I enclose you herewith copy of Articles of Incorporation of The Bank of Kentucky.

Yours very truly,

ROBERT F. VAUGHAN

By:

RFV/BO'B

District Court
[illegible] Plaintiff
[illegible] Defendants
Plaintiff's Exhibit No. 158-6

Exhibit 158-7

COPY

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

October 29th, 1929.

Mr. C. M. Stewart,
Asst. Federal Reserve Agent,
Federal Reserve Bank of St. Louis,
St. Louis, Missouri.

Dear Mr. Stewart:

I have your letter of October 24th with enclosure, for which I thank you. Mr. James B. Brown, President, has been out of town a great deal lately and I have not had a chance to discuss with him the matters referred to in your letter. I expect to see him before the Board Meeting on Friday and will probably communicate with you on the following day.

Thanking you for past favors, I am

Yours very truly,

Robert F. Vaughan

RFV/BO'B

Plaintiff
Defendants
No. 158-7

Exhibit 158-8

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

November 6th, 1929.

National Bank of Kentucky,
Fifth and Main Streets,
Louisville, Kentucky.

For the attention of:
Mr. James B. Brown, President, or
Mr. Charles F. Jones, Cashier.

Dear Mr. Brown:

On October 7th, 1929, the stockholders of the National Bank of Kentucky adopted a resolution authorizing the voluntary dissolution of the bank under the Acts of Congress, the liquidation to become effective October 15th, 1929. At the same meeting, the directors of the bank were authorized to organize the State Bank under the laws of Kentucky, into which the National Bank would be converted at the effective date of liquidation. Subsequently this State Bank was organized by filing Articles of Incorporation, as provided by law.

On October 12th, it was definitely ascertained that the Federal Reserve Bank of St. Louis would insist upon an examination of the new bank before admitting it to membership in the System. Since this examination could not be completed prior to the effective date of liquidation, the stockholders on October 15th, 1929, rescinded the former resolution and adopted a new resolution, fixing November 15th, 1929, as the effective date, so as to enable the Reserve Bank to make this examination, and admit the new bank to membership before the old bank went into liquidation. This was done, of course, to preserve the rediscount privileges of the National Bank of Kentucky until the new bank was qualified as a member, and entitled to exercise these privileges.

Some days ago I received a communication from Mr. Stewart, Assistant Federal Reserve Agent at St. Louis, enclosing a copy of a letter he had written to Mr. Jones, in which we were advised that an examination would be required of the new bank before admitting it to membership, and suggesting that in the meantime the National Bank of Kentucky might file application for membership on behalf of the new bank.

I am writing this letter merely to remind you of the fact that under the terms of the last resolution adopted, the National Bank of Kentucky will go into voluntary liquidation at the close of business on November 15th,

District ... the Wi...

A. M. An... ..... Plaintiff

David J. Ald... ..... Defendants

2032 Plaintiff's Defendants' Exhibit No. 158-8

Exhibit 158-8

COPY

#2.

at which time our rediscount facilities and privileges still [illegible]thirteen. The time within which an examination could be made is very short. I would, therefore, suggest immediate action upon one of the following courses:

1. Apply immediately for membership on behalf of The Bank of Kentucky, in accordance with Mr. Stewart's letter, and request the earliest examination possible; or,

2. Rescind the resolution of the stockholders authorizing liquidation as of November 15th.

In the event the latter course is adopted, we should consider what to do with the newly organized The Bank of Kentucky. It is, of course, possible for the stockholders and directors of this Bank to formally dissolve the corporation under the laws of Kentucky, but of course, we do not desire to do this unless the whole scheme of denationalization is to be abandoned.

I would appreciate your advising me at your earliest convenience what course is to be followed so that I can prepare the necessary legal papers.

Yours sincerely,

Robert F. Vaughan

RFV/BO'B

Exhibit 158-9

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

November 12th, 1929.

Office of the Comptroller of the Currency
Washington, D. C.

Attention - Mr. Quinn

Dear Mr. Quinn:

I enclose you herewith a resolution unanimously adopted by the stockholders of the National Bank of Kentucky, at a meeting held November 8th, 1929. The effect of this resolution is to again extend the effective date of liquidation of the National Bank of Kentucky, and this time the extension is to the close of business on December 28th, 1929.

The unusual conditions prevailing during the last three weeks have required so much of the time of the officers of the bank, as to make it impossible to carry forward the program for the denationalization of the bank at this time.

At a conference between Mr. James B. Brown, Mr. Charles F. Jones, (Cashier) and myself, it was estimated that by the close of business on December 28th, 1929, conditions will have been stabilized to a point where we can resume the program for the National Bank of Kentucky, begun in October. We are therefore fixing this date (December 28th) as the effective date of liquidation.

I am sorry to trouble you again, but of course, I am sure that you fully appreciate the situation.

I am sending you under separate cover, a personal memorandum which might be of interest to you.

With kind regards and much appreciation for your past courtesies, I am

Yours sincerely,

Robert F. Vaughan

RFV/BOB
(Encl.)

158-9

Exhibit 158-10

TREASURY DEPARTMENT

WASHINGTON

November 14, 1929.

Mr. Robert F. Vaughan,
Marion E. Taylor Building,
Louisville, Ky.

In re: Voluntary liquidation of National Bank of Kentucky of Louisville.

Dear Sir:

The receipt is acknowledged of your letter of November 12, enclosing resolution of shareholders rescinding prior resolution providing for the liquidation of The National Bank of Kentucky of Louisville effective at close of business on Nov. 15, 1929, and providing for the liquidation of that bank effective as of close of business on December 29, 1929.

The resolution is in proper form and has been placed on file and you are advised that The National Bank of Kentucky of Louisville will be formally reported in voluntary liquidation on December 30, 1929, effective as of close of business December 29, 1929.

Respectfully,

Signed E. H. Gough

Deputy Comptroller

Exhibit 158-H

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

November 18, 1929.

Mr. Charles F. Jones, Cashier,
National Bank of Kentucky,
Fifth and Main Sts.,
Louisville, Kentucky.

Dear Mr. Jones:

I hand you herewith a letter from the Office of the Comptroller of the Currency which you can show to any representative of the Federal Reserve System who may in the future question our status.

Yours sincerely,

Robert F. Vaughan

RFV/BO'B
(Encl.)

District
No. [illegible]

A. M. [illegible] Plaintiff

David [illegible] et al Defendants

Plaintiff's [illegible] Exhibit No. 158-H

Exhibit 158-12

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

November 18th, 1929.

Office of Comptroller of the Currency,
Washington, D. C.

Attention: Mr. E. H. Gough,
Deputy Comptroller.

Dear Mr. Gough:

This will acknowledge receipt of your letter of November 14, 1929, advising that the National Bank of Kentucky of Louisville will be formally reported in voluntary liquidation on December 30, 1929, effective as of close of business December 28, 1929, for which I thank you.

Yours very truly,

Robert F. Vaughan

RFV/BO'B

Exhibit 158-13

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

December 21, 1929

Comptroller of the Currency
Washington, D. C.

Attention - Mr. Quinn

Dear Mr. Quinn:

I am enclosing you herewith resolution of the stockholders of the National Bank of Kentucky, rescinding their former resolution of November 8th and readopting same with the provision however that the effective date shall be March 29,1930.

This extension was necessary and is for the best interests of the Bank and the stockholders as decided by them and the Directors at the meeting held on yesterday.

Under the former resolution the Bank of Kentucky became denationalized on December 28, 1929. I would appreciate it very much if you would kindly write a letter to the Federal Reserve Bank of St. Louis, attention of the Federal Reserve Agent, Mr. Martin or Mr. Stewart, certifying that the effective date of the liquidation may be postponed to March 29, 1930.

With Season's greetings and best wishes for the New Year, I am

Yours sincerely,

Robert F. Vaughan

RFV:IS
Encl.

District Court of the
the W[illegible]n District
A. M. An[illegible]son, Receiver,.....Plaintiff
vs. No. 1645
David J. [illegible]tt, et al.....Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 158-13

Exhibit 158-14

CLASS OF SERVICE DESIRED

DOMESTIC		CABLE	
TELEGRAM		FULL RATE	
DAY LETTER		DEFERRED	
NIGHT MESSAGE		NIGHT LETTER	
NIGHT LETTER		WEEK END LETTER	

If neither class of service is indicated, otherwise message will be transmitted as a full-rate communication.

WESTERN UNION

NEWCOMB CARLTON, PRESIDENT — J. C. WILLEVER, FIRST VICE-PRESIDENT

1386-A

CHECK
ACCT'G INFMN.
TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

JB311 28 DL=K WASHINGTON DC 26 1240P 1929 DEC 26 AM 11 58

ROBERT F. VAUGHAN
MARION E TAYLOR BLDG LOUISVILLE KY=

RESOLUTIONS PROVIDING FOR CHANGE IN LIQUIDATION DATE YOUR BANK EXAMINED AND FOUND TO BE IN PROPER FORM FEDERAL RESERVE BANK ADVISED TODAY LIQUIDATION POSTPONED TO MARCH TWENTY NINE=

E F QUINN

C O P Y

District Court of the United States for the Western District of Kentucky
A. M. Anderson, Receiver, ... Plaintiff
vs. No. 1646
David J. Abbott, et al ..... Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 15F-14

THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE.

COPY

Exhibit 158-K

NATIONAL BANK OF KENTUCKY

January 22, 1930.

Mr. Robert F. Vaughan,
Marion E. Taylor Bldg.,
Louisville, Ky.

Dear Mr. Vaughan:-

Enclosed herein please find papers relative to report of condition for "The Bank of Kentucky," as of December 31st, 1929.

Please explain this matter to the department.

Very truly yours,

W. T. ZurSchmiede, (Signed)
Cashier.

Thanks

WTZ:CE
enc'l.

158-15

Exhibit 158-16

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

January 25, 1930

Mr. West Penny
Banking Commissioner
New State Capitol
Frankfort, Kentucky

Dear Mr. Penny:

158

Your call for a statement of the condition of The Bank of Kentucky at the close of business December 31st, 1929, has been referred to me as its attorney. I desire to explain the present situation of this bank, following receipt of which by you, I would appreciate your advice as to just the character of report which should be filed.

As you doubtless are aware, the stock of the National Bank of Kentucky and the stock of The Louisville Trust Company is owned by a group of six trustees under a trust agreement dated April 22, 1917. Trustees Participation Certificates, evidencing proportionate interest in the indivisible trust estate held by them, are issued and outstanding; and these Certificates are listed on the Board under the title "National Bank of Kentucky."

Early last fall, the Directors of the two institutions, together with Mr. James B. Brown, President of the National Bank of Kentucky, and Mr. Richard Heun, President of The Louisville Trust Company, were favorably disposed towards denationalization of the National Bank of Kentucky and the organization of a state bank under the laws of Kentucky as its successor; and it was at one time considered (though never decided) that a merger of The Bank of Kentucky and The Louisville Trust Company, under state law, might be of

Exhibit 158-16

material advantage in the prosecution of the business conducted by the two banks.

After considerable discussion in the Board, I was employed to take steps to denationalize the National Bank of Kentucky. I obtained the necessary consent of the stockholders (trustees as above) and filed with the Comptroller of the Currency a resolution authorizing the dissolution of the bank, effective October 15, 1929. Later a resolution was adopted extending this period to March 30, 1930.

Meanwhile we had filed articles of incorporation for The Bank of Kentucky (a Kentucky corporation) looking to the ultimate acquisition by this institution of all of the assets of the National Bank of Kentucky. But since the effective date of the liquidation has been postponed, The Bank of Kentucky (a Kentucky corporation) has remained nothing more than a name; it has no assets whatever and possesses nothing but the charter from the state authorizing it to do business when and as the denationalization becomes effective.

As you know, conditions have materially changed all over the country since October, 1929, and it is not yet determined definitely whether or not the denationalization will become effective. We will know pretty definitely about this within the next thirty or sixty days. If the plan of denationalization is abandoned, we will simply surrender the state charter.

Under the above circumstances, I would appreciate your advice as to the form of report to be filed with your department. I have in mind

Exhibit 158-16

#3.

a report giving the names of the Directors and embodying an affidavit setting up substantially the foregoing facts. May I have your advice in this matter, and oblige,

Yours very truly,

Robert F. Vaughan

RFV/BO'B

Exhibit 158-17

LAW OFFICES
ROBERT F. VAUGHAN
MARION E. TAYLOR BUILDING
LOUISVILLE, KENTUCKY

March
Twenty-fifth
Nineteen
Thirty

Comptroller of the Currency
Treasury Building
Washington, D. C.

Attention - Mr. Quinn

Dear Mr. Quinn:

The stockholders of the National Bank of Kentucky have decided to remain in the national system and to withdraw their resolution of liquidation.

I enclose you herewith a certified copy of the minutes of the meeting in which this action was taken.

Will you kindly acknowledge receipt of the resolution; also, kindly wire, at our expense, the Federal Reserve Agent at St. Louis, advising that the resolution for denationalization has been rescinded and that therefore the bank will not go into voluntary liquidation, effective at the close of business on March 29th.

This request is made so that there will be no interruption to the facilities of the National Bank of Kentucky with the local branch of the Federal Reserve Bank of St. Louis.

With kindest regards and many thanks for your former courtesies, I am

Sincerely yours,

Robert F. Vaughan

RFV/BO'B
(Encl.)

158-17

Exhibit 159

LAW OFFICES

ROBERT F. VAUGHAN

MARION E. TAYLOR BUILDING

LOUISVILLE, KENTUCKY

June
Fifth
Nineteen
Thirty

Dis
the
A. M. A... ..... Plaintiff
No. 1046
David J. ... et al ..... Defendants
Plaintiff's ~~Defendants~~ Exhibit No. 106

Mr. James B. Brown,
C/o National Bank of Kentucky,
Louisville, Kentucky.

Dear Mr. Brown:

I am enclosing a memorandum of the services rendered during last Fall and Winter for the National Bank of Kentucky, in connection with the proposed surrender of its National Charter, and in connection with the organization of the State Bank, known as the Bank of Kentucky as successor to the National Bank.

I have attached to this memorandum a statement of some small expenses incurred by my office in connection with the work.

In view of the fact that the Bank changed its plans and therefore did not avail itself of the new State Charter, I feel that a fee of about $5,000.00 would be fair. However I am going to leave this matter entirely in your hands, with the assurance that whatever you do about it will be satisfactory with me.

I have delayed sending any statement in this matter because I did not care to burden you with my personal affairs while you were so busily engaged on the great program for the BancoKentucky Company.

With kindest regards and sincere appreciation for your consideration, I am

Yours sincerely,

Robert F. Vaughan

RFV:NC

Exhibit 159

The National Bank of Kentucky
Louisville, Kentucky

May 31st, 1930

IN ACCOUNT WITH

ROBERT F. VAUGHAN

LAWYER

MARION E. TAYLOR BUILDING, LOUISVILLE, KY

Expenses advanced (Telephone calls, Recording fees, Etc.) 39 05

Services rendered

Exhibit 159

MEMORANDUM OF SERVICES RENDERED IN CONNECTION WITH THE DENATIONALIZATION OF THE NATIONAL BANK OF KENTUCKY AND THE ORGANIZATION OF THE BANK OF KENTUCKY (A STATE BANK)

About October 1st I was employed to do the above work, through Mr. Charles F. Jones who called me over the telephone. I went to his office at the Bank and spent the remainder of the day in outlining the plan of procedure, copy of which was furnished to him. It was decided to rush the procedure as rapidly as possible, fixing October 15, 1929 as the effective date of liquidation. The following papers were then prepared by me:

Waiver of notice of stockholders meeting.

Resolution of the Trustees authorizing Henry Vogt as Chairman to sign this waiver on behalf of the Trustees.

Minutes of the stockholders meeting, containing the resolution authorizing voluntary liquidation, the appointment of a liquidating agent, etc., in conformity with the law and with the rules of the Comptroller's office.

Resolution of the Board of Directors of National Bank of Kentucky authorizing withdrawal of bonds securing circulation.

Application of National Bank of Kentucky to the Federal Reserve Bank of St. Louis for cancellation of shares in the Reserve Bank.

Application in behalf of the Bank of Kentucky (the State Bank) for membership in the Federal Reserve Bank of St. Louis.

Resolution of the Board of Directors of National Bank of Kentucky authorizing such application.

Articles of Incorporation of The Bank of Kentucky (the State Bank).

Consent of the Advisory Committee and resolution of the Trustees authorizing the Directors of National Bank of Kentucky to file these Articles of Incorporation on behalf of the new State Bank.

Exhibit 159

#2.

Contract between National Bank of Kentucky and the new State Bank, wherein the former agreed to transfer all its property to the latter, in consideration of which the latter assumed all liabilities of the former, except circulation.

Resolution of the Trustees consenting to the above, and minutes of Trustees meeting in this regard.

(Note: - Proper resolutions were filed with the Comptroller, who approved same, the Articles of Incorporation of the new Bank were filed with the Secretary of State and approved by the Banking Commissioner, and all other steps had been taken necessary to complete the denationalization by October 15, 1929 when we received word from the Federal Reserve Bank of St. Louis that it would require an examination of the new Bank before admitting it to membership. As the time was too short for this examination, I called up Mr. C. M. Stewart, Assistant Federal Reserve Agent of St. Louis and tried to get him to waive this requirement as he had done in the case of The Louisville Trust Company in its merger with the Louisville National Bank. I also went to see Mr. Moore of the local branch of the Federal Reserve Bank. Neither of these attempts was successful, and we therefore decided to postpone the effective date of dissolution from October 15 to November 15, 1929. This decision made necessary the following steps and the following papers):

Called the office of the Comptroller of the Currency and arranged for an extension, together with certification of same from his office to the Federal Reserve Bank of St. Louis.

New waiver of notice of stockholders, together with the resolution of the Trustees.

New set of minutes of stockholders meeting, adopting resolution rescinding the first resolution and extending the effective date to November 15, 1929.

Notified the Banking Commissioner of Kentucky of this change in plans.

Had all these papers signed and attested and forwarded to the Comptroller's office.

After the stock market collapse in November, it was decided to postpone the effective date of dissolution to November 28, 1929, so I went through the same procedure as above, in order to extend the time to said date.

The same procedure was again followed in December, the time being extended to March 29, 1930.

Exhibit 159

#3.

About the middle of March it was finally decided to abandon the plan of denationalization. I thereupon prepared new waivers of notice and new set of minutes for the stockholders meeting, including a resolution rescinding altogether the former resolution for the liquidation of Bank of Kentucky. I had these papers properly signed and attested and forwarded to the Comptroller's office, and in addition called him over the telephone and explained the situation then existing.

I then notified the Banking Commissioner at Frankfort of the foregoing so that he would not be calling for statements of condition, etc. of the State Bank.

RF/:IS

Exhibit 160

Excerpt from Minutes of Meeting
of the
State Board of Education of Kentucky

District Court of the United States for
the [illegible]

A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1046
David J. [illegible], et al ..... Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 160

"Frankfort, Kentucky
September 18, 1929

"Upon call of the Chairman, the State Board of Education convened in the office of the Superintendent of Public Instruction, Frankfort, Kentucky, on Wednesday, September 18, 1929, 2:00 P.M., with the following members present:

Miss Ella Lewis, Secretary of State,
Hon. J. W. Cammack, Attorney General, and
Supt. W. C. Bell, Chairman.

"Mr. James Cammack, Jr., staff member of the Department of Education, was also present.

"The meeting was held for the purpose of considering the sale of trustees' participation certificates in the National Bank of Kentucky, Louisville, and The Louisville Trust Company, Louisville, held by the State Board of Education in the name of the State School Fund of the Commonwealth.

"After quite a discussion in regard to the sale of the trustees' participation certificates referred to above, it was moved by General Cammack, seconded by Miss Lewis, that the following resolution be adopted by the Board:

"WHEREAS, the Commonwealth of Kentucky owns and there is held by the State Board of Education 776 trustees' participation shares of the capital stock of the National Bank of Kentucky and The Louisville Trust Company, which stock is set aside as a part of the permanent common school fund of Kentucky, the income from said stock being used for the benefit of the common schools of the Commonwealth, and

"WHEREAS, the directors of the above named Bank and Trust Company notified holders of trustees' participation shares on July 19, 1929, that a corporation known as the Banco-Kentucky Company had been organized under the laws of Delaware with an authorized capital of 2,000,000 shares having a par value of $10.00 per share,

Exhibit no. 5.

the shares to be sold at $25.00 each and that holders of trustees' participation shares could exchange these trustees' participation shares for shares in the new Company at the rate of two shares of stock in the Banco-Kentucky Company for one share of stock in the National Bank of Kentucky and The Louisville Trust Company, and

"WHEREAS, the State Board of Education, desiring to know more of this new enterprise, suggested by letter to Mr. Richard Bean, President of The Louisville Trust Company, on August 5 that some one appear before the State Board of Education to discuss this proposed plan of reorganization, and

"WHEREAS, Mr. Richard Bean appeared before the Board on August 13 and discussed the economic phases of the enterprise, and

"WHEREAS, there being doubt as to the legal right of the State Board of Education to make a sale of said shares under Section 185 of the Constitution and it appearing to the Board that the Legislature alone should authorize a sale of said shares and authorize the Sinking Fund Commission to invest the proceeds arising from the sale of said shares in such stock, bond or securities as it may recommend, a request was made of said Bank and Trust Company for their interpretation of the authority of the Board of Education to sell said shares and the Sinking Fund Commission to reinvest the proceeds of the sale of the same, and

"WHEREAS, Mr. T. K. Helm, Attorney for said Bank and Trust Company, wrote the Attorney General on August 29 to the effect that he thought the transfer could be made without an act of the Legislature and later appeared before the Board on September 11 and confirmed his former opinion with the suggestion that it would be advisable to proceed under the declaratory judgment act should the State Board of Education decide to sell said shares and the Sinking Fund Commission decide to invest the proceeds of the sale in the Banco-Kentucky Company, in view of the fact that an act of the Legislature, which is Chapter 56, page 241, Acts

of 1920, was passed to authorize the change in 1919, made necessary by the consolidation of the Bank of Kentucky with certain other banks in Louisville, Kentucky, so far as the Commonwealth's stock was concerned, and

"WHEREAS, Mr. A. J. Carroll, Mr. T. K. Helm and Mr. Richard Bean appeared before a joint meeting of the State Board of Education and the Sinking Fund Commission on September 17, 1929, and reiterated what had formerly been said as to the legal and economic phases of the new enterprise so far as the Commonwealth is concerned, and

"WHEREAS, at all times the State Board of Education has felt, and has so stated, that an extension of time beyond September 19, 1929, the last day for making the exchanges of the stock referred to above, should be granted to the Commonwealth in accordance with Section 5, Subsection (a), of the notice published by The Louisville Trust Company and the National Bank of Kentucky to their stockholders dated July 19, 1929, in order that the Legislature might, in accordance with Section 185 of the Constitution, exercise discretion as to whether or not this sale and reinvestment should be made; the Board of Education feeling at all times that the Legislature, being the sole body possessing the authority to authorize a sale of the Commonwealth's stock in the National Bank of Kentucky and The Louisville Trust Company, should be given an opportunity at the 1930 session to determine whether it would or would not authorize the sale and reinvestment as set out above, and

"WHEREAS, the Board of Education has been advised that the Directors of the institutions set out above contemplate making no extension of time in behalf of the Commonwealth,

"BE IT RESOLVED THAT the National Bank of Kentucky, The Louisville Trust Company and the Banco-Kentucky Company be notified by a night letter of this date that the State Board of Education is firm in its belief that it has no legal

Exhibit 160

authority to sell trustees' participation shares in said Bank and Trust Company, which shares belong to the Commonwealth and are a part of the permanent school fund.

"BE IT FURTHER RESOLVED THAT the officials of the above named institutions are earnestly urged to extend to the Commonwealth sufficient time for the 1930 Session of the Legislature to exercise its discretion under Section 185 of the Constitution as to the sale and reinvestment of the stock on the same terms as were granted to holders of trustees' participation shares on July 19, 1929.

"BE IT FURTHER RESOLVED THAT a copy of this resolution be sent to the President of the 1930 State Senate and to the Speaker of the 1930 House of Representatives with the request that it be read to each body and with the further request that a legislative committee be appointed to investigate the present condition of the stock held by the Commonwealth in the National Bank of Kentucky and The Louisville Trust Company to determine whether or not the stock should remain invested as at present or whether it should be sold and reinvested in the Banco-Kentucky Company or in some other good interest-bearing stock.

"BE IT FURTHER RESOLVED THAT copies of this resolution be sent to members of the Sinking Fund Commission and to the National Bank of Kentucky, The Louisville Trust Company and the Banco-Kentucky Company.

"The vote upon the above resolution was as follows:

Miss Lewis ----- Aye
Gen. Cammack --- Aye
Supt. Bell ----- Aye.

All voted 'Aye', and it was so ordered."

I, H. W. Peters, Superintendent of Public Instruction, hereby certify that the foregoing is a true and correct copy of the minutes of the State Board of Education on file in my office.

H. W. Peters

Superintendent Public Instruction and
Chairman of the State Board of Education.

Exhibit 161

LAW OFFICES
TRABUE, DOOLAN, HELM & HELM
1211-1225 INTER-SOUTHERN BUILDING
LOUISVILLE, KY.

EDMUND F. TRABUE
JOHN C. DOOLAN
T. C. HELM
JAMES P. HELM, JR.
RICHARD H. HILL
JOHN BLAKEY HELM
HARRIS W. COLEMAN
JAMES W. STITES
THOMAS J. WOOD

August 29th.,1929.

Copy to C.J.

Hon. J. W. Cammack,
Attorney General,
Frankfort,Kentucky.

Dear General:

Mr.Richard Bean, President of the Louisville Trust Company, has told me about his conference with you and members of the State Board of Education in regard to the Trustees' Participation Certificates in the National Bank of Kentucky and the Louisville Trust Company held by the State Board of Education for the school fund. He has requested that I take the matter up with you to see if some solution can be found for the proposed exchange of such certificates for stock in the new BancoKentucky Company.

It seems to me that there are two questions involved:

First, as to the power of the Board of Education to sell or exchange the Trustees' Certificates, and

Second, the economic wisdom of the reinvestment in the BancoKentucky stock by the Sinking Fund Commissioners.

It is the first of these questions, I assume, your office will be called upon to express an opinion for the guidance of other State officials.

Personally, I have no doubt of the power of the State Board of Education to make this sale. My conclusion is reached from a careful study of the Constitutional provisions in Sections 184 and 185,and the underlying history.

You will recall that Article XI of the Constitution of 1849 set up a trust fund for the common school fund, which included $73,500 of stock of the Bank of Kentucky. Section 184 of the present Constitution contains similar provisions.

In the Constitutional Debates of 1891, Vol.III, page 457, in reporting upon a new provision authorizing the sale of this stock, the Committee explained the purpose of Section 185 as follows:

> "Upon examination of the present Constitution, it was a matter of doubt whether the Legislature could by any act dispose of its stock in the Bank of Kentucky; whether the State was not bound under the provisions of the present Constitution to keep the stock in the way it is now held. This fund amounts to $73,000.00. While there is nothing to be said against that admirably managed and solvent

> institution, the object of the provision is simply to put it in the power of the Legislature to dispose of the stock, if, in the course of years any necessity should arise for doing so to secure the fund."

To carry out this purpose Section 185 of the Constitution was adopted and refers back to the "said school fund" mentioned in Section 184, and provides, in substance, for the disposition of the securities held in the school fund as follows:

> "The General Assembly shall make provision by law for the payment of the interest of said school fund and may provide for the sale of the stock in the Bank of Kentucky, and in case of a sale of all or any part of said stock, the proceeds of sale shall be invested by the sinking fund commissioners in good interest bearing stocks or bonds which shall be subject to sale and reinvestment from time to time * * *".

From Section 185 it is to be noted: first, that the Legislature is given the power to pass a law authorizing State boards or officials to sell stock in the Bank of Kentucky. The General Assembly has delegated such power to the State Board of Education as follows:

By Section 4377 of the Statutes the Board of Education is created a body corporate, and by Section 4378 of the Statutes such corporate body is authorized as follows:

> "The corporation shall take, hold and dispose of real and personal estate for the benefit of the common schools of the State."

It seems clear to me that the words "take, hold and dispose of", used in this section, relate to a complete cycle (a) of acquiring, (b) possessing, and (c) selling, the trust funds set apart to the State Board of Education, including that specifically mentioned in the Constitution, Section 184.

In view of the report on the purpose of Section 185 where the stock of the Bank of Kentucky was specifically referred to as being the stock it might be deemed advisable "to dispose of", it seems to me that the words "to dispose of" must be given that ordinary judicial and commonsense meaning. You will recall from our previous correspondence and conversations that the words "to dispose of" have been held many times to be broader than the words "to sell". The words "to dispose of" may mean to barter or exchange or any form of alienation. This was held by the Supreme Court in the case of Phelps v. Harris, 101 U.S.370, where it was said:

> "The expression 'to dispose of' is very broad and signifies more than 'to sell'. Selling is but one mode of disposing of property."

Exhibit 161

The Court of Appeals in Sherrill v. Querbacker, 182 Ky., , and again in Carpenter v. Allen, 198 Ky., 252, has held that the ds "to dispose of" includes every form of alienation.

Black's Law Dictionary defines the word "dispose" as:

> "To alienate or direct the ownership of property; * * * called a word of large extent."

Hence, we find that under the Constitution of 1849 in 1891 ere was a question raised as to whether the Legislature might authorize sale of the trust fund held for common school purposes, and for that ry reason such power was given in Section 185 to the General Assembly, d the General Assembly, by Sections of the Statutes 4377 and 4378, has nferred the power on the Board of Education in the broadest possible rms - not simply to sell or exchange but to dispose of the property held by it.

Secondly, Section 185 of the Constitution is equally clear d self-executing in providing that "the proceeds of sale shall be vested by the Sinking Fund Commissioners in good interest bearing tocks or bonds, i.e."

If any doubt exists as to the power of the State Board of ucation to dispose of the Trustees' Participation Certificates because of e power of the Sinking Fund Commissioners to reinvest, I suggest that e two Boards might hold a joint meeting and adopt the same resolution, meet in rotation as was done before. So far as the power of the nking Fund Commissioners to sell is concerned, Kentucky Statutes, ction 4592, provides:

> "The Commissioners shall have authority to sell any bank stock owned by the Commonwealth and apply the proceeds to the payment or to the purchase of the bonds of the State."

It seems to me to be legally necessary to separate this sentence nd treat it as a power in the Sinking Fund Commissioners to sell, and to gnore as surplusage the method suggested by the Legislature for reinvest- ent, because as to the shares of stock in the Bank of Kentucky the onstitution itself by Section 185 has specifically directed that if this stock s sold, the proceeds "shall be invested by the Sinking Fund Commissioners in ther good interest bearing stocks or bonds which shall be subject to sale nd reinvestment from time to time."

Whether or not the Legislature's intention as to the sale of the ank's stock can be limited by the Constitution in so far as that power was onferred upon the Sinking Fund Commissioners, it certainly was within the ower of the Legislature to delegate such power to the State Board of ducation and even as to the Sinking Fund Commissioners I believe that the ower to sell was delegated, and that only the Legislature's restriction s to how the proceeds should be reinvested would be rejected as contrary to he Constitution.

#4.

From the foregoing, it seems to be perfectly clear that the Board of Education has the power to sell and that the Sinking Fund Commissioners have the power to reinvest, and that by joint or concurring resolution the two have all the Legislative power that is necessary to carry out this exchange if the economic advantages of the exchange are approved by the respective boards.

There are precedences for the proposed action although none of them go to the full extent of the present exchange. The stock in the Sinking Fund was originally in the old Bank of Kentucky, a state corporation, which included branches at Lexington and Frankfort. When these branches were separated from the parent company the State received its share in the separate institutions. When the Bank of Kentucky was nationalized it ceased to be a State institution and the exchange of stock from a state to a national institution was effected with the consent of the State officials. The National Bank of Kentucky to a very large extent changed its identity, location and officials when it was merged with the National Bank of Commerce and the American Southern National Bank, which latter included four or five absorbed state institutions in its organization; and, finally about two years ago the stock therein was exchanged into Trustees' Participation Certificates which represented an interest of 80% in the Bank of Kentucky stock and 80% in the Louisville Trust Company stock.

The now proposed change in the holding of Trustees' Participation Certificates is the unanimous recommendation of the same men who proposed and put through the other changes which have certainly proved very profitable to the stockholders, including the State of Kentucky.

The $73,500 of stock in the Bank of Kentucky, referred to in the Constitution, you will recall was supplemented by the purchase by Auditor Samuel M.Stone in 1897 of an additional 63 shares. However, in April 1920, incident to one of the mergers the State received a refund of $45,921.40, and even after this refund the original investment has now present market value of over $364,000, in addition to receiving during all of the time very handsome dividend returns.

It is true that the present BancoKentucky Company's form is somewhat different from that which I had in mind and discussed with you early last year, but nevertheless it is an extension of the same idea referred to in my letter to you of March 27th.,1928, when I said "As I explained to you, the Bank is also contemplating further cooperative moves". In the opinion of all the officials and directors the present move tends to offer the best prospects of profit to the stockholders, and is regarded as absolutely sound. In fact, the plan is conditioned upon the holders of at least the majority in amount of Trustees' Participation Certificates owning at least a majority in amount of the stock in the BancoKentucky Company, which is under the same management and officers as have heretofore successfully conducted the other institutions.

If I can be of any assistance to you in preparing resolutions or explaining the matter in detail to the Board of Education, or the

Exhibit 161

#5.

Sinking Fund Commissioners I hope you will feel free to call upon me and I will gladly co-operate to expedite matters.

Yours very truly,

TKH:DF

Exhibit 162

Louisville, Ky., July _____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 3 Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

Signature of Stockholder.

Address

Exhibit 163

EDMUND F. TRABUE
JOHN C. DOOLAN
T. H. HELM
JAMES P. HELM, JR.
JOHN BLAKEY HELM
HARRIS W. COLEMAN
JAMES W. STITES
THOMAS J. WOOD
NELSON HELM

LAW OFFICES
TRABUE, DOOLAN, HELM & HELM
1210-1225 INTER-SOUTHERN BUILDING
LOUISVILLE, KY.

April 30, 1930.

Mr. C. F. Jones,
Vice-President, National Bank of Kentucky,
Louisville, Ky.

Dear Sir:

I am enclosing a self-explanatory statement of what was a complete bust owing to the adverse position of Senator Young. I think the statement is self-explanatory in that it shows actual cash disbursements and a reasonable per diem for out of the office services.

I do not know whether this should be charged to the BancoKentucky Company or the Bank of Kentucky or to the Trustees, and am submitting the whole matter to your discretion in the hope that you will advise me as to how and when it should be paid.

Yours very truly,

TKH-MI.

T. K. Helm

District ... the ... Plaintiff
A. M. And ... Defendants
David ...
Plaintiff's ~~Defendants~~ Exhibit No. 163

SOUTHERN BUILDING.

Exhibit 163

LOUISVILLE, KY., April 30, 1930.

tional Bank of Kentucky
of
The BancoKentucky Company

IN ACCOUNT WITH

TRABUE, DOOLAN, HELM & HELM, ATTORNEYS.

To meetings with Board of Education and Sinking Fund Commissioners to stand by their previous determination recommending a transfer of the State of Kentucky's Trustees' Participation Certificates for National Bank of Kentucky-Louisville Trust Company stock into the stock of the Banco-Kentucky Company.

Preparation, introduction and promotion of Senate Resolution 29, defeated by Senator Allie Young when all others were favorable.

3 trips to Frankfort, one extending from 2:00 P.M. to the following night at 10:30 P.M.

Cash disbursements	$ 31.20
Fee for services on time basis	300.00
Total -	$331.20

Exhibit 164

EDMUND F. TRABUE
JOHN O. DOOLAN
T. E. HELM
JAMES P. HELM, JR.
JOHN BLAKEY HELM
HARRIS W. COLEMAN
JAMES W. STITES
THOMAS J. WOOD
NELSON HELM

Law OFFICES
TRABUE, DOOLAN, HELM & HELM
1210-1225 INTER-SOUTHERN BUILDING
LOUISVILLE, KY.

February 14, 1930.

By Messenger.

IMPORTANT.

District Court of the W...
A. M. Anderson, Receiver ..... *Plaintiff*
David J. ... . *Defendants*
Plaintiff's ~~Defendants'~~ Exhibit No. 164

Mr. Chas. F. Jones,
Vice-President, The Bank of Kentucky,
Fifth & Main Sts.,
Louisville, Ky.

Dear Sir:

Mr. Brown did not attend The Louisville Trust Company Directors' meeting, as you anticipated, and I, therefore, could not pursue further with him the two subjects concerning which I telephoned you this morning.

(1) I am enclosing a letter just received from Superintendent W.C. Bell, as Chairman of the State Board of Education, stating that there will be a meeting on Monday, February 17th. This is the same meeting concerning which I telephoned you on February 4th was called for the 5th, but was not held on that day.

Attorney General Cammack informed me on the 4th that from recent talks with Superintendent Bell he thought that the Board would recede from or take back their action, requesting an extension of time, and expressing a favorable opinion for the exchange of the Trustees' Participation Certificates into BancoKentucky Company stock.

I expressed surprise at this proposed action as the stock has been withheld for the State at their request, and stated that I could not assume responsibility of attending the meeting and insisting on a resolution being introduced, though I felt very much like it should be done to carry out the moral obligation of the officers of the State. I told him I would notify you, and did so, and have received the attached letter from Superintendent Bell, which may be interpreted in the light of what I have said.

(2) The suggested repeal of that part of the Statute which prohibits any one person or company directly or indirectly owning more than 50% of the stock in a Kentucky bank or trust company, needs some active and intensive attention. The Jurisprudence Committee of the Kentucky Bankers Association has not made this one of its measures but adopted a "hand-off" policy. The Banking Commissioner has expressed a willingness to promote such a Bill, but the Attorney General seems reluctant to aid him in doing so. The situation is complicated by the fact that Mr. A. J. Eckels, President of the Planters Bank and Trust Company of Hopkinsville, is actively promoting a Bill to permit State banks having a capital and surplus of [illegible]0,000.

Exhibit 164

to establish branches in their own and adjoining counties by the purchase of existing small banks. Ex-Senator J.K.Waller of Morganfield, would be interested in the Bill if the capital and surplus limitation of the present bank were reduced to $150,000.00, and if the right to acquire branches were limited to the county.

All these diversified and conflicting advices have gotten the State officials up in the air at a time when they say the whole Legislative situation is most complicated with personal controversies.

I think it very obvious that the interests and the legal rights of The BancoKentucky Company should be protected by the first amendment repealing the limitation to the ownership of not exceeding 50% of the stock of any bank or trust company in Kentucky, and unless the people interested get together and outline their plans, I doubt very seriously the chance of passing any remedial bill; and I have been ready, as you know, for several months to go into this subject with you and Mr. Brown to consider what may be accomplished, or have you take it up with some one else, if you prefer, to try to protect the BancoKentucky Company in the way suggested.

The suggested way for enforcing this law is to deny voting power to the person owning more than a majority of the stock, and to suspend all dividends thereon until the stock is disposed of, and there may be other remedies, and it does not take much argument to see how seriously such a threat, if instigated by competitors, would be to The BancoKentucky Company.

Yours very truly,

TKH-ML.

EXHIBIT 165

EXHIBIT No. BD-1.

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

I, WARREN A. MARLER, of the City of Chicago, in the County of Cook and State of Illinois, being duly sworn do say that I am Assistant Secretary of The Chicago Stock Exchange; that in the performance of my official duties I have had knowledge of the transactions occurring on the said Exchange; that in the past transactions were had in the stock of The BancoKentucky Company on said Exchange.

Deponent further says that the annexed statements containing nine pages are true and exact extracts from the official records of the said Exchange and that said records reflect the transactions in the stock of The BancoKentucky Company as they occurred on the said Exchange for the days set forth in said annexed statements.

(Signed) WARREN A. MARLER,
Assistant Secretary.

(Seal)

Subscribed and sworn to
before me this 28th
day of January, A.D. 1932.

(Signed) MARTIN E. NELSON,
Notary Public.

My commission expires Jan. 31, 1933.

Exhibit 165

Exhibit No. BD-1

THE BANCOKENTUCKY CO. COMMON.

1929 Oct	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1						
2						
3						
4						
5						
6						
7						
8		2,000	28½	27¼	28½	
9		4,100	30¾	28¾	30⅛	
10		1,950	30½	30	30½	
11		4,400	32	31	31½	
12		Holiday				
13		Sunday				
14		2,000	33⅛	32⅛	33⅛	
15		5,900	34¼	33¼	33½	
16		2,500	34¼	32¾	32¾	
17		1,900	33⅜	32½	33	
18		950	32½	31¾	32	
19		1,500	31⅝	30¾	31½	
20						
21		2,450	30¾	29⅜	29⅜	
22		1,150	30	29½	30	
23		1,150	29¼	28¾	29	
24		5,650	29	26⅝	27½	
25		1,350	28¼	27⅜	28	
26		450	28¼	28	28¼	
27						
28		2,000	28⅛	25¾	25¾	
29		5,500	25	22½	23¼	
30		4,150	24	22½	24	
31		1,950	25	23⅞	25	

Sales for Month 53,000.00.

Exhibit 165

Exhibit No. BD-1

1929 Nov	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		Closed				
2		Closed				
3		Sunday				
4		2,700	26⅞	25	26	
5		Closed				
6		1,150	26	25	25	
7		950	24¾	23¾	24¾	
8		1,600	24¾	24	24¾	
9		Closed				
10						
11		Holiday				
12		1,900	23½	22½	22½	
13		3,150	21½	19⅞	21½	
14		2,300	21½	19½	21½	
15		2,350	22	20	22	
16		Closed				
17						
18		300	22	21⅞	22	
19		500	22	21⅛	22	
20		300	22	21½	21¾	
21		250	21¾	21⅛	21¾	
22		300	21¾	21½	21¾	
23		Closed				
24						
25		3,050	23½	21⅛	23½	
26		750	23½	22½	22½	
27		150	22½	21½	22½	
28		Holiday				
29		Closed				
30		Closed				

Sales for Month 21,700.

Exhibit No. BD-1

1929 Dec.	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		Sunday				
2		250	23	23	23	
3		100	22½	22½	22½	
4		550	23½	22½	22½	
5		50	22½	22½	22½	
6		150	22½	22	22½	
7		100	22½	22½	22½	
8						
9		700	23	22½	23	
10		250	23	22¼	23	
11		50	22⅞	22⅞	22⅞	
12		300	22¼	22⅛	22⅛	
13		350	22	22	22	
14		50	21⅞	21⅞	21⅞	
15						
16		150	21¾	21⅝	21¾	
17		100	22	22	22	
18		700	22	21½	21½	
19						
20		350	21	20¾	21	
21		400	21	20½	21	
22						
23		750	21½	20½	20½	
24		700	21	19¾	20½	
25		Holiday				
26		500	20	19	19	
27		1,000	20½	18½	20½	
28		200	20	19	20	
29						
30		400	20½	20	20½	
31		500	20⅝	19¾	20⅝	

Sales for Month 8,650.

Exhibit 165

Exhibit No. BD-1

1930 Jan	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		Holiday				
2		250	20½	20	20½	
3		450	21	20⅜	20¾	
4		150	21	20¾	21	
5		Sunday				
6		300	21½	21	21½	
7		50	21½	21½	21½	
8		300	21½	21	21¼	
9		150	21⅜	21¼	21⅜	
10		No sales				
11		250	21½	21⅛	21½	
12						
13		100	21½	21½	21½	
14		700	22	21	21	
15		50	21½	21½	21½	
16		200	21½	21	21	
17		No sales				
18		200	20¾	19¾	20½	
19						
20		1,000	20½	19½	20	
21		500	21	19¾	21	
22		200	21	20¼	21	
23		No sales				
24		150	21	20¼	21	
25		No sales				
26						
27		50	20	20	20	
28		300	20⅜	20¼	20⅜	
29		200	20¼	19	20¼	
30		No sales				
31		200	20	19	20	

Sales for Month 5,750.

Exhibit No. BD-1

1930 Feb	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		50	20	20	20	
2		Sunday				
3		150	20	19 5/8	20	
4		100	20	19 3/4	20	
5		150	20 1/4	19 3/4	20 1/4	
6		400	20 1/4	20	20 1/4	
7		300	20 1/4	20	20 1/4	
8		50	20 1/4	20 1/4	20 1/4	
9						
10		1,150	20 1/4	20	20	
11		850	20 1/4	20	20 1/4	
12		Holiday				
13		100	20 1/4	20	20	
14		300	20	20	20	
15		350	20 1/4	20	20 1/4	
16						
17		250	20 1/4	20	20 1/4	
18		300	20	20	20	
19		900	20 1/4	19 3/4	20 1/4	
20		50	20 1/8	20 1/8	20 1/8	
21		150	20 1/4	20	20 1/4	
22		Holiday				
23						
24		150	20 1/4	20	20 1/4	
25		1,050	21	20 1/4	20 7/8	
26		100	20 7/8	20 1/2	20 7/8	
27		150	20 7/8	20 1/2	20 7/8	
28		300	20 7/8	20 1/8	20 1/4	

Sales for Month 7,350.

Exhibit 165

Exhibit No. BD-1

1930 Mar	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		50	20 3/4	20 3/4	20 3/4	
2		Sunday				
3		650	20 5/8	20	20 3/8	
4		50	20 3/8	20 3/8	20 3/8	
5		700	20 3/8	20	20	
6		1,600	20 3/4	20	20 3/4	
7		500	20 1/2	20 1/2	20 1/2	
8		200	20 5/8	20	20 1/4	
9						
10		50	20 1/2	20 1/2	20 1/2	
11		No sales				
12		200	20 5/8	20 1/2	20 5/8	
13		200	20 5/8	20 5/8	20 5/8	
14		350	20 1/2	20 3/8	20 3/8	
15		200	20 1/4	20 1/4	20 1/4	
16						
17		No sales				
18		650	21 1/2	20 1/2	21 1/2	
19		500	22 1/4	21 1/4	22 1/4	
20		300	22 1/2	22	22	
21		850	23	22 1/2	23	
22		100	23 1/2	23 1/2	23 1/2	
23						
24		100	24	23 1/2	23 1/2	
25		150	23 7/8	23 5/8	23 5/8	
26		800	24	23 3/4	23 3/4	
27		1,050	24 1/2	24	24 1/2	
28		1,800	24 3/4	24 1/4	24 3/4	
29		350	24 7/8	24 3/4	24 7/8	
30						
31		950	25	24 3/4	24 7/8	

Sales for Month 12,350.

Exhibit No. BD-1

1930 Aug	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		No sales				
2		100	20	20	20	
3		Sunday				
4		No sales				
5		50	20	20	20	
6		100	20	20	20	
7		50	19	19	19	
8		No sales				
9		100	16	16	16	
10						
11		100	17⅛	17	17	
12		400	17	16½	17	
13		50	16½	16½	16½	
14		100	16½	16½	16½	
15		No sales				
16		50	16¾	16¾	16¾	
17						
18		No sales				
19		50	16¾	16¾	16¾	
20		50	16¾	16¾	16¾	
21		100	16⅞	16⅞	16⅞	
22		No sales				
23		50	16⅞	16⅞	16⅞	
24						
25		No sales				
26		No sales				
27		No sales				
28		No sales				
29		No sales				
30		Closed				
31						

Sales for Month 1,350.

Exhibit No. BD-1

1930 Sep	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		Holiday				
2		No sales				
3		100	17	16⅞	16⅞	
4		100	17	17	17	
5		50	16⅞	16⅞	16⅞	
6		50	16⅞	16⅞	16⅞	
7		Sunday				
8		50	16⅞	16⅞	16⅞	
9		No sales				
10		No sales				
11		50	17¼	17¼	17¼	
12		No sales				
13		No sales				
14						
15		100	17	17	17	
16		No sales				
17		100	17	17	17	
18		150	16⅞	16½	16½	
19		No sales				
20		No sales				
21						
22		No sales				
23		No sales				
24		50	16	16	16	
25		No sales				
26		No sales				
27		No sales				
28						
29		No sales				
30		100	15¾	15¾	15¾	

Sales for Month 900.

Exhibit No. BD-1

1930 Oct	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		No sales				
2		No sales				
3		100	16	16	16	
4		50	16¼	16¼	16¼	
5		Sunday				
6		300	16	15⅜	15⅜	
7		350	15⅝	15½	15½	
8		350	15½	15⅛	15⅛	
9		350	16¼	15½	15⅞	
10		650	15¼	15	15	
11		150	15	15	15	
12						
13		Holiday				
14		50	14⅞	14⅞	14⅞	
15		150	14⅝	14½	14½	
16		No sales				
17		100	14½	14½	14½	
18		No sales				
19						
20		No sales				
21		150	13¼	13	13¼	
22		250	12½	11¾	11¾	
23		200	13	12⅝	13	
24		450	13	12⅞	13	
25		No sales				
26						
27		100	13	13	13	
28		300	13	13	13	
29		350	13	12½	12½	
30		350	12⅞	12½	12½	
31		400	12⅜	12	12	

Sales for Month 5,150.

Exhibit No. BD-1

1930 Nov	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		No sales				
2		Sunday				
3		200	12	12	12	
4		Holiday				
5		1,100	12	11	11	
6		1,300	11⅛	9¾	9⅞	
7		1,550	9¾	9	9	
8		500	9⅛	9	9	
9						
10		1,700	9	8½	9	
11		Holiday				
12		2,800	8½	7½	8	
13		800	7½	7½	7½	
14		3,100	8	7⅞	7⅞	
15		2,200	7⅞	6½	7	
16						
17		23,500	2	1⅛	1½	
18		34,800	1¾	⅞	1	
19		17,800	⅞	½	⅝	
20		16,700	⅝	⅜	½	
21		2,100	½	⅜	½	
22		17,700	⅜	⅛	¼	
23						
24		5,800	½	¼	⅜	
25		7,000	⅝	¼	¼	
26		4,000	½	⅜	⅜	
27		Holiday				
28		4,300	⅜	¼	¼	
29		6,200	⅜	¼	⅜	
30						

Sales for Month 155,150.

Exhibit No. BD-1

1930 Dec	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		1,200	3/8	3/8	3/8	
2		2,500	3/8	1/4	3/8	
3		200	3/8	3/8	3/8	
4		3,050	3/8	1/4	3/8	
5		2,250	1/4	1/4	1/4	
6		700	3/8	1/4	1/4	
7		Sunday				
8		3,300	1/4	1/4	1/4	
9		3,500	3/8	1/4	1/4	
10		3,200	1/4	1/4	1/4	
11		5,800	1/4	1/8	1/4	
12		900	1/4	1/8	1/4	
13		700	1/8	1/8	1/8	
14						
15						
16		1,100	1/8	1/8	1/8	
17		1,000	1/8	1/8	1/8	
18		2,500	1/8	1/8	1/8	
19		1,150	1/8	1/8	1/8	
20		1,650	1/8	1/8	1/8	
21						
22		1,350	1/4	1/8	1/4	
23		4,150	1/4	1/8	1/8	
24		2,500	1/8	1/8	1/8	
25		Holiday				
26		1,200	1/8	1/8	1/8	
27		4,300	1/8	1/8	1/8	
28						
29		7,400	1/8	1/8	1/8	
30		6,400	1/8	1/8	1/8	
31		3,200	1/8	1/8	1/8	

Sales for Month 65,200.

165

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Exhibit No. BD-1

1931 Jan	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		Holiday				
2		1,200	1/8	1/8	1/8	
3		150	1/4	1/8	1/4	
4		Sunday				
5		600	1/4	1/8	1/4	
6		1,000	1/4	1/4	1/4	
7		7,200	1/4	1/8	1/8	
8	Removed from the list.					

Sales for Month 10,150.

2080

Exhibit No. BD-1

1930 Apr	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		300	25	24½	24¾	
2		900	24⅞	24½	24¾	
3		300	24¾	24½	24½	
		50	24	24	24	
5		300	24	23½	23½	
6		Sunday				
7		300	23½	23	23¼	
8		200	23¼	23⅛	23⅛	
9		150	23¼	23⅛	23⅛	
10		850	23½	23⅛	23⅛	
11		250	23⅛	23⅛	23⅛	
12		No sales				
13						
14		No sales				
15		350	23	23	23	
16		600	23¾	23¼	23¼	
17		100	23½	23½	23½	
18		Holiday				
19		Closed				
20						
21		1,000	24¼	23½	24¼	
22		200	24	24	24	
23		950	24	23½	24	
24		100	23½	23¼	23¼	
25		No sales				
26		750	23⅝	23⅛	23½	
27						
28		450	23½	23⅛	23½	
29		400	23⅜	23¼	23¼	
30		350	23¼	23⅛	23¼	

Sales for Month 8,100.

231

Exhibit No. BD-1

1930 May	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		No sales				
2		950	23	23	23	
3		2,750	23	22⅛	23	
4		Sunday				
5		2,700	23⅛	23	23	
6		600	23	23	23	
7		400	23	23	23	
8		No sales				
9		100	23⅛	23⅛	23⅛	
10		100	23⅛	23	23	
11						
12		200	23	23	23	
13		650	23⅛	23	23	
14		1,000	23	23	23	
15		800	23	23	23	
16		250	23	23	23	
17		No sales				
18						
19		700	23	23	23	
20		200	23	23	23	
21		150	23	23	23	
22		1,600	23	23	23	
23		900	23	23	23	
24		300	23	23	23	
25						
26		1,150	23	23	23	
27		50	23	23	23	
28		900	23¼	23	23	
29		100	23⅛	23⅛	23⅛	
30		Holiday				
31		Closed				

Sales for Month 16,550.

232

Exhibit No. BD-1

1930 Jun	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		Sunday				
2		1,550	23½	23	23½	
3		1,350	23½	23¼	23¼	
4		150	23¼	23¼	23¼	
5		1,050	23⅛	23	23	
6		500	23	23	23	
7		800	23	23	23	
8						
9		1,650	23	23	23	
10		4,300	23	23	23	
11		2,550	23	23	23	
12		5,200	23	23	23	
13		6,200	23	22½	23	
14		700	23	23	23	
15						
16		850	21⅜	21	21	
17		650	20⅛	20	20⅛	
18		300	20	20	20	
19		4,200	20	20	20	
20		300	20	20	20	
21		No sales				
22						
23		300	20	20	20	
24		100	20	20	20	
25		1,300	20	20	20	
26		500	20	20	20	
27		3,100	20	20	20	
28		200	20	20	20	
29						
30		800	20	20	20	

Sales for Month 38,600.

Exhibit 165

Exhibit No. BD-1

1930 Jul	Weekly Sales	Daily Sales	High	Low	Close	Monthly Sales
1		No sales				
2		No sales				
3		150	20⅛	20	20	
4		Holiday				
5		Closed				
6		Sunday				
7		550	20¼	20	20	
8		No sales				
9		100	20⅛	20⅛	20⅛	
10		No sales				
11		No sales				
12		No sales				
13						
14		No sales				
15		50	20⅞	20⅞	20⅞	
16		100	20½	20½	20½	
17		50	20½	20½	20½	
18		100	20½	20½	20½	
19		No sales				
20						
21		150	20½	20½	20½	
22		No sales				
23		150	20¾	20½	20½	
24		No sales				
25		300	20½	20½	20½	
26		No sales				
27						
28		No sales				
29		No sales				
30		100	20	20	20	
31		50	20	20	20	

Sales for Month 1,850.

207

Exhibit 170

Louisville, Ky., July_____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 6000 Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

William S. Speed
Signature of Stockholder.

District Court of the United States
the Western District
A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1646
David J. Abbott, et al ..... Defendants
Plaintiff's Defendants' Exhibit No. 176

Address

Exhibit 171

Louisville, Ky., July_____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 270 *Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.*

William S. Speed Trustee
for Alice Speed Stoll

Signature of Stockholder.

District Court of the United States
the Western District of Kentucky

A. M. Anderson, Receiver, ... *Plaintiff*

vs. *No. 1046*

David J. Mudd, et al ..... *Defendants*

Plaintiff's ~~*Defendants'*~~ *Exhibit No.* 171

_____

Address

Exhibit 172

BLYTH & Co

CHICAGO
NEW YORK
BOSTON
PHILADELPHIA
ATLANTA
SAN FRANCISCO
LOSANGELES
SEATTLE
PORTLAND,ORE.
LONDON

413-417 INTER SOUTHERN BLDG.
LOUISVILLE, KY.

CABLE ADDRESS
BLYTHCO

copy

October 14,1929

Dear Sir:

I want to call your special attention at the present time to BancoKentucky Company, the shares of which have been listed andware quite active on the Chicago Stock Exchange.

Since the formation of this Company, we have kept quite closely in touch with its affairs and after careful consideration of its well-defined programme of development and appreciation of its splendid management, we feel that the future of the Company is very promising. Bank stocks enjoy a distinguished record among corporate investments but probably have been overlooked by most investors because of their high price per share and the low dividend return. BancoKentucky Company stock around its present market is selling at a price which makes it within the range of all investors and we think it may profitably be included in any diversified list of conservative investments.

The rapidly changing conditions in the banking world have brought about a situation in the securities of group banking companies, such as BancoKentucky, which many keen observers think is a parallel case to the public utility situation several years ago and offers the same promising opportunity for investors.

In our opinion, the acquisition by BancoKentucky of practically the entire capital stock of the National Bank of Kentucky and the Louisville Trust Company, as well as the control of the two Cincinnati banks - The Pearl Market and The Brighton Bank - is but the beginning of a very carefully considered programme of expansion which this Company has in mind. The genius of its President, Mr. James B. Brown, in affecting consolidation along sound and successful lines is well-known far beyond this immediate vicinity and scarcely needs comment. In our opinion, he is exceptionally qualified to head a Company of this character and we believe it will be his major achievement thus far and become one of the outstanding group banking companies in the Middle West.

At present prices, I consider the stock quite attractive to anyone wanting an equity security of sound merits and unusual possibilities. I would be pleased to discuss this matter with you further or to have your order to be executed at once around present levels.

Very truly yours,

Bob McDonald

Mc:v

Mr. James M Dunstan about
one thousand on these letters yesterday

Exhibit 172-a

Please change in all places to --The BancoKentucky Company

Proof No. 1

Bank Shares and Group Banking

BANK stocks enjoy a distinguished record among corporate investments but knowledge concerning them is by no means general. Probably they have been overlooked by the average investor because of the high prices per share and the low current dividend return.

At the present time such issues as Banco Kentucky Company shares are available at prices within the range of all investors and the outstanding profitable record of bank stocks in general makes such situations extremely interesting. In connection with this record it is noteworthy that anyone who purchased National Bank of Kentucky stock five years ago and sold in the existing market, by averaging his profit over the period, together with dividends, would have an annual yield of over 35% on his capital. (National Bank of Kentucky is the bank through which Banco Kentucky Company was organized.)

The business of banking is favorable to steady profitable operation. Bank deposits usually increase in due proportion to the increase in wealth of the country. Such an increase is usually more sure than the increase in any one industry. Because a bank's stock in trade is money, additions to capital are more immediately profitable than in most enterprises. Thus, it has become banking practice for the stockholders to consent to low dividends so that the balance of earnings may be reinvested in the bank and compounded for them. It is returned to them through stock dividends and rights.

The formation of corporations which control a number of banking institutions is a comparatively new development in America. One of its obvious merits is that it supplies a supervisory managerial ability available in formulating loan and investment policies which is of a higher calibre than a single moderately sized bank could employ. Another advantage is that it gives diversification of risk, so that the whole group is more financially sound than would be the sum of its parts if separated. This soundness and size instills confidence in the public and makes the development of new business easier both in commercial banking and in trust and investment corollaries.

In a strategically located group of banks the inter-bank relationships may be kept more within the group so that profits are increased. The policy of most groups is to retain local staffs and boards of directors so that close relationship with the affairs of the community is maintained.

The advantages of grouping banks are quite similar to those which caused the grouping of public utility properties. Many observers have expressed the opinion, therefore, that bank stocks are in a similar position to public utility stocks six and seven years ago and that they will show the same spectacular development.

Organization

The Banco Kentucky Company was recently formed to acquire and hold controlling interests in commercial banks throughout the Middle West. By charter broad powers are conferred upon the Company, so that all types of operations in the financial field are permitted.

Upon completion of present transactions the Company will control the National Bank of Kentucky, organized in 1834, the Louisville National Bank and Trust Co., organized 1884 as Louisville Trust Company, both of Louisville, Ky., the Pearl Market Bank & Trust Co., organized 1907, and the Brighton Bank & Trust Co., organized 1898, both of Cincinnati, Ohio. In addition, the Company will have funds of approximately $8,200,000, which are expected to be used for the acquiring of additional bank institutions.

Exhibit 172-A

History

The formation of the Banco Kentucky Company was occasioned under the leadership of Mr. James B. Brown of Louisville, President of the National Bank of Kentucky. Its cash capital was subscribed to by the shareholders of this bank at $25 per share and practically the entire outstanding stock of the Louisville banks was exchanged for Banco Kentucky stock.

The National Bank of Kentucky, the largest unit in the Company at present, was organized in 1834 as a state bank by the same group of capitalists who organized the Bank of North America in Philadelphia and the Bank of America in New York. The National Bank of Kentucky has a continuous dividend record since its organization for 95 years. At the time of granting the original state charter, the State of Kentucky was given a small block of stock in the bank which it still holds. These shares at present market prices are worth over

(Note change) ~~$1,250,000~~ $500,000.00

Territory

It is the present policy of the Company to control only middle western institutions. This territory contains the center of population of the United States and represents some of the greatest industrial developments of the country. The Company is confining its interest to institutions in larger cities.

Growth

The following table shows the consolidated growth of the group of banks as presently constituted:

Year Ended	Total Resources	Deposits	Capital and Surplus Account
1924			
1925			
1926			
1927			
1928			
1929 (June 30)	[illegible]	[illegible]	[illegible]

See schedule

Change to Oct. 10.

These totals will, of course, be greatly enlarged by the purchase of institutions contemplated with the $8,200,000 cash now in the treasury of the Company.

Capitalization

The Banco Kentucky Company will presently have outstanding 1,750,000 shares of $10 par value capital stock. It has no other classes of securities outstanding or authorized.

Earnings

The earnings after Federal taxes and reserves of constituent banks for six months' period ended June 30, 1929, after elimination of earnings applicable to minority stocks, plus a sum equal to 6% on cash now in treasury awaiting investment in banks, equal an amount which would be equivalent to annual earnings of $1.33 per share on presently outstanding stock. Such calculation gives no effect to benefits expected through the merger of Kentucky banks, or to expected benefits from group management and operation.

Trust Funds

The present group of banks, in addition to its total resources, as shown, controls approximately $100,000,000 of trust funds.

Management

The active executive head of the Banco Kentucky Company is Mr. James B. Brown of Louisville. Mr. Brown has been president of the National Bank of Kentucky for a number of years. He is a director of the following nationally known corporations, as well as many local enterprises: Louisville and Nashville Railroad, Standard Oil Co. of Kentucky, Louisville Gas & Electric Co. and Southern Bell Telephone Co.

The information contained herein has been obtained from sources that we deem reliable and although not guaranteed, is believed by us to be accurate.
Printed in U. S. A.

Exhibit 172-L

Ex 18

October 7, 1929.

Mr. Charles F. Jones, Cashier,
National Bank of Kentucky,
Louisville, Ky.

Dear Mr. Jones:-

Enclosed please find proof of data we contemplate using in getting up a folder on Banco Kentucky Stock. In addition to what is shown here, we anticipate using the list of directors with their business affiliations.

I would appreciate having any comments you or Mr. Brown care to make regarding this data and I would like to have the statistics regarding the deposits and capital and surplus which are missing in this analysis.

Trusting I may hear from you shortly regarding this and with best regards, I am,

Very truly yours,

SSH
Enc.

District Court of the United States for the
A. M.
Plaintiff
vs.
Defendants
172-L

Exhibit 166

Louisville, Ky., July ____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 30 *Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.*

A. J. Carroll
Signature of Stockholder.

1424 Inter-Southern Bldg
Address

Exhibit 167

Sept - 3 - 1929

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 10 *additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.*

A. J. Carroll
Signature of Stockholder.

1424 Inter-Southern Bldg
Address.

Exhibit 168

Louisville, Ky., ~~July~~ Sept 6, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY
AND
THE LOUISVILLE TRUST COMPANY:
421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 64 *Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.*

A. J. Carroll, Trustee
Signature of Stockholder.

1424 Inter-Southern Bld.
Address

District Court of the United States for the Western Dist.

A. M. Anderson, Receiver ..... Plaintiff

David J. Baird et al ..... Defendants

Plaintiff's ~~Defendants'~~ Exhibit No. 168

Exhibit 169

MRS. A. J. CARROLL
3411 PACIFIC AVE.
ATLANTIC CITY, NEW JERSEY
TELEPHONE 4-2441

July 21

My dear Jones:

The enclosed clipping is from the New York World of this date. I thought it might be of special interest at this time.

Did all the records arrive in time? Let me know what was done. Regards to all

Yours
A. J. Carroll

Exhibit 169

THE WORLD: SUND

FIFTY BANKS MERGE I HERE IN 3 YEARS

Only 17 Retain Former Identity; Competition Is Cut 65 P. C.

Seventeen out of fifty New York banks that have been merged in the last three years retain their former identity. This rapid and unprecedented elimination of independent banking units in this city got its first real impetus with the consolidation of the Mechanics and Metals National Bank and the Chase National Bank on April 12, 1926.

The aggregate capital, according to Clinton Gilbert, head of the bank and insurance stock house of that name, represented by these mergers amounted to $125,050,000, or within $15,050,000 of the present capital of the National City Bank, conceded to be second only to Barclay's Bank, Ltd., of England, in capitalization.

"These mergers," Mr. Gilbert explained, "signify in the aggregate a degree of merger activity in the short space of about three years never before enjoyed by the banking fraternity in a similar period, as well as a greater and more effective stimulation of investment interest that would not have ben possible under the diffused conditions with the fifty banking institutions, State and National, operating independently. Not only have far stronger institutions been created, but in the cases of national banks which were merged with State banks and trust companies the field of operations has been automatically extended and made more profitable thereby.

"It is of interest to note that there has been a constant relinquishment of national banking charters in favor of State charters through these consolidations, thus giving the continuing institutions the broader powers permitted them as State banks or State banks and trust companies. Trust companies operate under State charter and their trust business provides a substantial percentage of a State institutions's earnings, hence one of the reasons for the surrender of the national charter in favor of a State charter when a national bank merges with a State bank.

"At present, out of all these institutions which have been merged with larger ones there are but seventeen which have retained their old or similar identity. The striking thing about this is that the competitive phase of New York City banking, so far as the mergers here listed are concerned, has been reduced by approximately 65 per cent. This does not, of course, take into consideration those institutions which have sprung up in the mean'ime.

"It is probable," says Mr. Gilbert, "that this list of merged banks will be considerably augmented in the next identical period, the smaller being taken into the fold of the larger institutions powered by greater capital. This deduction is made as a result of the present disposition of the National and State authorities to countenance mergers when they are in the interest of greater banking strength."

Only in one instance, during the period under which has a national bank linked up with a State bank and at the same time retained both national and State charters. This case is that of the National City Bank's acquisition of a controlling stock interest in the Farmers Loan and Trust Company. It is pointed out, however, that this was not a merger in the strict sense of the word in that the City Bank Farmers Trust is operated as a complete unit and held in trust for the benefit of the National City Bank stockholders.

The table, giving the absorbed banks capital at time of merger, continuing institutions and date of mergers, follows:

Absorbed Banks.	Capital at Time of Merger.	Continuing Institutions.	Date of Merger.
Mechanics and Metals National,	$10,000,000	Chase National Bank,	April 12, 1926
Peoples Trust Company,	$2,000,000	National City Bank,	June 26, 1926
Peoples Commercial Bank,	$100,000	Liberty National Bank,	Aug. 7, 1926
Greenpoint Bank,	$200,000	Manhattan Company,	Aug. 14, 1926
National Butchers and Drovers,	$2,000,000	Irving Bank and Trust,	Sept. 20, 1926
National American Bank,	$1,000,000	Central Mercantile Bank and Trust,	Oct. 13, 1926
American Exchange Pacific National,	$7,500,000	Irving Bank and Trust,	Dec. 11, 1926
Broadway Central Bank,	$200,000	Central Mercantile Bank and Trust,	Jan., 1927
Discount National Bank,	$1,000,000	Howery East River National,	Feb. 18, 1927
Greenwich Bank,	$1,000,000	Hanover National Bank,	April 26, 1927
Franklin National Bank,	$900,000	Interstate Trust Company,	July 5, 1927
Montauk Bank,	$1,000,000	Commonwealth Bank,	July, 1927
Standard Bank,	$250,000	Manufacturers Trust Company,	Aug. 1, 1927
Commonwealth Bank,	$2,500,000	Manufacturers Trust Company,	Aug. 1, 1927
Bank of Washington Heights,	$100,000	Manhattan Company,	Aug. 10, 1927
Nostrand Bank,	$200,000	Municipal Bank,	Oct. 31, 1927
Mutual Bank,	$200,000	Chase National Bank,	Dec. 28, 1927
Bank of Coney Island,	$200,000	Brooklyn Trust,	Jan. 10, 1928
Hamilton National Bank,	$1,000,000	Interstate Trust Company,	Jan. 20, 1928
New Netherland Bank,	$500,000	Seaboard National,	Feb. 1, 1928
Terminal Trust,	$500,000	International Germanic Trust,	Feb. 20, 1928
Capitol National Bank,	$2,000,000	United Cap. National Bank and Trust,	March 10, 1928
United National Bank,	$2,000,000	United Cap. National Bank and Trust,	March 10, 1928
Longacre Bank,	$1,000,000	United Cap. National Bank and Trust,	March 10, 1928
Bushwick National Bank,	$200,000	Globe Exchange,	March 30, 1928
Bowery and East River National,	$1,000,000	Bank of America,	April 30, 1928
Commercial Exchange,	$1,500,000	Bank of America,	April 30, 1928
Central Mercantile Bank and Trust,	$3,500,000	Bank of United States,	May 21, 1928
United Capital National Bank and Trust,	$3,000,000	Manufacturers Trust,	June 5, 1928
Dewey State Bank,	$100,000	Century Bank,	June 18, 1928
Atlantic State Bank,	$500,000	City Trust Company,*	Aug. 2, 1928
Harlem Bank of Commerce,	$1,250,000	City Trust Company,*	Aug. 2, 1928
Cosmopolitan Bank,	$400,000	Bank of United States,	Aug. 27, 1928
Flushing National Bank (L. I.),	$200,000	Manhattan Company,	Sept. 28, 1928
Queensborough National Bank (L. I.),	$150,000	Manhattan Company,	Sept. 28, 1928
Whitestone National (L. I.),	$100,000	Manhattan Company,	Sept. 28, 1928
Bayside National (L. I.),	$100,000	Manhattan Company,	Sept. 28, 1928
Bank of Glendale (L. I.),	$300,000	Globe Exchange,	Dec. 1, 1928
Seventh National,	$1,500,000	Municipal Bank,	Dec. 21, 1928
Bronx Borough Bank,	$1,000,000	Manhattan Company,	Dec. 29, 1928
First National of Brooklyn,	$1,500,000	Manhattan Company,	Dec. 29, 1928
Garfield National,	$1,000,000	Chase National,	Jan. 28, 1929
State Bank,	$5,000,000	Manufacturers Trust Company,	Jan. 28, 1929
Mechanics' Bank,	$1,000,000	Brooklyn Trust,	Feb. 8, 1929
Colonial Bank,	$1,400,000	Bank of United States,	April 1, 1929
Bank of the Rockaways,	$100,000	Bank of United States,	April 1, 1929
Bank of Commerce,	$20,000,000	Guaranty Trust,	May 6, 1929
Municipal Bank,	$5,000,000	Bank of United States,	May 12, 1929
Hanover National,	$10,000,000	Central Hanover Trust,	May 15, 1929
United States Mortgage and Trust,	$8,000,000	Chemical Bank and Trust,	June 30, 1929

Fifty banks aggregate $125,050,000.

*Assets taken over by Mutual Trust Company, which is to be merged into the International Germanic Trust Company.

Exhibit 173

Directors of The Banco Kentucky Company

JOHN S. AKERS
Vice Pres. National Bank of Kentucky

HENRY J. ANGERMEIER
Vice Pres. National Bank of Kentucky

RICHARD BEAN
President The Louisville Trust Company

WILLIAM BLACK
President B. F. Avery & Sons

DR. OSCAR E. BLOCH
Physician and Surgeon

CHARLES H. BOHMER
President The Security Bank

GEORGE O. BOOMER
Pres. and Treas. Pittsburgh Fuel Co.

R. R. BOSWELL
Vice Pres. The Louisville Trust Company

JAMES B. BROWN
President National Bank of Kentucky

R. LEE CALLAHAN
President Callahan & Sons

ANTHONY J. CARROLL
Attorney

GEORGE M. CLARK
President Ohio Falls Iron Company

SAMUEL W. COONS
Ch'm of Board, Standard Oil Co. of Ky.

ALLEN P. DODD
Attorney

NICHOLAS H. DOSKER
Vice Pres. The Louisville Trust Company

STUART E. DUNCAN
Ch'm of Board, Pealee-Gaulbert Corp.

JOSEPH H. DURHAM
Vice Pres. American Creosoting Company

C. OSCAR EWING
President D. H. Ewing's Sons

JAMES GARNETT
Attorney

WALTER H. GIRDLER
President Girdler Corporation

ANGEREAU GRAY
Vice Pres. The Louisville Trust Company

JAMES J. HAYES
Vice Pres. National Bank of Kentucky

T. KENNEDY HELM
Attorney

BAYLOR O. HICKMAN
Vice President Ewald Iron Company

C. C. HIEATT
President Consolidated Realty Company

SAUNDERS P. JONES
President Jones-Dabney Company

MILBURN P. KELLEY
President Louisville Bedding Company

WALTER I. KOHN
Capitalist

S. CLAY LYONS
W. L. Lyons & Company

CHARLES C. MENGEL
President The Mengel Company

BEN J. METCALFE
Vice Pres. The Louisville Trust Company

J. WM. MILLER
President Grocers Baking Company

THOMAS J. MINARY
Ch'm of Board, Louisville Railway Co.

DAVID C. MORTON
President Ballard & Ballard

EDWARD J. O'BRIEN, JR.
Manager E. J. O'Brien & Company

HENRY D. ORMSBY
Vice Pres. National Bank of Kentucky

JOHN B. PIRTLE
Vice Pres. The Louisville Trust Co.

BEN ROBERTSON
President Reliance Varnish Company

ARTHUR M. RUTLEDGE
Attorney

WILLIAM SHORT
Capitalist

WILLIAM S. SPEED
President Louisville Cement Company

JOHN STITES
Ch'm of Board, the Louisville Trust Co.

SAM H. STONE
President S. H. Stone & Company

E. LELAND TAYLOR
President Wright & Taylor

HORACE A. TAYLOR
Capitalist

ROBERT F. VAUGHAN
Attorney

HENRY VOGT
President Henry Vogt Machine Co.

E. WEINSTOCK
Vice Pres. The Louisville Trust Company

The information contained herein has been obtained from sources that we deem reliable and although not guaranteed, is believed by us, to be accurate.

Printed in U. S. A.

Exhibit 174

District Court of the United States
the Western District of

A. M. Anderson, Receiver, ... Plaintiff
vs. No. 1046
David J. Alfaut, et al ..... Defendants

Plaintiff's ~~Defendants'~~ Exhibit No. 174

Louisville, Ky., July _____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY
AND
THE LOUISVILLE TRUST COMPANY:
421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 1400 Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

Walter H. Fiedler
Signature of Stockholder.

1303 Shelby St.
Address
Louisville Ky

Exhibit 175

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 1500 additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

_____
Signature of Stockholder.

_____
Address.

District Court of the United States
the Western District of

A. M. Anderson, Receiver, ... Plaintiff
vs. No. 1046
David J. Alfaut, et al ..... Defendants

Plaintiff's ~~Defendants'~~ Exhibit No. 175

Exhibit 176

District ... the W... Plaintiff
A. M. And... Defendants
David ...
Plaintiff's ~~Defendants'~~ Exhibit No. 176

Louisville, Ky., July 2nd, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY
AND
THE LOUISVILLE TRUST COMPANY:
421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 3 c c Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

.....
Signature of Stockholder.

.....
Address

Exhibit 177

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for.....additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

Dist... Dis... .....
Signature of Stockholder.
A. M. ...
David ... .
Address.
Plaintiff ... Defendant
... Exhibit No. 177

Exhibit 178

Louisville, Ky., July 17, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 1,000 Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

George C Denman

Signature of Stockholder.

231 West Main St

Louisville Ky

Address

The 1,000 shares required to [illegible] is held by the Commissioner [illegible] deposited as soon as [illegible] and the additional 900 shares has been deposited by me.

COPY Exhibit 179

Louisville, Ky., November 19, 1930

Special Committee's Report re Sale of
Cincinnati and Covington Banks.

To the Board of Directors and Executive Committee
The BancoKentucky Company.

Gentlemen:

On the 17th of November, 1930, the Executive Committee and Board of Directors of The BancoKentucky Company adopted Resolutions appointing the undersigned "a special Committee with full authority to negotiate and sell all the capital stock now owned by The Banco-Kentucky Company" in four banks hereafter mentioned "on such terms as in the judgment of said Committee may be for the best interest of The BancoKentucky Company, and to carry the sale of same, if made, into effect by executing in behalf of The BancoKentucky Company such documents as may be necessary."

The banks covered by resolution were the Brighton Bank & Trust Company and the Pearl Market Bank & Trust Company, of Cincinnati, Ohio, and the Peoples Liberty Bank & Trust Company and Central Trust & Savings Bank, of Covington, Kentucky.

As you understood and expressed, the situation of these banks was somewhat serious because of rums growing out of the failure of Caldwell & Company and the closing of the National Bank of Kentucky and The Louisville Trust Company, all of which were owned by or in alliance with The BancoKentucky Company, owner of the stock in the above mentioned banks.

This assignment to committee work was made at the meeting of your Board Monday afternoon, November 17, 1930, at 6:10 P.M. It was first arranged and suggested that the Committee, with proper creden-tials and stock certificates, proceed by airplane to Cincinnati to

meet a committee of the Cincinnati Clearing House Association then in session, and which remained in session until the arrival of your Committee, which did not go by airplane but made good speed by automobile.

Your Committee not having any detailed information of the statements of the banks to be sold but being told that an emergency existed, deemed it necessary to call upon Mr. James B. Brown, President of The BancoKentucky Company, for suggestions as to the personnel and information as to the cost and the conditions of theCincinnati and Covington banks, before undertaking to act upon the question of sale of the stocks. To obtain the information desired your Committee stopped at Mr. James B. Brown's house from 8:08 P. M. to 10:45 P. M. and urged and insisted that he having bought these banks and knowing the men should go with your Committee, but he positively refused to do so because, he said, of other pending negotiations.

We then proceeded to Cincinnati to keep the engagement with the Committee of the Cincinnati Clearing House Association, which had remained in session pending our arrival about 3:00 A. M. our time but 4:00 A. M. their time, and found them very anxious to complete the negotiations for the Cincinnati banks before 8:00 A. M.

They represented themselves as the President and a Special Committee of the Cincinnati Clearing House Association, which, in view of its experience in a run on Cincinnati banks, in June or July of this year, had obtained special authority from the Cincinnati Clearing House banks to protect the banking interests in Cincinnati through acquiring the Brighton Bank & Trust Company and the Pearl Market Bank & Trust Company, which had been for the previous week and on the previous day subjected to runs amounting to a panic.

The Committee of the Clearing House stated that the Chemical

Exhibit 173

The Banco Kentucky Company

C1 & 16

District Court of the United States for the Western District of [illegible]

A. M. Anderson, Receiver ..... Plaintiff

vs. No. 1046

David J. Abbott, et al ..... Defendants

Plaintiff's ~~Defendants'~~ Exhibit No. 173

Blyth & Co.

Members of the New York and Chicago Stock Exchanges

NEW YORK BOSTON CHICAGO PHILADELPHIA SAN FRANCISCO
LOS ANGELES PORTLAND SEATTLE LONDON

PRIVATE WIRES CONNECT ALL U. S. OFFICES

2091

Exhibit 173

THE BANCO KENTUCKY COMPANY

Bank Shares and Group Banking

BANK stocks enjoy a distinguished record among corporate investments but knowledge concerning them is by no means general. Probably they have been overlooked by the average investor because of the high prices per share and the low current dividend return.

At the present time such issues as The Banco Kentucky Company shares are available at prices within the range of all investors and the outstanding profitable record of bank stocks in general makes such situations extremely interesting. In connection with this record it is noteworthy that anyone who purchased National Bank of Kentucky stock five years ago and sold in the existing market, by averaging his profit over the period, together with dividends, would have an annual yield of over 35% on his capital. (National Bank of Kentucky is the bank through which The Banco Kentucky Company was organized.)

The business of banking is favorable to steady profitable operation. Bank deposits usually increase in due proportion to the increase in wealth of the country. Such an increase is usually more sure than the increase in any one industry. Because a bank's stock in trade is money, additions to capital are more immediately profitable than in most enterprises. Thus, it has become banking practice for the stockholders to consent to low dividends so that the balance of earnings may be reinvested in the bank and compounded for them. It is returned to them through stock dividends and rights.

The formation of corporations which control a number of banking institutions is a comparatively new development in America. One of its obvious merits is that it supplies a supervisory managerial ability available in formulating loan and investment policies which is of a higher calibre than a single moderately sized bank could employ. Another advantage is that it gives diversification of risk, so that the whole group is more financially sound than would be the sum of its parts if separated. This soundness and size instills confidence in the public and makes the development of new business easier both in commercial banking and in trust and investment corollaries.

In a strategically located group of banks the inter-bank relationships may be kept more within the group so that profits are increased. The policy of most groups is to retain local staffs and boards of directors so that close relationship with the affairs of the community is maintained.

The advantages of grouping banks are quite similar to those which caused the grouping of public utility properties. Many observers have expressed the opinion, therefore, that bank stocks are in a similar

position to public utility stocks six and seven years ago and that they will show the same spectacular development.

Organization

The Banco Kentucky Company was recently formed to acquire and hold controlling interests in commercial banks throughout the Middle West. By charter, broad powers are conferred upon the Company, so that all types of operations in the financial field are permitted but no investments are contemplated other than controlling interests in financial institutions.

Upon completion of present transactions the Company will control the National Bank of Kentucky, organized in 1834, the Louisville National Bank and Trust Co., organized 1884 as Louisville Trust Company, both of Louisville, Ky., the Pearl Market Bank & Trust Co., organized 1907, and the Brighton Bank & Trust Co., organized 1898, both of Cincinnati, Ohio, and the Central Savings Bank and Trust Company, organized 1906, of Covington, Ky. In addition, the Company has funds of approximately $6,000,000, which are expected to be used for the acquiring of additional banking institutions.

History

The formation of The Banco Kentucky Company was occasioned under the leadership of Mr. James B. Brown of Louisville, President of the National Bank of Kentucky. Its cash capital was subscribed to by the shareholders of this bank at $25 per share and practically the entire outstanding stock of the Louisville banks was exchanged for The Banco Kentucky stock.

The National Bank of Kentucky, the largest unit in the Company at present, was organized in 1834 as a state bank by the same group of capitalists who organized the Bank of North America in Philadelphia and the Bank of America in New York. The National Bank of Kentucky has a continuous dividend record since its organization for 95 years. At the time of granting the original state charter, the State of Kentucky was given a small block of stock in the bank which it still holds. These shares at present market prices are worth over $500,000.

Territory

It is the present policy of the Company to control only middle western institutions. This territory contains the center of population of the United States and represents some of the greatest industrial developments of the country. The Company is confining its interest to institutions in larger cities.

Exhibit 173

BANCO KENTUCKY COMPANY

Growth

The following table shows the consolidated growth of the group of banks as presently constituted:

Year Ended	Total Resources	Deposits	Capital and Surplus Account
1924	$ 93,559,000	$78,499,000	$10,794,000
1925	97,629,000	79,753,000	11,019,000
1926	103,791,000	84,998,000	11,505,000
1927	113,280,000	89,366,000	12,196,000
1928	120,168,000	90,005,000	12,458,000
1929 (Oct. 10)	123,197,000	91,749,000	12,807,000

These totals are expected to be enlarged by the purchase of institutions contemplated with the cash of approximately $6,000,000 now in the treasury of the Company. The above table does not include statistics on the recently acquired Covington bank.

Capitalization

The Banco Kentucky Company at the conclusion of outstanding exchange offers will presently have outstanding 1,750,000 shares of $10 par value capital stock. It has no other classes of securities outstanding or authorized. The capital stock is listed on the Chicago Stock Exchange.

Dividends

The Company has recently instituted a regular dividend policy of $.80 per share per annum payable quarterly. Consolidated earnings of the Company show this dividend earned by a wide margin, as is usual in the case of conservative banking institutions.

Trust Funds

The present group of banks, in addition to its total resources, as shown, controls approximately $100,000,000 of trust funds.

Management

The active executive head of The Banco Kentucky Company is Mr. James B. Brown of Louisville. Mr. Brown has been president of the National Bank of Kentucky for a number of years. He is a director of the following nationally known corporations, as well as many local enterprises: Louisville & Nashville Railroad Co., Standard Oil Co. of Kentucky, Louisville Gas & Electric Co. and Southern Bell Telephone & Telegraph Co.

confronted with crowds of one thousand or more customers and onlookers demanding immediate payment of their deposits, and stated also, as had the representative in regard to the Cincinnati banks, that it might be necessary to keep a cordon of police constantly on duty to protect the banks from conditions approaching a riot. They asserted that the Receiver of the National Bank of Kentucky had withdrawn $400,000 (?) and that the School Board, City of Covington and the County of Kenton had all called meetings for the afternoon to take action on withdrawing about $1,000,000, but if the situation could be cleared they would leave their funds.

After consulting with Mr.L.B.Wilson and Mr. John S. Schulte, the Presidents of the banks in Covington, and also with the Cincinnati bankers and Mr. Maurice Calvin, who is a stockholder and director, and talking with Mr.Brown who fully approved, your Committee submitted the following option through Mr.L.B.Wilson to the group of prospective investors of the First National Bank in Cincinnati;

"Cincinnati,Ohio, Nov.18,1930.

The undersigned having been duly appointed at a meeting of the Board of Directors of the BancoKentucky Company a special committee, with full authority to negotiate a sale of the shares of the capital stock now owned by The BancoKentucky Company in The Peoples-Liberty Bank and Trust Company, and of the Central Savings Bank and Trust Company, both of Covington, Ky., hereby offer to sell to L.B.Wilson, or his assigns, sixteen hundred and four (1604) shares of The Peoples-Liberty Bank & Trust Company, for the sum of one hundred ($100.00) dollars per share, and in addition thereto, if authority therefor is obtained from the Comptroller of the Currency or his representative, an additional four hundred and ninety-five (495) shares of the Peoples Liberty Bank and Trust Company, which four hundred and ninety-five (495) shares is now pledged to the National Bank of Kentucky, at the same price, and upon the same terms as hereinafter set out; and also five hundred and forty-eight (548) shares of The Central Savings Bank and Trust Company at the price of two hundred ($200.00) dollars per share. The terms of sale to be cash upon delivery of certificates of stock, and the certificates of stock will be delivered to _____Kincheloe,Manager of the Federal Reserve Branch Bank at Louisville, Ky.,

7.

and the said Kincheloe will be directed, upon receipt of the money for such stock, to forthwith deliver same to you or your assigns, and to expedite and consummate the sale, the money to be paid into the Federal Reserve Branch Bank at Cincinnati, Ohio, to be transmitted to the Federal Reserve Branch Bank at Louisville, Ky., to the credit of The BancoKentucky Company.

This option by the undersigned committee is subject to formal ratification by the Board of Directors of The BancoKentucky Company now convening, or by the delivery of the said stock to the said Kincheloe in confirmation hereof.

In Witness Whereof we have hereunto set our hands this 18th day of November, 1930."

The prospective purchasers declined the offer which had been made and stated they were through, but through the further efforts of Mr. L.R.Wilson and Mr. Maurice Galvin, both interested as stockholders, the above contract was amended by accepting a counter proposition which reduced the prices to $50 per share for the Peoples-Liberty Bank & Trust Company and to $100 per share for the Central Savings Bank & Trust Company. In other words, during final negotiations of approximately one hour and a half, 50% of the originally proposed sale price was lost because it was not certain whether the banks could remain open for the following two hours; and even in that time money had been sent on personal credit to support the banks.

Your committee could not but have in mind three factors; first, that if the banks closed, a double liability assessment would result to The BancoKentucky Company; secondly, the untoward general stock market conditions and bank conditions resulting therefrom; and thirdly, as a result of the foregoing, the condition of frozen assets that could not be realized upon at anything like the estimated values at the time these stocks had been purchased; and your Committee realized that the only thing to do was to save the loss of an assessment and obtain such cash as might be collected, and to restore the banks to local control, for it was perfectly obvious in the newspaper

publications and in the local talk that the so-called "outside interests" were being in no way supported.

It may be mentioned that in seven-eights of the front page of The Cincinnati Post, in type larger than the name of the paper, appeared the following headline; "Clearing House Buys Outside Interests in Two Banks."

It might also be mentioned that in discussing the Covington bank situation it was made very clear that none of the local banks were prepared to support the Peoples-Liberty Bank & Trust Company and the Central Savings Bank & Trust Company, owned in part by The BancoKentucky Company, but that the best the Covington banks would do was for each bank individually and for itself, to unite in the following statement;

"Covington Banks
Are Fully Protected, Officers Reassure Public.
The following statement was issued by eight banks of Covington, Ky., to the public Tuesday:
The undersigned banks of Covington, Ky., realizing the depressed conditions and the unrest of our people by reason of the closing of the banks in Kentucky and elsewhere, state that none of the closed banks in Louisville, Ky., or Caldwell & Co. of Nashville, Tenn., are indebted to any of the undersigned banks on any loans or advances; neither are any of the undersigned banks in any way indebted or obligated to the closed banks in Louisville or Caldwell & Co. and we firmly believe that the deposits in all the undersigned banks are safe and protected in every way. This statement is made on behalf of all banks and signed by each bank for itself individually.
The Covington Trust & Banking Co., C.W.Simrall, President.
The Peoples Liberty Bank & Trust Co., L.B.Wilson, President.
First National Bank & Trust Company, E.C.Lee, President.
Central Savings Bank & Trust Co., John H. Schulte, President.
Security Savings Bank, Ed. Zeis, President.
Citizens National Bank, B.J.Linnemann, President.
First National Bank of Latonia, H.C.White, President.
Latonia Deposit Bank & Trust Co., Warren Ellistom, Cashier."

9.

It was utterly impossible either in the time permitted or from the Committee's knowledge of local conditions, to combat and differ from the analyses of the statements of the several banks and the conditions as held forth by apparently, and we believe actually, those best qualified to advise as to local conditions of the respective banks. Your Committee, therefore, deemed it best to accept the utmost it could secure and to have all the funds transmitted directly to the Federal Reserve Agent in Louisville for the account of The Banco-Kentucky Company.

The originals of the contracts are delivered herewith.

This is submitted as a report of the best that we could do under the time limit and circumstances attending on our duties.

Respectfully submitted,

Special Committee (_____)
The BancoKentucky Company _____
(_____)
)_____

Bank & Trust Company, of New York, of which Mr. Percy Johnston is President, had given notice that it would sell all stocks of those banks which had been pledged to it by The BancoKentucky Company at 9:00 A. M., November 18, 1930, and that this represented a majority but not the necessary two-thirds interest, and that Mr. Johnston talked with with Mr. Brown the previous week but no progress could be made, when matters were very much less serious; that the clearing house banks were represented by their Presidents, Chairman of the Boards or other officers fully empowered to act, and that irrespective of profit or loss they were willing to make an offer to pay to The BancoKentucky Company the same amount that they had finally agreed to pay to the Chemical Bank & Trust Company of New York, upon its ownership of stock if both sales were made.

At the time of the night or morning at which your Committee went into these negotiations, the only representative of our interests in Cincinnati was the President of the two institutions owned by The BancoKentucky Company, Mr. G. M. Moeler.

The entire time before the proposed meeting of the Clearing House at 8:00 A. M. was taken up with discussing with the Committee its analysis of the bank statements, the prospects of stopping the run upon the institutions, or the institutions surviving the run imminent on the opening on the following morning, or their value if liquidated, as Mr. Moeler stated that the Boards of Directors of neither institution was willing to open or receive deposits for fear of liability for accepting deposits when insolvent, and if the banks were not sold to the Clearing House they would not open but would be immediately put in the hands of the Banking Commissioner.

The analysis presented clearly indicated that the Pearl Market Bank & Trust Company was insolvent to the extent of more than

3,

$600,000, which meant an assessment on its shares of stock to that amount. The Cincinnati Clearing House Committee clearly stated that in any proposition they made, the two banks which had been unified in interest must be considered together and the prospective loss on the Pearl Market Bank & Trust Company must be deducted from any possible saving to be realized from the sale of the Brighton Bank & Trust Company.

The situation was far from clear, though it was intimated and positively stated that the Pearl Market Bank & Trust Company had losses sufficient to justify an assessment of $600,000 on its stockholders. It was also stated that the Brighton Bank & Trust Company had sufficient cash and credit to weather any normal or extraordinary demands; but the fact that there had been eight banks closed in Kentucky and many other bank failures, made the losses for the preceding week such as practically to exhaust the resources of both banks, and that on the previous day it had been necessary to have assignments of the police department to control the crowds that had gathered demanding withdrawals.

Every member of your Committee and Mr. Moeler talked with Mr. Brown by long distance telephone for possibly as much as two hours, but could not agree with his optimism that the case could be fought out to any successful conclusion, and were impressed with the fact that the banks could not be opened, and if closed would mean a net loss to The BancoKentucky Company if the stock was held to an amount of from $500,000 to $1,500,000.00.

So far as the Cincinnati banks were concerned, the following agreements and statements were executed:

"November 18, 1930.

The Cincinnati Clearing House Assn.,
Cincinnati, Ohio.

The undersigned duly authorized special committee of the BancoKentucky Company hereby offers to sell to

4.

you 23,670 shares of the capital stock of the Pearl Market Bank & Trust Company of Cincinnati and 18,290 shares of the capital stock of the Brighton Bank & Trust Company of Cincinnati, for the sum of $274,380 cash to be paid upon delivery of all of said shares, which we agree to deliver forthwith, and in addition thereto any sum that may be realized by your committee upon complete resale of said shares and/or liquidation of said banks over and above said $274,380, with the understanding, however, that this additional total amount so to be paid to us shall not exceed the sum of $188,900.00.

It is understood that your association will put forth its best effort to have the resale of said shares and/or liquidation of said banks consummated within the period of one year from this date.

Executed in triplicate.

T. K. Helm
R. L. Callahan
C. F. Jones.

November 18, 1930
Accepted:
Cincinnati Clearing House Association
By Chas. H.
President
T. J. Davis (By Special
Chas. W. Dupuis) Committee."

also the following:

"We, the undersigned banks of the Cincinnati Clearing House Association, announce that the Clearing House Association has bought the entire holdings of certain outside interests in the Brighton Bank & Trust Company and the Pearl Market Bank & Trust Company; that the control of both of said banks is now held by the Clearing House Association, and that therefore the undersigned banks stand behind both of said banks.

Fifth Third Union Trust Company, by R. W. Edwards, President.

First National Bank by John J. Rowe, President.

Central Trust Company by Chas. W. Dupuis, President.

Provident Savings Bank & TrustCo. by Leo J. Van Lahr, President.

Western Bank & Trust Company by Frederick Hertenstein, President.

Second National Bank by C. A. Bosworth, President.

Lincoln National Bank by W. C. Fechs, Vice-President.

Atlas National Bank by C. J. Ziegler, Vice-President.

The statement was issued, it was announced, in order to insure public confidence in the two institu-

tions whose names have been linked with the closing of the National Bank of Kentucky at Louisville, Kentucky".

About the time these negotiations were closed, it appeared that the Chemical Bank & Trust Company, of New York, was withholding a part of the stock covered by a certificate and might claim a lien thereon. Your Committee therefore executed the following order:

Cincinnati, Ohio, Nov. 18, 1930.

The Chemical Bank & Trust Company,
New York, N.Y.

Gentlemen:

Please deliver to the Cincinnati Clearing House Association for our account six thousand (6000) shares Capital Stock of the Brighton Bank & Trust Company of Cincinnati.

The aforesaid 6000 shares are deliverable to our order out of a certain Certificate for 10,000 shares of said Capital stock, which Certificate you now hold.

Yours very truly,

The BancoKentucky Company

By Special Committee (T.K.Helm, C.F.Jones, R.L.Callahan."

It was arranged that the stock in Louisville in these banks should be delivered to Robert D. Kincheloe, Federal Reserve Agent at Louisville, and that he would accept for the account of The Banco-Kentucky Company the proceeds and deliver the stock in The Banco-Kentucky Company's possession. This was carried into effect and the presently due cash was collected and said stock so delivered.

Immediately after the above trade was consummated, and, in fact, before it was completed, Mr. L.B.Wilson, President of the Peoples Bank & Trust Company, Covington, Ky., and Mr. John S. Schulte, President of the Central Savings Bank & Trust Company, Covington, Ky., were making the most serious demands for assistance and representing that their banks had opened, after borrowing to their limit, and were

District Court of the United States
the Western [illegible]

A. M. Anderson, Receiver, [illegible] Plaintiff

vs.

[illegible] Defendants

[illegible] No. 9150

Exhibit 180

Louisville, Ky., July ____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of ..... Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

Horace A. Taylor
Signature of Stockholder.

440 Stark Bldg.
Address

Exhibit 181

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for ..... additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

[illegible]
Signature of Stockholder.

[illegible]
Address.

181 2109

Exhibit 182

District Court of the United States for the Western District of K...
A. M. Anderson, Receiver, ... Plaintiff
vs. No. 1046
David J. Abbott, et al ..... Defendants
Plaintiff's Defendants' Exhibit No. 182

National Bank of ...

2/4/25	10 Shs.	$345.00	
9/4/25	6 "	207.00	
4/22/27	9% "	Stock Dividend	
"	4/10 "	131.00	
2/1/29	60 "	2358.00	
2/9/29	14 "	596.00	
4/1/29	30 "	1058.00	$4574.00
	130		2757.50
	1300		$48,499.50
	100		
	1400	Louisville National Bank	
10/21/27	10 Shs.	250.00	
1/18/29	10 "	3010.00	$5515.00

2913 Shs. X 2700 Shs. Bank Kentucky @ $25.00/Sh. — $55000.00

11/22/30	Sold 3750	Shs. Bank ...ky	$1147.25	
11/26/30	" 1750	" " "	441.75	"
11/25/30	" 500	" " "	176.50	"
			$1765.00	

Exchanged 1400 TPC for 2800 Bank — cost $48,499.50
Subscribed for 2200 " $55,000.00
$103,499.50

Exhibit 183

District Court of the United States
the Western District of ...
A. M. Anderson, Receiver ..... Plaintiff
vs.
David J. Abbott, et al ..... Defendants
No. 1046
Plaintiff's Defendants' Exhibit No. 183

Bank Stock Purchases

			Cost
	1923 – 10 shares Lawrence Fed		$ 1,550.00
July	1924 – 25 " " "		4,187.50
Nov	1924 – 5 "		920.00
Mar	1925 – 15 "		3,000.00
Aug	1925 – 4 "		812.00
Feb	1926 – 1 "		226.00
Feb	1927 – 5 "		1,400.00
Sept	1927 – 17 "		3,400.00
Jan	1928 – 3 "		753.00
	85		$ 16,283.50

	1928 –	25 sh	Lawrence Fed Corp.	$ 9,006.25
July	1928 –	15	do	5,403.75
July	1928 –	15	do	5,403.75
Jan	1929	60	do	21,615.00
Jan	1929	15	do	5,403.75
		115 sh		

Total 200 shares ...

A com ... Lawrence ...

... 000

5,000 "

(X) Includes ... stock ... name ... Bank ...

Exhibit 184

District Court of the United States
the Western District of Kentucky
A. M. Anderson, Receiver, ... plaintiff
vs No. 1016
David T. Abbett, et al ..... Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 184

Louisville, Ky., ~~July~~ Sept 7th, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the ~~Trustees~~ of

NATIONAL BANK OF KENTUCKY
AND
THE LOUISVILLE TRUST COMPANY:
421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 600 *Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.*

E. Leland Taylor
Signature of Stockholder.

1016 Francis Bldg.
Address

Exhibit 185

District Court of the United States
the Western District of
A. M. Anderson, Receiver, ... Plaintiff
vs No. 1646
David J. Abbott, et al, ... Defendants
Plaintiff's Defendants' Exhibit No. 185

Louisville, Ky., July 24, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY
AND
THE LOUISVILLE TRUST COMPANY:
421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of ..... Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

E. Leland Taylor
Signature of Stockholder.

1010 Francis Bldg.
Address

Exhibit 186

Louisville, Ky., July 16, 1929.

186

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 14 Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

Signature of Stockholder.

Address

2114

Exhibit 187

Louisville, Ky., July_____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 500 *Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.*

Eloise S. Sackett
By W. S. Speed Atty
Signature of Stockholder.

Address

187

2115

Exhibit 188

Louisville, Ky., July _____, 1929.

SUBSCRIPTION TO SHARES

OF

THE BANCOKENTUCKY COMPANY

INCORPORATED

(Under the Reorganization Plan as outlined in the letter of the Trustees, dated July 19, 1929.)

To the Trustees of

NATIONAL BANK OF KENTUCKY

AND

THE LOUISVILLE TRUST COMPANY:

421 WEST MARKET ST.

1. I hereby deposit with you endorsed in blank and witnessed Trustees' Participation Certificates for an aggregate of 560 Participation Shares of the National Bank of Kentucky and The Louisville Trust Company, in exchange for which you are to cause to be issued to me Two (2) shares of stock of The BancoKentucky Company for each Participation Share herewith deposited, fully paid and non-assessable, under the terms of the Reorganization Plan as outlined in your letter of July 19, 1929, if, when and as said Plan shall become effective as therein provided.

Fred M. Sackett
By W. S. Speed Atty
Signature of Stockholder.

_____
Address

Dist...
the ...
A. M. And... Plaintiff
... ndants
David ...
Plaintiff s ... No. 188

Exhibit 189

2. In accordance with the privilege given me under said Plan of Reorganization, I hereby subscribe for 3000 additional shares of The BancoKentucky Company, at Twenty-five ($25.00) Dollars per share, and agree to pay the purchase price thereof on call of the Company following the date said Plan becomes effective.

F. M. Sackett
By W. S. Speed
Signature of Stockholder.

315 Guthrie
Address.

Dist...
the ...
A. M. ... Plaintiff
... ndants
David ...
Plaintiff s ... No. 189

Exhibit 190

District Court of the United States for the Western District of Pennsylvania

A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1046
David J. Abbott, et al ..... Defendant
Plaintiff's ~~Defendants'~~ Exhibit No. 190

National Bank of ty

Jan 12 - 1927 - 10 Shares @ 336 00
Mch 2 - 1927 - 27 " 12717 00
" 3 - 1927 - 13 " 6058 00
June 23 - 1927 - 30 Interim certs.
80 Shares - 22135 00

Oct 24 - 1927 - 80 Trustee Certs

Converted to 1800 -
~~June 23 1930~~ + 1600 Banco certificates

Banco -

Oct 2 - 1929 Bought 2000 Banco 5000 00
Dec 17 " Gift from wife 10 " 227 50
June 14 - 1930 " " Mother 10 " 233 75

July 24 - 1930. Law Trust converted 200 Shares
Trustee certificate 10 =

3820 Banco ~~including~~ 10 qualifying

2117

P-190

Exhibit 192

STATEMENT OF S. H. STONE IN REFERENCE TO TIME AND MANNER OF ACQUISITION OF BANCOKENTUCKY STOCK.

S. H. Stone says that he was a stockholder in the Louisville National Bank, and at the time of the consolidation of that Bank with the Louisville Trust Company, he acquired by exchange of Louisville National Bank certificate held by him, one hundred Trustees Participation Certificates of the par value of $100.00 each; that thereafter each of these certificates were divided into ten (10) Trustees' Participation Certificates, and that after this division, he held one thousand T. P. C.'s; that after August 1st, and prior to September 19, 1929, he surrendered to the trustees one thousand (1,000) Trustees' Participation Certificates in consideration of an Interim Receipt issued and delivered to him for the delivery of two thousand (2,000) shares of BancoKentucky Company stock; that thereafter, and on or about October 1, 1939, he subscribed for one thousand (1,000) shares of BancoKentucky Company stock and paid therefor to BancoKentucky Company, the sum of Twenty-Five Thousand ($25,000.00) Dollars in cash.

This February , 1939.

Sam H. Stone

District Court of the United States for the Western District of Kentucky
A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1046
David J. Lucas, et al ..... Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 192

Exhibit 193

Exhibit 193.

In re - Anderson, Receiver v. Abbott, et al.

In connection with the Stipulation filed February 3, 1939, in regard to the testimony of witnesses not called, the schedule of Ben J. Metcalfe's ownership of stock in The BancoKentucky Company is as follows:

Prior to the transfer date of Trustees' Participation Certificates into BancoKentucky stock, he owned 2530 shares, and transferred 2330 Trustees' Participation Certificates for which he received two shares of BancoKentucky stock for each share of Trustees' Participation Certificates - total 4660.

Later on a certificate for 2 0 shares of Trustees' Participation Certificates was deposited, and an Interim Receipt taken in lieu thereof. This stock was to be transferred into 400 shares of BancoKentucky, making a total of 5060.

On the day of December, 1929, he subscribed for 1940 additional shares of BancoKentucky stock.

The foregoing was exclusive of 10 shares of Louisville Trust Company stock held as director.

Plaintiff

Exhibit No. 193

Exhibit 194

Wxhibit 194.

In re - Anderson, Receiver v. Abbott, et al.

In connection with the Stipulation filed February 3, 1939, in regard to the testimony of witnesses not called, the schedule of Angereau Gray's ownership of stock in The BancoKentucky Company is as follows:

Prior to the unification of interests of the Louisville Trust Company and the National Bank of Kentucky, he owned 20 shares of Louisville Trust Company stock. These were surrendered to the Trustees under the Agreement of April 22, 1927, and he received in return 10 shares of Louisville Trust Company stock and 10 shares of National Bank of Kentucky stock.

On September 19, 1929, he purchased 50 shares of BancoKentucky stock.

On January , 1930, he transferred 10 shares of National Bank of Kentucky stock through the Trustees into 200 shares of BancoKentucky Company stock.

194

LOSSES ON ITEMS CRITICIZED BY JOHN S. WOOD, CHIEF NATIONAL BANK EXAMINER
IN EXAMINATION OF NATIONAL BANK OF KENTUCKY
BEGINNING ON MAY 25, 1929 AND CLOSING JUNE 15, 1929

District Court of the United States for
the Western Dis[illegible]
A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1646
David J. Abbott, et al ..... Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 195

2121

Exhibit 195

Name	Page	On Books May 25,1929	Previous Charge Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase In Line	Balance Due	Loss
Bray-Robinson Clothing Company Endorsed Frank Bray (Director Dodd interested)	3-2	$ 155,000.00	-0-	-0-	-0-	$ 155,000.00	-0-	-0-	-0-
Callahan and Sons Endorsed R.L.Callahan (Director)	3-2	80,000.00	-0-	-0-	-0-	80,000.00	-0-	-0-	-0-
Hart Manufacturing Company (Director J.S.Akers interested)	3-2	90,000.00(Direct)	-0-	-0-	-0-	90,000.00	-0-	-0-	-0-
		61,215.89(Indirect)	-0-	-0-	-0-	61,215.89	-0-	-0-	-0-
Herald-Post Company (Director James B.Brown endorser)	3-2	395,000.00(Direct)	-0-	-0-	-0-	23,849.96	-0-	371,150.04	371,150.04
		4,424.98(Indirect)	-0-	-0-	-0-	1,684.88	-0-	2,740.10	2,740.10
Jones-Dabney Company (Director, Saunders F.Jones interested)	3-2	180,000.00(Direct)	-0-	-0-	-0-	180,000.00	-0-	-0-	-0-
		2,290.15(Indirect)	-0-	-0-	-0-	2,290.15	-0-	-0-	-0-
C.A.Koerner and Company (Vice-Pres.Frank L.Dugan interested)	3-2	11,000.00	-0-	-0-	-0-	11,000.00	-0-	-0-	-0-
Lemon and Son (Director Brainard Lemon interested)	3-2	30,000.00(Direct)	-0-	-0-	-0-	30,000.00	-0-	-0-	-0-
		507.50(Indirect)	-0-	-0-	-0-	507.50	-0-	-0-	-0-
Louisville Cement Company (Director Wm.S.Speed interested)	3-2	75,000.00	-0-	-0-	-0-	75,000.00	-0-	-0-	-0-
Ohio Falls Iron Company (Director Geo.M.Clark, interested)	3-2	75,000.00(Direct)	-0-	-0-	-0-	5,441.54	15,000.00	84,558.46	84,558.46
		4,009.89(Indirect)	-0-	-0-	-0-	3,045.40	-0-	964.49	964.49
Ohio River Sand Company (Director Chas.H.Bohmer interested)	3-2	240,000.00	-0-	-0-	-0-	240,000.00	-0-	-0-	-0-
Peaslee-Gaulbert Company (Director S.E.Duncan interested)	3-2	40,000.00	-0-	-0-	-0-	40,000.00	-0-	-0-	-0-
Avery Building Association (Director Henry Thieman interested)	3-2	300,000.00	-0-	-0-	-0-	300,000.00	-0-	-0-	-0-
Herman Straus and Sons (Director W.I.Kohn interested)	3-2	105,000.00(Direct)	-0-	-0-	-0-	105,000.00	-0-	-0-	-0-
		54,887.08(Indirect)	-0-	-0-	-0-	54,887.08	-0-	-0-	-0-
American Turf Association	3-2	300,000.00	-0-	-0-	-0-	300,000.00	-0-	-0-	-0-
Fairmount Jockey Club		292,500.00	-0-	-0-	-0-	292,500.00	-0-	-0-	-0-
Washington Park Jockey Club (Director James B.Brown interested)		75,000.00	-0-	-0-	-0-	75,000.00	-0-	-0-	-0-
		$2,510,855.19				$2,066,422.10	$15,000.00	$459,413.09	$459,413.09

SUMMARY

On books May 25, 1929	$2,510,855.19
Subsequent increase in lines	15,000.00
Total	$2,525,855.19
Less subsequent collections	2,066,422.10
Balance due - (Loss)	$ 459,413.09

2122

Exhibit 195

LIABILITIES OF DIRECTORS, OFFICERS AND EMPLOYEES LISTED IN EXAMINERS REPORT BEGINNING MAY 26,1929,CLOSED JUNE 15, 1929

Name	Page	On Books May 25,1929	Previous Charge Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase In Line	Balance Due	Loss
H. J. Angermeier (Guarantees Electric Refrig.Co.)	3-4	$ 46,396.41	-0-	-0-	-0-	$ 45,270.81	-0-	$ 6,125.60	$ 6,125.60
James B.Brown, joint maker with J.W.M.Stewart, et al.	3-4	230,534.24	-0-	-0-	-0-	230,534.24	-0-	-0-	-0-
(Endorser) G.S.Schlesinger		510.00	-0-	-0-	-0-	20.12	-0-	489.88	489.88
" C.H.Lewis		4,550.00	-0-	-0-	-0-	823.02	-0-	3,726.98	3,726.98
(Guarantor) O.A.Block		900.00	-0-	-0-	-0-	900.00	-0-	-0-	-0-
" C.F.Jones		16,000.00	-0-	-0-	-0-	16,000.00	-0-	-0-	-0-
" H.R.Grant		4,800.00	-0-	-0-	-0-	4,800.00	-0-	-0-	-0-
" L.L.Fontaine		5,000.00	-0-	-0-	-0-	1,000.00	-0-	4,000.00	4,000.00
R.L.Callahan Coll. 587 shs.Standard Oil of Ky.	3-4	18,500.00	-0-	-0-	-0-	18,500.00	-0-	-0-	-0-
Geo. M. Clark	3-4	220,500.00	-0-	-0-	-0-	114,669.53	-0-	105,830.47	105,830.47
Geo. M. Clark,(Rnd.Lucy C.Boyce)		10,000.00	-0-	-0-	-0-	5,900.00	-0-	4,100.00	4,100.00
S.E.Duncan (Collateral)	3-4	55,687.50	-0-	-0-	-0-	50,336.89	-0-	5,350.61	5,350.61
S.E.Duncan (Rnd. Gale Francis)		50.00	-0-	-0-	-0-	50.00	-0-	-0-	-0-
S.E.Duncan (Rnd. W.G.Duncan)		10,000.00	-0-	-0-	-0-	1,532.52	-0-	8,467.48	8,467.48
Baylor O. Hickman (Collateral)	3-4	39,717.50	-0-	-0-	-0-	39,717.50	-0-	-0-	-0-
Saunders P. Jones (Collateral)	3-5	56,500.00	-0-	-0-	-0-	56,500.00	-0-	-0-	-0-
Walter I. Kohn (Collateral)	3-5	72,156.50	-0-	-0-	-0-	72,156.50	-0-	-0-	-0-
Brainard Lemon (Rnd.Mary L. Tyler)	3-5	13,966.00	-0-	-0-	-0-	13,966.00	-0-	-0-	-0-
" Blanche Craig		4,000.00	-0-	-0-	-0-	822.38	-0-	3,177.62 *	-0-
" Lucy L.Milton		3,500.00	-0-	-0-	-0-	3,500.00	-0-	-0-	-0-
" W. Edwin Glossop		16,250.00	-0-	-0-	-0-	4,220.14	-0-	12,029.86 *	-0-
S.C.Lyons joint with W.L.Lyons & Company	3-5	93,033.33	-0-	-0-	-0-	93,033.33	-0-	-0-	-0-
		495,000.00	-0-	-0-	-0-	495,000.00	-0-	-0-	-0-
H.D.Ormsby (Rnd. St. Marks Church)	3-5	800.00	-0-	-0-	-0-	800.00	-0-	-0-	-0-
W.S.Speed (Collateral)	3-5	320,000.00	-0-	-0-	-0-	320,000.00	-0-	-0-	-0-
John Stites (Rnd. Jarrett Stites)	3-5	2,200.00	-0-	-0-	-0-	2,200.00	-0-	-0-	-0-
John Stites (Rnd. J.H.Stites)		650.00	-0-	-0-	-0-	650.00	-0-	-0-	-0-
John Stites (Rnd. A.M.Hannah)		1,950.00	-0-	-0-	-0-	1,950.00	-0-	-0-	-0-
J. E. Jansen (Collateral)	3-5	304.55	-0-	-0-	-0-	1.30	2,537.92	2,841.17	2,841.17
Raymond L. Metz (Collateral)	3-5	2,412.08	-0-	-0-	-0-	1,985.02	-0-	427.06	427.06

2123

Exhibit 195

LIABILITIES OF DIRECTORS, OFFICERS AND EMPLOYEES LISTED IN EXAMINERS REPORT BEGINNING MAY 25,1929, CLOSED JUNE 15, 1929

Name	Page	On Books May 25,1929	Previous Charge Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase In Line	Balance Due	Loss
Catherine D. Mooney (Collateral)	3-5	$ 2,085.00	-0-	-0-	-0-	$ 3,160.39	$ 11,462.00	$ 10,386.61	$ 10,386.61
C.L.Revenaugh (Endorser)	3-6	200.00	-0-	-0-	-0-	15.00	50.00	235.00	235.00
E.B.Robertson (End. Crescent Hill Baptist Church)	3-6	13,000.00	-0-	-0-	-0-	13,000.00	-0-	-0-	-0-
A.J.Steltenpohl (End.C.B.Steltenpohl)	3-6	275.00	-0-	-0-	-0-	275.00	-0-	-0-	-0-
Totals		$1,761,128.11				$1,807,989.69	$14,049.92	$167,188.34	$151,980.86

SUMMARY

On Books May 25, 1929	$1,761,128.11
Subsequent increase in lines	14,049.92
Total	$1,775,178.03
Less subsequent collections	1,807,989.69
	167,188.34
Less doubtful losses(See astericks)	15,207.48
	$ 151,980.86

• Doubtful losses.

Exhibit 195

SLOW AND DOUBTFUL PAPER AND
LOSSES ON LOANS LISTED IN EXAMINERS REPORT
Beginning May 25,1929, closed June 15,1929

Name	Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Balance Due	Loss
Adams, C. M. & F. R.	4	29.35	-0-		-0-	29.35	-0-	-0-	-0-
Aimee Shop	4	8,500.00	-0-		-0-	2,792.03	-0-	5,707.97	5,707.97
Allgier-Koch & Co.	4	750.00	-0-		-0-	750.00	-0-	-0-	-0-
Koch, J. C., End. Allgier Koch & Co.	4	2,300.00	-0-		-0-	2,216.72	-0-	83.28	83.28
Allgier, F. M.	4	700.00	-0-		-0-	-0-	1,650.00	2,350.00	2,350.00
Armstrong, Reynolds Co.	4	5,350.00	-0-		-0-	5,350.00	-0-	-0-	-0-
Attkisson, Eugene R.	4-1	4,700.00	-0-		-0-	4,700.00	-0-	-0-	-0-
Attkisson, Eugene R.& Guy D.	4-1	4,000.00	-0-		-0-	4,000.00	-0-	-0-	-0-
Badger Aluminum Co.		6,000.00	33,000.00	3/21/30	1,000.00	487.52	-0-	38,512.48	38,512.48
Bagby Howe Co.		29.89	-0-	3/21/30	29.89	-0-	-0-	29.89	29.89
Bimbas, G.L. & Scoon, J.J.		300.00	-0-	-	-0-	300.00	-0-	-0-	-0-
Boden, Chas. H.		1,058.97	-0-	3/21/30	155.94	903.03	-0-	155.94	155.94
Boles, Calvin F.		8,160.00	-0-		-0-	8,160.00	-0-	-0-	-0-
Bostic, Annie L.		100.00	-0-	3/21/30	100.00	-0-	-0-	100.00	100.00
Breslin, F. C.		80,772.17	-0-		-0-	34,911.34	-0-	45,860.83	45,860.83
Bruner, Ben L.		550.00	-0-		-0-	400.38	-0-	149.32	149.32
Cadet Knitting Co.	4-2	45,000.00	-0-		-0-	45,000.00	-0-	-0-	-0-
Campbell-Heath & Co.		95,606.82	-0-		-0-	1,339.51	-0-	-0-	46,463.10
						339.51			47,463.10
White & Associates	4-3	224,471.50	-0-		-0-	46,842.56	-0-	177,628.94	177,628.94
Carter Guaranty Co.		111,042.49	-0-		-0-	67,422.51	-0-	46,619.98	46,619.98
Carter, Ellerbe W.	4-4	9,197.16	-0-		-0-	7,466.18	-0-	1,730.98	1,730.98
Cawthon, Wm. C.		75.00	176.00	3/21/30	75.00	25.00	-0-	225.00	225.00
Central Furniture Co.		150,000.00	-0-		-0-	150,000.00	-0-	-0-	-0-
Merriman, Maude L. & C. E.									
Central Paint & Roofing Co.		2,323.45	2,500.00	3/21/30	1,000.00	-0-	-0-	4,823.45	4,823.45
Chandler, John H.	4-5	4,610.00	-0-		-0-	2,150.00	-0-	2,359.80	2,359.80
Chess & Hymond Co.		63,199.25	-0-		-0-	30,558.41	-0-	32,640.34	32,640.34
Clay County Coal Co.		6,491.00	3,463.88	3/21/30	5,069.50	3,375.00	-0-	6,579.38	6,579.38
Colony Illuminating Co.		1,650.00	-0-		-0-	1,615.43	-0-	34.57	34.57
Columbia Phosphate Mining Co.	4-6	15,227.50	-0-		-0-	1,734.58	-0-	13,492.92	13,492.92
Conn, J. Parker		2,381.22	-0-		-0-	76.00	-0-	2,305.22	2,305.22
Cook, H. A.		100.00	100.00	3/21/30	100.00	-0-	-0-	200.00	200.00
Corydon Milling Co.		347.22	1,100.00		-0-	1,447.22	-0-	-0-	-0-
Consolidated Realty Co.		405,101.03	-0-		-0-	149,676.12	-0-	255,424.91	255,424.91
Hieatt, C. C. & H. J. Scheirich	4-8	9,595.00	-0-		-0-	9,595.00	-0-	-0-	-0-
Gardens Communities Corp.		12,877.08	-0-		-0-	-0-	-0-	12,877.08	12,877.08
Hieatt, C. C.		23,530.00	-0-		-0-	-0-	-0-	23,530.00	23,530.00
General Realty Corp.		130,650.00	-0-		-0-	15,437.99	-0-	115,212.01	115,212.01
Scheirich, H. J.	4-9	12,000.00	-0-		-0-	-0-	-0-	12,000.00	12,000.00
Cossar, Aubrey		862.68	-0-		-0-	-0-	-0-	862.68	862.68
Cossar, Maud M. & Aubrey		1,350.00	-0-		-0-	1,349.00	-0-	1.00	1.00
Daugherty, L. L.		662.43	-0-		-0-	662.43	-0-	-0-	-0-
Dawson Daylight Coal Co.		36,000.00	-0-		-0-	36,000.00	-0-	-0-	-0-

Name	Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Balance Due	Loss
Color Cinema Co. (re-discounts)		1,233.16	-0-		-0-	1,200.46	-0-	-0-	-0-
Dehoney, Lillie M. & R. L.	4- 9	2,120.00	-0-	3/21/30	2,120.00	-0-	-0-	2,120.00	2,120.00
Dempsey, J. I., et al	4-10	24,500.00	-0-		-0-	20,957.14	-0-	3,542.86	3,542.86
Dempsey, J. I., et al	4-10	3,180.00	-0-		-0-	257.09	-0-	2,922.91	2,922.91
Dittmar, L. J.	4-10	11,346.99	-0-	5/21/30	5,359.30	2,607.00	-0-	8,739.00	8,739.00
Duffy Ice Company	4-10	9,000.00	-0-		-0-	9,000.00	-0-	-0-	-0-
Dundon, Robert D.	4-10	475.00	-0-		-0-	475.00	-0-	-0-	-0-
Dupero, John, Jr.	4-10	500.00	-0-		-0-	500.00	-0-	-0-	-0-
Eady, George W.	4-10	23,969.79	-0-		-0-	23,969.79	-0-	-0-	-0-
Eblen, C. C., E. C. and J. H.	4-11	1,950.00	-0-		-0-	-0-	-0-	1,950.00	1,950.00
Etherton, J. R.	4-11	1,500.00	-0-		-0-	1,250.25	-0-	249.75	249.75
Eureka Products Co.	4-11	10,000.00	25,016.50	(3/21/30) (5/21/30)	7,000.00	281.94	-0-	34,734.56	34,734.56
Fleece, Hugh B.	4-11	1,200.00	-0-		-0-	564.71	-0-	635.29	635.29
Frank, Henry Co.	4-11	6,200.00	-0-		-0-	6,200.00	-0-	-0-	-0-
Fisher, George K. & Co.	4-11	13,452.94	-0-	3/31/30	3,342.39	3,846.95	-0-	9,605.39	9,605.39
Gallagher, J. H.	4-11	2,540.00	-0-		-0-	1,929.37	-0-	610.63-	610.63
Gheens, C. W.	4-12	25,410.96	-0-		-0-	25,410.96	-0-	-0-	-0-
Gibbs-Inman Co.	4-12	78,000.00	-0-		-0-	78,000.00	-0-	-0-	-0-
Gibraltar Coal Mining Co.	4-12	7,300.00	-0-		-0-	2,169.30	-0-	5,330.70	5,330.70
Mercer Coal Co.	4-12	6,500.00	-0-		-0-	3,077.62	-0-	3,422.38	3,422.38
Brown, Robert L.	4-12	750.00	-0-		-0-	750.00	-0-	-0-	-0-
Gold Proof Milling Co.	4-12	120,000.00	-0-		-0-	120,000.00	-0-	-0-	-0-
Goldberg, I.	4-13	2,470.00	-0-		-0-	2,470.00	-0-	-0-	-0-
Goodloe, J. Kemp	4-13	4,700.00	-0-		-0-	4,700.00	-0-	-0-	-0-
Graham, L. S. and F. A. Perry	4-13	6,500.00	7,000.00		-0-	-0-	-0-	13,500.00	13,500.00
Fath, Leo E.	4-13	552.82	-0-	5/21/30	476.55	77.27	-0-	476.55	476.55
Grooms, H. L., et al	4-13	2,333.00	1,149.10		-0-	1,471.33	-0-	2,010.77	2,010.77
Guelda, Arthur F.& Wess Ogden	4-13	125.00	-0-		-0-	125.00	-0-	-0-	-0-
Harlan Coal Co.	4-13	30,405.08	10,000.00		-0-	34,839.22	-0-	14,566.86	14,566.86
Harlan Day Coal & Mining Co.	4-14	5,600.00	-0-	5/21/30	5,600.00	-0-	-0-	5,600.00	5,600.00
Hester, J. H.	4-14	16,500.00	-0-		-0-	16,500.00	-0-	-0-	-0-
Hodapp, F. E.	4-14	100.00	-0-	5/17/30	100.00	-0-	-0-	100.00	100.00
Hodapp, F. E. & Wife	4-14	675.00	-0-		-0-	98.21	-0-	576.79	576.79
Horn, George	4-14	46.30	-0-	3/21/30	46.30	-0-	-0-	46.30	46.30
Hubbuch, Jos., Sr. & Sons	4-14	16,500.00	-0-		-0-	7,810.79	-0-	8,689.21	8,689.21
Huffman, E. E. & T. E. Ewing	4-15	73.30	-0-		-0-	73.30	-0-	-0-	-0-
Humphrey, L. C.	4-15	29,509.00	-0-	10/24/30	7,734.74	21,765.26	-0-	7,734.74	7,734.74
Hunt, Marie W.	4-15	5,305.73	-0-		-0-	5,305.73	-0-	-0-	-0-
Hyde, T. M. & Frank Nolan	4-15	30.00	-0-		-0-	30.00	-0-	-0-	-0-
Hyman Pickle Co.	4-15	54,400.00	-0-	3/21/30	25,000.00	10,823.71	-0-	43,576.29	43,576.29
H.D.Ormsby, Agt., Hyman Pickle Co.	4-15	1,206.20	-0-		-0-	464.26	-0-	741.94	741.94
Indian Hills Dev. Co.	4-16	60,000.00	-0-		-0-	60,000.00	-0-	-0-	-0-
Jacobs, Laura W.	4-16	411.55	-0-		-0-	264.89	-0-	146.66	146.66
Jacobs, Walter F. & Co.	4-16	43,933.30	-0-		-0-	30,278.85	-0-	13,654.45	13,654.45
Jefferson, Thos. Hem. Foun.	4-16	500.00	-0-	5/17/30	500.00	-0-	-0-	500.00	500.00

Name	Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Balance Due	Loss
Kastner-Whitman Co.,Inc.	4-16	2,350.00	-0-	3/21/30	2,350.00	-0-	-0-	2,350.00	2,350.00
Kelly, Edw. C.	4-16	1,600.00	-0-		-0-	1,600.00	-0-	-0-	-0-
Ky. Book Mfg. Co.	4-16	6,500.00	-0-		-0-	6,500.00	-0-	-0-	-0-
Ky. Plbg. & Heat Co.	4-17	848.13	-0-	3/21/30	848.13	-0-	-0-	848.13	848.13
Ky. Public Elevator Co.	4-17	60,000.00	-0-		-0-	60,000.00	-0-	-0-	-0-
Ky. Refrigerating Co.	4-17	83,000.00	-0-		-0-	3,950.12	-0-	79,049.88	79,049.88
Ky. Wagon Mfg. Co.	4-17	1340,474.38	650,000.00	3/21/30	50,000.00	-0-	339,729.64	2,330,204.02	2,330,204.02
Knadler & Lucas	4-21	154,225.00	35,000.00	(3/21/30) (5/17/30)	50,000.00	-0-	-0-	189,225.00	189,225.00
Mac Neal, W. R.	4-21	650.00	-0-		-0-	574.23	-0-	75.77	75.77
Koerner, C. A. & Co.	4-21	11,000.00	-0-		-0-	11,000.00	-0-	-0-	-0-
Lassiter & Co., Robt. C.	4-21	65,359.56	-0-		-0-	65,359.56	-0-	-0-	-0-
Levi, Abe C., Co.	4-21	20,000.00	-0-		-0-	20,000.00	-0-	-0-	-0-
Lewis and Drye Auto Co.	4-21	976.66	-0-		-0-	76.66	-0-	900.00	900.00
Long, Dennis H.	4-22	29,222.00	-0-		-0-	13,646.99	-0-	15,575.01	15,575.01
Interstate Coal Co.	4-22	27,000.00	-0-		-0-	4,269.37	-0-	22,730.63	22,730.63
Swiss Dyers & Cleaners Co.	4-22	31,100.00	-0-		-0-	15,879.65	-0-	15,220.35	15,220.35
Louisville Ice and Storage Co.	4-22	143,715.00	-0-		-0-	143,715.00	-0-	-0-	-0-
Louisville Mtg. and Finance Co.	4-22	15,000.00	-0-		-0-	15,000.00	-0-	-0-	-0-
Louisville Provision Co.	4-23	26,950.00	-0-		-0-	-0-	-0-	26,950.00	26,950.00
Louisville Textile Co.	4-23	15,226.33	-0-		-0-	15,226.33	-0-	-0-	-0-
Lynch, William	4-23	1,091.00	-0-		-0-	1,090.00	-0-	1.00	1.00
Mc Atee, Etta Bell	4-23	350.00	-0-		-0-	350.00	-0-	-0-	-0-
Mc Dermott, J. A.	4-23	450.00	-0-		-0-	-0-	-0-	450.00	450.00
Mc Guffin, M. L.	4-23	100.00	-0-		-0-	100.00	-0-	-0-	-0-
Mackin Council U. A. M.	4-23	4,950.00	-0-		-0-	1,063.63	-0-	3,886.37	3,886.37
Mahan, L. P.	4-23	150.00	-0-	3/21/30	150.00	-0-	-0-	150.00	150.00
Pearcy, E. T.	4-24	150.00	-0-	3/21/30	150.00	-0-	-0-	150.00	150.00
Mandeville, Fulton	4-24	400.00	-0-		-0-	400.00	-0-	-0-	-0-
Mann Ins. Agency	4-24	9,500.00	-0-		-0-	4,275.46	-0-	5,224.54	5,224.54
Marret and Miller	4-24	4,900.00	-0-		-0-	4,900.00	-0-	-0-	-0-
Maxwell, R. R. and Wife	4-24	30.61	-0-	5/17/30	30.61	-0-	-0-	30.61	30.61
Metcalfe, Sam B.	4-24	176.46	-0-	5/21/30	176.46	-0-	-0-	176.46	176.46
Bartrom, Henry P.	4-24	45.45	-0-		-0-	45.45	-0-	-0-	-0-
Micou, W. T.	4-24	7,023.39	-0-		-0-	4,872.64	-0-	2,150.75	2,150.75
Meriwether, Chas. J.	4-24	4,691.54	2,632.64	3/21/30	4,691.54	-0-	-0-	7,224.18	7,224.18
Meriwether, Chas. J.	4-24	21,014.21	15,755.36	3/21/30	11,965.42	5,642.62	-0-	31,126.95	31,126.95
Morrison, George D.	4-25	5,916.00	-0-		-0-	5,916.00	-0-	-0-	-0-
Murray Rubber Co.	4-25	125,000.00	-0-		-0-	36,088.28	325,421.74	414,332.76	414,332.76
Keller,D.A.Est.(Nat'l.Bk.Ky. Geo.D.&Caldwell)	4-26	2,856.45	-0-		-0-	2,856.45	-0-	-0-	-0-
Nelson, C. L.	4-26	47.86	-0-		-0-	47.86	-0-	-0-	-0-
Nesbit, Albert	4-26	4,075.00	-0-	3/21/30	1,175.00	500.00	-0-	3,575.00	3,575.00
Baptist Tabernacle	4-26	1,650.00	-0-		-0-	1,650.00	-0-	-0-	-0-
Norman Lumber Co.	4-26	(50,000.00	-0-		-0-	19,290.70	-0-	30,709.30	30,709.30
		(18,919.58	-0-		-0-	21,603.97	12,957.58	10,273.19	10,273.19

Name	Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Balance Due	Loss
Norman Kiln Drying Co.	4-27	17,000.00	-0-		-0-	8,848.48	-0-	8,151.52	8,151.52
Norman, A. E., Jr.	4-27	5,000.00	-0-		-0-	5,000.00	-0-	-0-	-0-
Norman, E. B. Co.	4-27	552,871.25	-0-		-0-	-0-	150,000.00	702,871.25	702,871.28
Norman, E. B.	4-28	5,000.00	-0-		-0-	1,161.89	-0-	3,838.11	3,838.11
Norman, J. Colgan	4-28	1,375.00	-0-		-0-	1,052.76	-0-	322.24	322.24
O'Neal, Merit and Huggins, Clem	4-28	2,337.41	-0-		-0-	2,337.41	-0-	-0-	-0-
Orrill, G. W.& Dillon, W. H.	4-29	230.00	-0-		-0-	230.00	-0-	-0-	-0-
Parkway Lumber & Const. Co.	4-29	41,218.86	-0-		-0-	29,482.58	-0-	11,736.28	11,736.28
Peerless Print and Spec. Co.	4-29	360.00	-0-	3/21/30	45.58	314.42	-0-	45.58	45.58
Norman, E. B., Jr.	4-28	1,950.00	-0-		-0-	884.27	-0-	1,065.73	1,065.73
Pilcher, Henry Sons	4-29	55,000.00	-0-		-0-	55,000.00	-0-	-0-	-0-
Poore, C. N.	4-30	6,575.00	-0-		-0-	2,954.19	-0-	3,620.81	3,620.81
Premier Mfg. Co.	4-30	195.00	-0-	3/21/30	195.00	-0-	-0-	195.00	195.00
Reed and Reed	4-30	30,826.53	-0-		-0-	-0-	17,153.59	47,980.12	47,980.12
Ray, E. H.	4-30	240.00	2,805.00		-0-	1,773.60	-0-	1,271.40	1,271.40
Richmond, James H.& H.C.T.	4-30	150.00	-0-		-0-	150.00	-0-	-0-	-0-
Ritter, Edwin	4-30	3,711.38	-0-		-0-	1,288.99	-0-	2,422.39	2,422.39
Schnepp, Ben, Jr.	4-30	455.25	-0-		-0-	455.25	-0-	-0-	-0-
Shapin Mfg. Co.	4-30	620.42	22,500.00		-0-	1,736.66	-0-	21,383.76	21,383.76
Simpson Realty Co.	4-31	650.00	-0-	5/17/30	597.13	52.87	-0-	597.13	597.13
Singer, C. A.	4-31	5,000.00	-0-	5/17/30	2,953.79	2,046.21	-0-	2,953.79	2,953.79
Solomon, Leon L.	4-31	7,000.00	-0-		-0-	2,586.79	-0-	4,413.21	4,413.21
Temple Theatre Corp.	4-31	1,000.00	-0-		-0-	601.69	-0-	398.31	398.31
Bates, D. A.	4-31	1,020.00	-0-		-0-	742.25	-0-	277.75	277.75
Willinger, Lewis L.	4-31	507.50	-0-		-0-	507.50	-0-	-0-	-0-
Solomon, Leon Sec., Temple Th.C.	4-32	1,500.00	-0-		-0-	226.23	-0-	1,273.77	1,273.77
Dunne, J. E.	4-32	1,758.75	-0-	3/21/30	1,758.75	165.00	-0-	1,593.75	1,593.75
Std. Mtg. Co.	4-32	93,804.50	-0-		-0-	41,214.06	-0-	52,590.44	52,590.44
Std. Print. Co.	4-32	65,500.00	-0-		-0-	53,339.61	-0-	12,160.39	12,160.39
Steinberg, C. J.& Chas. A. Litchfield	4-33	30.65	-0-	3/21/30	30.65	-0-	-0-	30.65	30.65
Steltenpohl, E. B.	4-33	275.00	-0-		-0-	275.00	-0-	-0-	-0-
Straub, F. J. & Laura	4-33	129.65	-0-	3/21/30	129.65	-0-	-0-	129.65	129.65
Taylor, Dean C. & I. R. Patch	4-33	50.00	-0-	3/21/30	50.00	-0-	-0-	50.00	50.00
Taylor, W. C.	4-33	4,000.00	-0-		-0-	4,000.00	-0-	-0-	-0-
Thompson, A. V. & C. C. Hieatt	4-33	11,720.32	-0-		-0-	11,720.32	-0-	-0-	-0-
Thraves, W. V.	4-33	36,462.62	-0-		-0-	6,750.00	-0-	29,712.62	29,712.62
Tracy, Inc. The Misses	4-33	109.08	-0-	3/21/30	109.08	-0-	-0-	109.08	109.08
Trent, O. T.	4-33	500.00	-0-		-0-	500.00	-0-	-0-	-0-
Trumbo-Schupp & Schmidt	4-34	148,237.06	-0-		-0-	81,795.99	-0-	66,441.07	66,441.07
Van Cleve, Giles (End.T-S & S)	4-34	2,517.59	-0-		-0-	2,517.59	-0-	-0-	-0-
Van Cleve, Giles	4-34	1,950.00	-0-		-0-	1,950.00	-0-	-0-	-0-
Van Cleve, Giles - Loan	4-34	136,541.95	-0-		-0-	117,799.89	-0-	18,742.06	18,742.06
Van Cleve, Giles - Overdraft	4-34	12,314.70	-0-		-0-	12,314.70	-0-	-0-	-0-
Van Cleve, Giles - Cash Items	4-34	4,000.00	-0-		-0-	4,000.00	-0-	-0-	-0-

Name	Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Balance Due	Loss
Dolfinger, J. & Co.(Rnd.T-S.45)	4-34-	50,000.00	-0-		-0-	50,000.00	-0-	-0-	-0-
Utterback, J. C.	4-35	1,600.00	-0-		-0-	1,600.00	-0-	-0-	-0-
Verhoff & Co, H.	4-35	29,000.00	20,000.00		-0-	8,894.49	-0-	40,105.51	40,105.51
Walesby, C. S.	4-35	175.00	-0-	3/21/30	175.00	-0-	-0-	175.00	175.00
Walesby, C. S., H. S.	4-35	100.00	-0-		-0-	100.00	-0-	-0-	-0-
Wilder, Oscar	4-35	761.62	-0-		-0-	491.62	-0-	270.00	270.00
Willis, W. N.	4-35	6,900.00	-0-		-0-	89.83	-0-	5,810.17	5,810.17
Woods, E. H.	4-35	90,327.77	-0-	3/21/30	38,327.77	27,827.76	-0-	62,500.01	62,500.01
Wright, W. C.	4-35	181.07	-0-	5/17/30	181.07	-0-	-0-	181.07	181.07
Wyman, James W.	4-36	1,016.50	-0-		-0-	1,016.50	-0-	-0-	-0-
Peoples Bank - Springfield	4-36	540.63	5,000.00	5/17/30	12,433.25	540.63	12,433.25	17,433.25	17,433.25
Overdraft		600.50	-0-	5/17/30	600.50	-0-	-0-	600.50	600.50
Planters Bank of Clarksdale, Miss.	4-36	24,897.87	155,982.00		-0-	11,377.69	-0-	169,502.18	169,502.18
John M. Carson Banking Co. Morgantown, Ky.	4-36	7,093.65	-0-	3/21/30	3,000.00	7,093.65	-0-	-0-	-0-
Grand Total		5,905,215.83	993,179.48		249,832.99	2190,986.46	859,345.80	5,566,754.65	5,566,754.65

SUMMARY

On Books May 25, 1929	$5,905,215.83
Subsequent increase in lines	859,345.80
Previous charge-offs	993,179.48
Total	$7,757,741.11
Subsequent collections	2,190,986.46
Balance due (loss)	$5,566,754.65

2129

Exhibit 195

LOANS EXCEEDING THE LIMIT PRESCRIBED BY SECTION 5200 OF THE REVISED STATUTES, AND EXCESSIVE BALANCES WITH NONMEMBER BANKS UNDER SECTION 19, FEDERAL RESERVE ACT LISTED IN EXAMINERS REPORT
Beginning May 25, 1929, closed June 15, 1929

Description	On Books Page May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Debtor Balance Due	Loss
Wakefield & Co.	440,000.00	-0-		-0-	249,391.26	60,000.00	250,608.74	
J. M. Greer	600,000.00	-0-		-0-	187,059.94	-0-	412,940.06	
L. I. Harris	130,000.00	-0-		-0-	64,672.40	40,000.00	105,327.60	
Mrs. A. E. Latta	20,000.00	-0-		-0-	13,299.55	55,000.00	61,700.45	
Fannie G. Schweitzer	-0-	-0-		-0-	35,852.00	120,000.00	84,148.00	
TOTALS	1,190,000.00				550,275.15	275,000.00	914,724.85	

SUMMARY

On Books May 25, 1929	$1,190,000.00
Subsequent increase in lines	275,000.00
Total	$1,465,000.00
Less subsequent collections	550,275.15
Balance due (loss)	$ 914,724.85

2130

Exhibit 195

REAL ESTATE LOANS LISTED IN EXAMINERS REPORT BEGINNING MAY 25, 1929 CLOSED JUNE 15, 1929.

Name	Page	On Books May 25,1929	Previous Charge Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amounts	Subsequent Collections	Subsequent Increase In Line	Balance Due	Less
Olaf Anderson		$7,851.03	-0-	-0-	-0-	$ 7,851.03	-0-	-0-	-0-
Badger Aluminum Company		6,000.00	$9,000.00	3-21-30	$ 1,000.00	487.82	-0-	$ 14,512.48	$ 14,512.48
Clay County Coal Company		6,194.50	4,130.56	3-21-30	5,069.50	3,375.00	-0-	6,980.06	6,980.06
Columbia Phosphate Mining Company		15,227.50	-0-	-0-	-0-	1,729.58		13,497.92	13,497.92
Harlan Coal Company		39,398.54	-0-	-0-	-0-	34,831.68	-0-	4,566.86	4,566.86
Edwin Rittor		3,701.34	-0-	-0-	-0-	1,279.95	-0-	2,422.39	2,422.39
C. A. Singer		5,000.00	-0-	5-17-30	2,953.79	2,046.21	-0-	2,953.79	2,953.79
W. V. Thraves		36,461.62	179,305.86	-0-	-0-	8,512.36	-0-	207,255.14	207,255.14
Congregation of the Resurrection		56,375.00	-0-	-0-	-0-	56,375.00	-0-	-0-	-0-
General Realty Corporation		130,650.00	-0-	-0-	-0-	15,437.99		115,212.01	115,212.01
M.F.Marx Manufacturing Company		618.20	-0-	-0-	-0-	618.20	-0-	-0-	-0-
Totals		$307,457.73	$192,436.44		$ 9,023.29	$152,523.82		$367,370.65	$367,370.65

SUMMARY

On Books May 25, 1929	$307,457.73
Previous Charge-offs	192,436.44
Total	$499,894.17
Less Subsequent collections	152,523.82
(Balance due) Less	$367,370.65

2131

Exhibit 195

OTHER LOANS ESPECIALLY MENTIONED
IN EXA INERS REPORT CLOSED
JUNE 15, 1929

Name	Page	On Books May 25,1929	Previous Charge-Off	Subsequent Date	Charge-Off Amount	Subsequent Collections	Subsequent Increase In Line	Debtor Bal. Due	Loss
Baird, David & Son	6-3	$60,000.00	-0-	5-21-30	$10,000.00	$26,773.59	-0-	$33,226.41	$33,226.41
Beddinger, Henry C.	6-3	3,400.00	-0-	-0-	-0-	3,400.00	-0-	-0-	-0-
Bingham-Howitt Grain Co.	6-3	22,500.00	-0-	-0-	-0-	22,500.00	-0-	-0-	-0-
Callahan, W. C.	6-3	9,000.00	-0-	-0-	-0-	9,000.00	-0-	-0-	-0-
Conrad-Schulz Co.	6-3	2,000.00	-0-	-0-	-0-	2,000.00	-0-	-0-	-0-
Fields, Nora & W.J.Fields	6-3	6,000.00	-0-	5-17-30	6,000.00	-0-	-0-	6,000.00	6,000.00
Flanagan, J. H.	6-3	3,500.00	-0-	-0-	-0-	3,500.00	-0-	-0-	-0-
Hopkins, John C.	6-4	2,500.00	-0-	-0-	-0-	2,500.00	-0-	-0-	-0-
Hibbs-Kiefer Hat Co.	6-4	17,000.00	-0-	-0-	-0-	17,000.00	-0-	-0-	-0-
Hibbs, Harry C. & Henry D. Kiefer	6-4	9,800.00	-0-	-0-	-0-	6,062.15	-0-	3,737.85	3,737.85
Hite, W.W. Co.	6-4	8,000.00	-0-	-0-	-0-	4,998.96	-0-	3,001.04	3,001.04
Adams, George R.	6-4	925.00	-0-	-0-	-0-	278.00	-0-	647.00	647.00
Hollywood Shops	6-4	3,000.00	-0-	-0-	-0-	3,000.00	-0-	-0-	-0-
Hyatt, Leonard P.	6-4	2,654.90	-0-	-0-	-0-	2,654.90	-0-	-0-	-0-
Inman, Harry C.	6-4	18,363.00	-0-	-0-	-0-	18,363.00	-0-	-0-	-0-
Jefferson Cafeteria	6-4	15,000.00	-0-	-0-	-0-	5,692.39	-0-	9,307.61	9,307.61
Kentucky Consumers Oil Co.	6-4	17,750.00	-0-	-0-	-0-	17,750.00	-0-	-0-	-0-
Larimore Auto Co.(Direct)	6-4	10,700.00	-0-	-0-	-0-	3,135.82	-0-	7,564.18	7,564.18
do do (Indirect)	6-4	33,892.23	-0-	-0-	-0-	27,060.60	-0-	6,831.63	6,831.63
Levi, Max	6-4	2,675.00	-0-	-0-	-0-	2,675.00	-0-	-0-	-0-
Long & Evans	6-5	17,000.00	-0-	-0-	-0-	4,367.80	5,000.00	17,632.20	17,632.20
Louisville Cotton Mills Co.	6-5	243,629.99	-0-	-0-	-0-	243,629.99	-0-	-0-	-0-
Pickrell Motor Co.	6-5	37,000.00	-0-	-0-	-0-	20,601.71	-0-	16,398.29	16,398.29
Riplinger, Mrs. E.	6-5	600.00	-0-	-0-	-0-	600.00	-0-	-0-	-0-
Samuels, J.M. Realty Co.	6-5	500.00	-0-	-0-	-0-	173.94	-0-	326.06	326.06
Schmutz Mfg. Co.	6-5	5,000.00	-0-	-0-	-0-	5,000.00	-0-	-0-	-0-
Sheridan, Lyron J.	6-5	6,300.00	-0-	-0-	-0-	6,300.00	-0-	-0-	-0-
Stimpson Computing Scale Co.	6-5	229,000.00	-0-	-0-	-0-	190,492.19	-0-	38,507.81	38,507.81
Tierney, J.E.	6-5	8,100.00	-0-	-0-	-0-	8,100.00	-0-	-0-	-0-
Warren, E. E.	6-5	6,500.00	-0-	-0-	-0-	89.46	-0-	6,410.54	6,410.54
Warren Realty Co.	6-6	10,151.67	-0-	-0-	-0-	10,151.67	-0-	-0-	-0-
Wheeler Realty Co.	6-6	40,000.00	-0-	-0-	-0-	28,866.80	-0-	11,133.20	11,133.20
TOTALS -		$852,441.79			$16,000.00	$696,717.97	$5,000.00	$160,723.82	$160,723.82

SUMMARY

On Books May 25, 1929	$ 852,441.79
Subsequent increase in lines	5,000.00
Total	$ 857,441.79
Subsequent collections	696,717.97
Balance due (loss)	$ 160,723.82

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Exhibit 195

BONDS, SECURITIES, ETC. LISTED IN EXAMINERS REPORT
Beginning May 25, 1929, closed June 15, 1929

Description			Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Debtor Balance Due	Loss
2,500,000.00	2	U. S. Consols	30	7 2,500,000.00				2,500,000.00			
2,400.00	3	1st L.L. Bonds		7 2,400.00				2,400.00			
4,500.00	4	1st L.L. Bonds		7 4,500.00				4,500.00			
50,000.00	4	4th L.L. Bonds		7 50,000.00				50,000.00			
437,500.00	4	4th L.L. Bonds		7 437,500.00				437,500.00			
6,039,300.00	3	Treas. Notes		7 6,039,300.00				6,039,300.00			
547,100.00	4	Treas. Bonds	47-52	7 547,100.00				547,100.00			
		MUNICIPALS									
24,000.00	5	Port of New Orleans	29-37	7 24,000.00				24,000.00			
15,000.00	4	Port of New Orleans	41-42	7 14,400.00				41- 9,600.00			
								4,800.00			
10,000.00	4	Los Angeles, Cal.	46	7 9,800.00				9,800.00			
14,000.00	3	Louisville, Ky.	43	7 12,110.00				12,110.00			
20,000.00	4	" "	51	7 20,400.00				20,400.00			
66,000.00	3	" "	41	7 57,290.00				57,290.00			
10,000.00	4	" "	54	7 10,100.00				10,100.00			
25,000.00	4	" "	47	7 24,375.00				24,375.00			
29,000.00	3	" "	41	7 23,635.00				23,635.00			
10,000.00	4	Omaha, Nebr.	35	7 10,000.00				10,000.00			
9,000.00	4	Parkersburg, W.Va.	29	7 8,640.00				8,358.75			281.25
25,000.00	5	Rocky Mount, N.C.	53	7 25,000.00				24,527.36			472.64
10,000.00	4	State of Tenn.	49	7 9,500.00				9,500.00			
5,200.00	4	Louisville, Ky.	54	7 5,252.00				5,252.00			
100,000.00	4	" "	67	7 103,750.00				103,750.00			
686,420.55		State Warrants		7 686,420.55				676,124.34			10,296.31
		PUBLIC UTILITIES									
100,000.00	5	Crosstown St.Rys.	32	7 86,320.00				77,972.22			8,347.78
115,000.00	6	Lou.Gas & Elec.Co	37	7 109,250.00				109,250.00			
200,000.00	5	" " " " "	51	7 180,500.00				180,500.00			
7,000.00	5	Lou.Home Tele.Co.	33	7 7,000.00				6,989.31			10.69
350,000.00	6	Louisville Rys.Co	29	7 350,000.00				350,000.00			
95,000.00	5	" " "	30	7 87,302.50				87,302.50			
259,000.00	5	" Rys.Gen'l.		7 196,944.38				91,153.32			105,791.06
100,000.00	5	Buffalo Rys.	31	7 85,330.00				85,330.00			
		FOREIGN									
5,000.00	4	Porto Rico	33	7 4,950.00				4,950.00			

Description			Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Subsequent Charge-Offs Amount	Subsequent Collections	Subsequent Increase in Line	Debtor Balance Due	Loss	
		RAILROADS										
2,400.00	5	International Rys	62	7-1	1,560.00			1,414.34			145.66	
2,500.00	5	Chi.Ind.& Lou.	66	7-1	2,306.25			2,306.25				
10,000.00	5	C.M.,St.P.& Pac.	2000	7-1	7,350.00			7,350.00				
		MISCELLANEOUS										
25,000.00	6½	Detroit-Canada Tunnel	48	7-1	24,187.50			937.50			23,250.00	
170,327.50	4½	K.& I.Term.RR	61	7-1	143,263.74			143,263.74				
19,000.00	6	Louisville TitleCo	29	7-1	18,952.50			18,952.50				
5,000.00	6	Bankers Mtg.Co.	31	7-1	5,000.00			5,000.00				
400.00	7½	Assoc.Motors.	32		358.63						358.63	
4,500.00	6	J. H. Bickell 1st R.E.		7-1	4,500.00			4,500.00				
53,840.16	8	Notes Industrial Ownership Corp. secured by: 500 shs.VanCamp Packing Co.Par $25.00 6,395½ shs.VanCamp Packing Co.Com. 2,298½ Rights to purchase VanCamp Com. $20.00		7-1	53,840.16			3,447.50			50,392.66	
94,000.00	6	Liberty Washington		7-1	94,000.00			15,719.27		78,280.73	78,280.73	
22,000.00	6	Eugene Straus 1st Mtg. R.E. Bonds		7-1	22,000.00			24,493.83	3,882.00		1,388.17	
265,000.00	6	Note - Rogers Caldwell et al secured by $295,000.00 bds. Murray Rubber Co.		7-1	265,000.00			2,283.05		262,716.95	262,716.95	
15,000.00	6	Columbia Phosphate Mining Co.due 1926 secured by Mtge.		7-1	15,000.00			250.00			14,750.00	
35,000.00		A.E.Latta, represents purchase Banking house abandoned		7-1	35,000.00			5,696.64		29,303.36	29,303.36	Value 6,800.00
107,817.14		Ky.Wagon Mfg.Co.		7-1	107,817.14	3/21/30	50,000.00				57,817.14	

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Exhibit 195

Description		Page	On Books May 25,1929	Previous Charge-Offs	Subsequent Charge-Offs Date	Amount	Subsequent Collections	Subsequent Increase in Line	Debtor Balance Due	Loss	
580,000.00	6 Murray Rubber Co secured by like amount debentures	7-1	580,000.00							580,000.00	
12,433.25	Peoples Bank, Springfield,Tenn.	7-1	12,433.25						12,433.25	12,433.25	
3,209 33/100	shrs. Graphite Products Corp.	7-2	4,205.02	616.50						3,588.52	
200	shrs. Natl.Candy Co.,Com.	7-2	3,750.00				1,500.00			2,250.00	
52	" Lou.Ry.Co.,Com.	7-2	1,716.00				52.00			1,664.00	
353	" International Planters Corp.,pfd.	7-2									
2783	" Int'l.Planters Corp. Com.,no par	7-2									
900	" Lou.Ry.Co.,Com.	7-2	115,000.00			51,225.00	49,068.72		14,706.28	14,706.28	Value 375.00
5	" Lou.,Henderson & St.L.RR	7-2									
7200	" Rich Patch Land Co.	7-2									
500	" Industrial Ownership Corp.,par $100.00	7-2									
83.40	Unmatured coupons		83.40				77.23		6.17	6.17	
TOTALS			13,250,393.42	616.50		101,225.00	11,894,182.37	3,882.00	397,446.74	1,258,251.25	

SUMMARY (Bonds and Securities)

On Books May 25, 1929	$13,250,393.42
Subsequent increases	3,882.00
Previous Charge-offs	616.50
Total	$13,254,891.92
Less subsequent collections	11,894,182.67
	1,360,709.25
Less Remaining Values	7,175.00
(Balance) Loss	$ 1,353,534.25

2135

Exhibit 195

LOSSES ON ITEMS CRITICISED BY JOHN S.WOOD, CHIEF NATIONAL BANK EXAMINER
IN EXAMINATION OF NATIONAL BANK OF KENTUCKY
BEGINNING ON MAY 26, 1929 AND CLOSING JUNE 15, 1929

Liabilities of corporations in which Directors are interested	$ 489,413.09
Liabilities of Directors, Officers, and Employees	181,980.66
Slow and Doubtful Paper and Losses On Loans	5,866,754.65
Loans Exceeding the Limit Prescribed by Section 5200 of the Revised Statutes, and Excessive Balances with Nonmember Banks Under Section 19, Federal Reserve Act	914,724.65
Real Estate Loans	387,370.65
Other Loans Especially Mentioned	180,723.82
Bonds, Securities, Etc.	1,355,234.25
Total	$8,974,806.17

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Exhibit 195

Exhibit 196

REPORT OF LOSSES ON LOAN MADE BY NATIONAL BANK OF KENTUCKY FOR PAYMENT OF SUBSCRIPTION TO CAPITAL STOCK OF BANCOKENTUCKY COMPANY - DURING PERIOD - September 25, 1929 to November 7, 1939.

District Court of the United States for the Western District
A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1246
David J. Abbott, et al ..... Defendants
Plaintiff's Defendants' Exhibit No. 196

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN.1,1939	VALUE	LOSS
Adams, Sara Byrd	$ 200.00	$ 200.00	-0-	-0-	-0-
Adams, Walter M.	329.93	-0-	329.93	-0-	329.93
Adamson, Chester F.	253.79	218.09	35.70	35.70	-0-
Alderson, Clifford L.	12,000.00	12,000.00	-0-	-0-	-0-
Alexander, W. Alanson,Jr.	150.00	150.00	-0-	-0-	-0-
Allgeier, Frank M.	2,000.00	-0-	2,000.00	-0-	2,000.00
Allin, Bush W.	4,120.00	4,120.00	-0-	-0-	-0-
Ament, Allen	2,000.00	2,000.00	-0-	-0-	-0-
Ament, Mrs. Mary B.	350.00	350.00	-0-	-0-	-0-
Ament, Nolte C.	4,000.00	1,089.23	2,910.77	-0-	2,910.77
Anderson, Warren L.	300.00	300.00	-0-	-0-	-0-
Anderson, W. Sherman	25,000.00	2,000.00	23,000.00	-0-	23,000.00
Angermeier, Arthur G.	5,000.00	1,634.86	3,365.14	-0-	3,365.14
Angermeier, Henry J.	34,024.83	10,427.22	23,597.61	-0-	23,597.61
Annear, J. Frank	5,103.33	5,103.33	-0-	-0-	-0-
Antonini, Catherine	125.00	35.00	90.00	-0-	90.00
Appel, Robert R.	2,250.00	2,250.00	-0-	-0-	-0-
Appel, Walter G.	5,000.00	230.88	4,769.12	-0-	4,769.12
Armstrong, George R.	5,000.00	-0-	5,000.00	-0-	5,000.00
Arterburn, Shelton B.	2,500.00	393.18	2,106.82	-0-	2,106.82
Atkins, Wm. R.	1,250.00	1,250.00	-0-	-0-	-0-
Awtry, Mrs. Goldie M.	800.00	800.00	-0-	-0-	-0-
Axton, Edwin D.	25,000.00	25,000.00	-0-	-0-	-0-
Axton, Wood F.	25,000.00	25,000.00	-0-	-0-	-0-
Ayres, Mrs. Juliet B.	500.00	500.00	-0-	-0-	-0-
Bader, Frank	500.00	303.32	196.68	-0-	196.68
Ballard, Joe	40,000.00	-0-	40,000.00	-0-	40,000.00
Bannon, Patrick	555.59	353.54	202.05	-0-	202.05
Bannon, Rose M.	10,000.00	3,008.59	6,991.41	-0-	6,991.41
Bannon, William P.	20,000.00	17,500.00	2,500.00	-0-	2,500.00
Barker, Henry A.	2,550.00	2,550.00	-0-	-0-	-0-
Barker, Kenneth A.	5,625.00	5,625.00	-0-	-0-	-0-
Barry, John J.	1,000.00	1,000.00	-0-	-0-	-0-
Bartley, Miss Ellen C.	1,000.00	150.00	850.00	-0-	850.00
Bartman, Charles F.	200.00	200.00	-0-	-0-	-0-
Bauer, William H.	200.00	200.00	-0-	-0-	-0-
Bauscher, John P.	125.00	100.00	25.00	-0-	25.00
Beard, John T.	2,449.60	724.79	1,724.81	-0-	1,724.81
Becht, Albert H.	1,250.00	1,250.00	-0-	-0-	-0-
Beck, Mrs. Anna Fillion	1,250.00	1,250.00	-0-	-0-	-0-
Behrens, Miss Clara L.	1,250.00	1,250.00	-0-	-0-	-0-
Behrens, Katherine S.	1,250.00	1,250.00	-0-	-0-	-0-
Bell, Junius W.	3,000.00	3,000.00	-0-	-0-	-0-
Bellman, John H.	6,000.00	6,000.00	-0-	-0-	-0-
Belshoff, Richard C.	1,250.00	1,250.00	-0-	-0-	-0-
Benedict, Miss Nina	125.00	125.00	-0-	-0-	-0-
Berndsen, Miss Mary A.	750.00	176.53	573.47	-0-	573.47
Bethel, Peyton B.	3,000.00	2,200.95	799.05	-0-	799.05
Beyer, Henry S.	3,000.00	1,476.27	1,523.73	-0-	1,523.73
Bilhars, Howard J.	4,000.00	4,000.00	-0-	-0-	-0-
Bills, Miss Lottie A. Bills, Mrs. Carrie	5,100.93	2,694.98	2,405.85	-0-	2,405.85
Bishop, Mrs. Kate B.	10,000.00	10,000.00	-0-	-0-	-0-
Bittner, William C.	15,565.17	15,565.17	-0-	-0-	-0-
Blackford, Wilton F.	12,695.83	1,889.74	10,806.09	-0-	10,806.09
Block, Oscar A.	25,000.00	1,903.66	23,096.34	-0-	23,096.34
Board, Milton	7,500.00	7,500.00	-0-	-0-	-0-
Board, Robt. V.	34,500.00	1,868.82	32,631.18	10,000.00	22631.18
Boden, Mrs. Louise F. Boden, Samuel D.	6,108.50	2,282.74	3,825.76	-0-	3,825.76

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN.1,1939	VALUE	LOSS
Bohannon, Clarence W.	$ 253.79	25.27	228.52	-0-	228.52
Bomar, John L.	10,500.00	10,500.00	-0-	-0-	-0-
Borgman, Miss Angela J.	406.07	406.07	-0-	-0-	-0-
Bosemeyer, Miss Florence A.	3,550.00	344.81	3,205.19	-0-	3,205.19
Boswell, J. Edgar	4,500.00	-0-	4,500.00	-0-	4,500.00
Bottomley, Miss Mary A.	1,125.00	1,125.00	-0-	-0-	-0-
Bourlier, Emile R.	9,000.00	1,182.56	7,817.44	-0-	7,817.44
Bovard, Roy T.	200.00	200.00	-0-	-0-	-0-
Bowling, Ollie A.	1,500.00	997.02	502.98	-0-	502.98
Bowmer, Thomas W.	10,000.00	10,000.00	-0-	-0-	-0-
Bradley, Harry A.	1,000.00	530.00	470.00	-0-	470.00
Bradsby, Frank W.	25,000.00	25,000.00	-0-	-0-	-0-
Bridges, Harry	2,625.00	2,625.00	-0-	-0-	-0-
Briscoe, Wallace L. Jr.	2,500.00	561.41	1,938.59	-0-	1,938.59
Brown, Arthur F.	4,000.00	2,401.06	1,598.94	-0-	1,598.94
Brown, Bart A.	13,250.00	-0-	13,250.00	-0-	13,250.00
Brown, Frank H.	4,082.67	4,082.67	-0-	-0-	-0-
Brown, Harry J.	500.00	128.62	371.38	-0-	371.38
Brown, J. Graham	40,000.00	2,412.60	37,587.40	37,587.40	-0-
Brown, John C.	1,700.00	1,700.00	-0-	-0-	-0-
Brown, Tim C.	500.00	130.00	370.00	-0-	370.00
Bruner, Wm. Daniel	250.00	115.12	134.88	-0-	134.88
Buchman, Miss Sara Jane	250.00	53.05	196.95	-0-	196.95
Budde, Miss Anna B.	400.00	216.00	184.00	-0-	184.00
Budde, Edward G.	12,500.00	-0-	12,500.00	-0-	12,500.00
Buechel, George	6,361.46	2,112.00	4,249.46	-0-	4,249.46
Bullitt, Thomas B.	7,655.00	7,655.00	-0-	-0-	-0-
Bullock, J. Lowry	2,400.00	42.31	2,357.69	-0-	2,357.69
Burch, Henry L.	5,103.33	27.50	5,075.83	-0-	5,075.83
Burdorf, Fred J.	12,500.00	-0-	12,500.00	-0-	12,500.00
Burdue, Edward W.	1,100.00	1,100.00	-0-	-0-	-0-
Burch, Roland B.	750.00	750.00	-0-	-0-	-0-
Business Enterprise Co.	14,750.00	1,000.00	13,750.00	-0-	13,750.00
Cahn, Nathan H.	1,000.00	1,000.00	-0-	-0-	-0-
Calveard, Samuel R.	4,000.00	4,000.00	-0-	-0-	-0-
Cardwell, John C.	7,500.00	7,500.00	-0-	-0-	-0-
Cardwell, Marion H.	5,000.00	5,000.00	-0-	-0-	-0-
Carney, Mrs. Hattie G.	1,000.00	1,000.00	-0-	-0-	-0-
Caron, L. Sheldon	4,000.00	4,000.00	-0-	-0-	-0-
Carroll, Anthony J.	25,000.00	8,941.44	16,058.56	5,500.00	10,558.56
Carson, Alexander H.	1,800.00	1,800.00	-0-	-0-	-0-
Carter, Allen R.	4,082.67	4,082.67	-0-	-0-	-0-
Caverly, John R.	2,500.00	2,500.00	-0-	-0-	-0-
Cawlon, Miss Mary Gale	225.00	225.00	-0-	-0-	-0-
Chambers, Mrs. May D.	150.00	150.00	-0-	-0-	-0-
Chappell, Edwin h.	1,015.17	525.82	489.35	-0-	489.35
Chappell, James M.	5,103.33	3,332.06	1,771.27	-0-	1,771.27
Charlton, Albert B.	500.00	500.00	-0-	-0-	-0-
Childers, Christopher C.	4,000.00	4,000.00	-0-	-0-	-0-
Christen, Gus A.	8,121.33	8,121.33	-0-	-0-	-0-
Clancy, Mrs. Mary P.	5,078.33	5,078.33	-0-	-0-	-0-
Clark, William K.	2,500.00	2,500.00	-0-	-0-	-0-
Clements, John W. S.	12,758.33	12,758.33	-0-	-0-	-0-
Coady, Louis D.	600.00	600.00	-0-	-0-	-0-
Coady, Miss Mary K.	2,500.00	2,500.00	-0-	-0-	-0-
Cominger, Carl E.	2,550.84	-0-	2,550.84	-0-	2,550.84
Connaughton, Miss Sue G.	2,500.00	2,500.00	-0-	-0-	-0-

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN.1,1939	VALUE	LOSS
Cooke, Edwin Goff	$ 325.00	$ 325.00	-0-	-0-	-0-
Coomes, James	2,500.00	715.43	1,784.57	-0-	1,784.57
Cooper, John T.	250.00	250.00	-0-	-0-	-0-
Corcoran, Andrew J.	1,250.00	1,250.00	-0-	-0-	-0-
Corcoran, C. Paul	253.79	136.39	117.40	-0-	117.40
Corcoran, Martin P.	4,082.67	676.92	3,405.75	1,630.00	1,775.75
Corcoran, Mrs. Miriam W.	1,250.00	1,250.00	-0-	-0-	-0-
Cotton, Francis R.	1,000.00	1,000.00	-0-	-0-	-0-
Cohen, Armand E.	1,300.00	1,300.00	-0-	-0-	-0-
Crabb, Frank	125.00	60.00	65.00	-0-	65.00
Craig, Miss Mary Catherine	125.00	125.00	-0-	-0-	-0-
Crewe, James N.	1,250.00	1,250.00	-0-	-0-	-0-
Crull, Harry N.	125.00	125.00	-0-	-0-	-0-
Crutcher, Miss Gertrude	500.00	67.00	433.00	-0-	433.00
Curry, Lee	2,000.00	2,000.00	-0-	-0-	-0-
Daeuble, J. Louis	300.00	300.00	-0-	-0-	-0-
Dant, John P., Sr.	25,000.00	-0-	25,000.00	25,000.00	-0-
Davis, Harry V., Sr.	800.00	259.19	540.81	-0-	540.81
Davis, Harry V., Jr.	482.20	482.20	-0-	-0-	-0-
Davis, R. Hayes	12,529.17	9,537.82	2,991.35	-0-	2,991.35
Davis, Miss Margaret C.	525.00	525.00	-0-	-0-	-0-
Davis, Paul A.	2,275.00	80.00	2,195.00	-0-	2,195.00
DeGraw, Jess D.	250.00	250.00	-0-	-0-	-0-
Derryberry, Lewis T.	25,516.67	25,516.67	-0-	-0-	-0-
Desse, Theodore J.	1,000.00	1,000.00	-0-	-0-	-0-
Detweiler, Mrs. Edna Hoch	750.00	506.47	244.53	-0-	244.53
Dickson, Miss Agnes	375.00	375.00	-0-	-0-	-0-
Dimmitt, Addison	6,000.00	6,000.00	-0-	-0-	-0-
Dodd, Charles Pearce	16,500.00	5,159.30	11,340.70	-0-	11,340.70
Dortch, Nat F.	2,000.00	2,000.00	-0-	-0-	-0-
Dosker, Cornelius D.	1,275.83	1,275.83	-0-	-0-	-0-
Dosker, Nicholas H.	18,500.00	-0-	18,500.00	-0-	18,500.00
Doudna, Arthur B.	1,250.00	80.77	1,169.23	-0-	1,169.23
Downes, Mrs. Emily M.	2,500.00	2,500.00	-0-	-0-	-0-
Dressing, Wallace E.	200.00	50.00	150.00	-0-	150.00
Dreyfus, Isidor	2,500.00	-0-	2,500.00	2,500.00	-0-
Droppelman, Raymond J.	250.00	250.00	-0-	-0-	-0-
Duffy, Martin J.	500.00	-0-	500.00	-0-	500.00
Duffy, Martin J., Jr.	375.00	125.00	250.00	-0-	250.00
Dugan, Frank I.	2,500.00	2,500.00	-0-	-0-	-0-
Dugan, Walter E.	11,000.00	819.66	10,180.34	-0-	10,180.34
Durnil, Clarence H.	2,500.00	1,297.89	1,202.11	-0-	1,202.11
Dyer, Frank H.	2,500.00	93.34	2,406.66	200.00	2,206.66
Eaken, Charles W.	5,500.00	5,500.00	-0-	-0-	-0-
Eckenroth, Miss Pauline	4,000.00	2,301.38	1,698.62	-0-	1,698.62
Edens, Walter M.	10,000.00	10,000.00	-0-	-0-	-0-
Edwards, Rothwell T.	1,030.33	1,030.33	-0-	-0-	-0-
Eldredge, Miss Mary A.	200.00	200.00	-0-	-0-	-0-
Ellars, L. Ray	4,500.00	4,500.00	-0-	-0-	-0-
Elvin, Miss Christine	125.00	10.95	114.05	-0-	114.05
Emmart, Joseph M.	10,000.00	2,450.32	7,549.68	-0-	7,549.68
Erdman, James H.	200.00	200.00	-0-	-0-	-0-
Everbach, Gerald L.	25,000.00	25,000.00	-0-	-0-	-0-
Ewing, C. Oscar	22,000.00	22,000.00	-0-	-0-	-0-
Ewing, Charles C., II	5,000.00	5,000.00	-0-	-0-	-0-
Fahey, Mrs. Julia R.	10,151.67	2,671.51	7,480.16	-0-	7,480.16
Farnsley, Alex T.	25,000.00	25,000.00	-0-	-0-	-0-

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN. 1,1939	VALUE	LOSS
Farnsley, Burrel E.	$ 55,000.00	$ 19.51.	$ 54,980.49	400.00	$54,580.49
Farnsworth, Edith	50.00	50.00	-0-	-0-	-0-
Feth, Leo E.	1,250.00	662.30	587.70	-0-	587.70
Feiler, Harry	8,000.00	-0-	8,000.00	-0-	8,000.00
Fetter, Geo. C., Jr.	25,000.00	1,823.83	23,176.17	5,000.00	18,176.17
Fetter, John B.	12,500.00	12,500.00	-0-	-0-	-0-
Fields, John J.	150.00	150.00	-0-	-0-	-0-
Finley, Arthur W.	6,000.00	6,000.00	-0-	-0-	-0-
Fisher, Miss Irene	250.00	250.00	-0-	-0-	-0-
Fitzpatrick, Simon	750.00	750.00	-0-	-0-	-0-
Fleischmann, Albert W.	2,552.66	2,552.66	-0-	-0-	-0-
Fleming, Robert E.	25,000.00	13,601.52	11,398.48	-0-	11,398.48
Flowers, J. H.	150.00	150.00	-0-	-0-	-0-
Foley, Andrew Jackson	200.00	200.00	-0-	-0-	-0-
Fontaine, Eugene L.	12,756.33	2,452.08	10,306.25	-0-	10,306.25
Fontaine, Logan L.	89,000.00	1,285.00	87,715.00	-0-	87,715.00
Fontana, Charles E.	1,050.00	840.00	210.00	-0-	210.00
Fontana, Miss Marjorie	125.00	125.00	-0-	-0-	-0-
Frank, L. Wallace	2,500.00	2,500.00	-0-	-0-	-0-
Frank, Louis	12,000.00	-0-	12,000.00	6,000.00	6,000.00
Franta, Louis F.	914.10	262.74	651.36	-0-	651.36
Frazier, Silas L.	25,000.00	4,078.15	20,921.85	-0-	20,921.85
Fuchs, Miss Hilda	750.00	68.70	681.30	-0-	681.30
Fugate, Isaac T.	9,700.00	9,700.00	-0-	-0-	-0-
Fulton, Gavin	25,000.00	12,489.35	12,510.65	-0-	12,510.65
Gaines, Miss Margaretta	250.00	213.72	36.28	36.00	1.28
Galvin, Maurice L.	60,000.00	60,000.00	-0-	-0-	-0-
Garnett, James	1,000.00	1,000.00	-0-	-0-	-0-
Gathof, Edward J.	250.00	110.40	139.60	-0-	139.60
Gaylord, Paul P.	25,000.00	25,000.00	-0-	-0-	-0-
Gensle, Frank B.	550.00	321.19	228.81	-0-	228.81
Gibbons, Mrs. Mary S.	300.00	300.00	-0-	-0-	-0-
Giles, J. Harvey	5,000.00	4,859.01	140.99	-0-	140.99
Gillessey, Thomas H.	2,500.00	2,500.00	-0-	-0-	-0-
Gilliford, Miss Belle	1,000.00	1,000.00	-0-	-0-	-0-
Gilligan, Thomas J.	750.00	750.00	-0-	-0-	-0-
Guigliano, Miss Agnes	2,500.00	2,500.00	-0-	-0-	-0-
Gipperich, Miss Emma Dorsey	300.00	-0-	300.00	-0-	300.00
Gipperich, Miss Lula Stafford	3,500.00	-0-	3,500.00	-0-	3,500.00
Girdler, Walter H.	55,000.00	55,000.00	-0-	-0-	-0-
Glass, Clarence D.	12,500.00	2,616.31	9,883.69	-0-	9,883.69
Glass, Vernon Clyde	2,500.00	1,383.43	1,116.57	1,116.57	-0-
Gnau, Albert C.	2,500.00	2,237.84	[illegible]	-0-	262.16
Goering, Leonard C.	140.00	140.00	-0-	-0-	-0-
Goering, William H., Jr.	125.00	125.00	-0-	-0-	-0-
Goldstein, Edward A.	2,000.00	2,000.00	-0-	-0-	-0-
Goodman, Harry W.	1,250.00	-0-	1,250.00	-0-	1,250.00
Gordon, Miss Alice E.	2,500.00	855.91	1,644.09	-0-	1,644.09
Gordon, Angus W.	253.79	253.79	-0-	-0-	-0-
Gordon, Miss Helen F.	5,000.00	-0-	5,000.00	-0-	5,000.00
Graf, Robert J.	37,500.00	37,500.00	-0-	-0-	-0-
Graff, Edward S.	10,000.00	10,000.00	-0-	-0-	-0-
Graham, Thos.	5,000.00	5,000.00	-0-	-0-	-0-
Grant, Henry R.	30,000.00	825.00	29,175.00	-0-	29,175.00
Grey, Henry O.	25,000.00	25,000.00	-0-	-0-	-0-
Gray, John E.	4,000.00	4,000.00	-0-	-0-	-0-
Green, Miss Allan Lake	425.00	425.00	-0-	-0-	-0-

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN. 1, 1939	VALUE	LOSS
Green, Miss Erma	$ 125.00	$ 125.00	-0-	-0-	-0-
Green, O. Denton	1,900.00	1,900.00	-0-	-0-	-0-
Greene, Bressy D.	375.00	180.00	195.00	-0-	195.00
Greenstein, Joe H.	25,512.50	25,512.50	-0-	-0-	-0-
Greenstein, Simon J.	2,500.00	1,538.92	961.08	200.00	761.08
Griffin, Jos. T.	2,000.00	2,000.00	-0-	-0-	-0-
Grinstead, Bailey	15,000.00	-0-	15,000.00	-0-	15,000.00
Griswold, Alex V.	1,000.00	1,000.00	-0-	-0-	-0-
Guernsey, Gordon B.	1,250.00	1,250.00	-0-	-0-	-0-
Guetig, Miss Nettie J.	2,250.00	2,250.00	-0-	-0-	-0-
Guyn, Charles H.	1,000.00	1,000.00	-0-	-0-	-0-
Haag, Robert H.	1,250.00	732.67	517.33	-0-	517.33
Hagedorn, Mrs. Isabella	250.00	6.00	244.00	-0-	244.00
Haggan, Miss Catherine	125.00	125.00	-0-	-0-	-0-
Hall, Wm. C.	12,500.00	.13	12,499.87	435.00	12,064.87
Hambleton, Wm. V.	1,500.00	1,500.00	-0-	-0-	-0-
Hamilton, Alexander C.	425.00	-0-	425.00	-0-	425.00
Hamilton, Charles L.	12,500.00	3,358.27	9,141.73	-0-	9,141.73
Hammill, William B.	1,250.00	1,250.00	-0-	-0-	-0-
Hancock, J. Duffy	2,000.00	1,490.20	509.80	-0-	509.80
Hanks, Herbert G.	5,000.00	5,000.00	-0-	-0-	-0-
Hannan, Miss Bessie	2,500.00	2,500.00	-0-	-0-	-0-
Hannan, Miss Mary A.	8,675.68	418.05	8,257.63	-0-	8,257.63
Hannon, Miss Mary F.	306.10	306.10	-0-	-0-	-0-
Hardaway, A. Moorman	2,500.00	2,500.00	-0-	-0-	-0-
Hardin, Preston W.	1,250.00	1,250.00	-0-	-0-	-0-
Harrison, John H.	10,000.00	-0-	10,000.00	500.00	9,500.00
Harrod, Thos.	125.00	-0-	125.00	-0-	125.00
Hawkins, Trevor I.	325.00	325.00	-0-	-0-	-0-
Hayes, James J.	12,500.00	77.94	12,422.06	-0-	12,422.06
Heath, Harry M.	10,156.67	253.04	9,903.63	-0-	9,903.63
Hemp, Edward E.	375.00	375.00	-0-	-0-	-0-
Hendon, George A.	10,000.00	10,000.00	-0-	-0-	-0-
Hendricks, Leo	125.00	-0-	125.00	-0-	125.00
Herbert, Preston	20,000.00	20,000.00	-0-	-0-	-0-
Herrmann, George	1,269.36	1,269.36	-0-	-0-	-0-
Herrmann, Louis J.	6,500.00	3,528.32	1,971.68	-0-	1,971.68
Hess, John H.	250.00	87.86	162.14	-0-	162.14
Hibbitt, Robert	850.00	850.00	-0-	-0-	-0-
Hickman, Bayler O.	12,500.00	12,500.00	-0-	-0-	-0-
Higgins, Miss Beth	2,200.00	700.00	1,500.00	-0-	1,500.00
Higgins, John	2,500.00	239.81	2,260.19	-0-	2,260.19
Hill, Edw. G.	10,000.00	10,000.00	-0-	-0-	-0-
Hillerich, Carl	125.00	10.00	115.00	-0-	115.00
Hohe, Enloe B.	12,000.00	12,000.00	-0-	-0-	-0-
Holleroft, Rice	7,500.00	7,500.00	-0-	-0-	-0-
Hollenkamp, Miss Mary	1,020.67	5.76	1,014.91	-0-	1,014.91
Hosch, Warren F.	507.58	-0-	507.58	-0-	507.58
Hossfield, Ernest D.	2,200.00	581.23	1,618.77	-0-	1,618.77
Howard, Miss Carolyn F.	75.00	75.00	-0-	-0-	-0-
Hover, Frank B.	1,050.00	1,050.00	-0-	-0-	-0-
Hamilton, Harry	625.00	625.00	-0-	-0-	-0-
Huber, Frank	2,000.00	2,000.00	-0-	-0-	-0-
Huette, Miss Elizabeth	325.00	171.63	153.37	-0-	153.37
Hume, William G.	2,500.00	2,500.00	-0-	-0-	-0-
Hummel, Mrs. Hannajon	200.00	200.00	-0-	-0-	-0-
Humphrey, Heman	1,500.00	1,500.00	-0-	-0-	-0-
Humphrey, Lovell M.	9,500.00	-0-	9,500.00	-0-	9,500.00
Humphrey, Mrs. Wilhelmina	1,275.84	1,275.84	-0-	-0-	-0-

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN. 1, 1939	VALUE	LOSS
Hunter, Ray B.	$ 1,000.00	$ 1,000.00	-0-	-0-	-0-
Hutchins, J.Bernard	5,062.50	757.62	4,304.88	-0-	4,304.88
Ilg, Robert C.	20,000.00	199.61	19,800.39	-0-	19,800.39
Jackman, William A.	1,250.00	1,250.00	-0-	-0-	-0-
Jacobs, Walter F.	5,000.00	3,805.49	1,194.51	-0-	1,194.51
Jacoby, Zack	5,000.00	5,000.00	-0-	-0-	-0-
James, Miss Marg. McWilliams	300.00	300.00	-0-	-0-	-0-
Janson, John E.	3,516.33	675.16	2,841.17	-0-	2,841.17
Jefferson, J. William	204,218.75	13,238.75	190,980.00	-0-	190,980.00
Jenkins, I. Sidney	4,848.80	4,022.01	826.79	-0-	826.79
Jenkins, I. Sidney & Co.	2,034.33	2,034.33	-0-	-0-	-0-
Johnson, Charles A.	5,000.00	2,889.32	2,110.68	-0-	2,110.68
Johnson, Mrs. Dora G.	2,250.00	2,250.00	-0-	-0-	-0-
Johnson, James M.	12,500.00	12,500.00	-0-	-0-	-0-
Jones, Charles F.	170,000.00	-0-	170,000.00	-0-	170,000.00
Jones, Wm. E.	2,500.00	1,452.59	1,047.41	-0-	1,047.41
Joyce, Preston P.	2,500.00	2,500.00	-0-	-0-	-0-
Jutt, Emil O.	7,000.00	3,947.37	3,052.63	-0-	3,052.63
Kalcher, Raymond G.	900.00	900.00	-0-	-0-	-0-
Kaninberg, Miss Clivia	250.00	16.00	234.00	-0-	234.00
Kordes, Miss Louise	125.00	85.00	40.00	-0-	40.00
Karraker, Charles W.	2,500.00	2,500.00	-0-	-0-	-0-
Kebsch, Charles E.	400.00	170.00	230.00	-0-	230.00
Kelley, Brown W.	750.00	643.99	106.01	306.01	-0-
Kelley, Milburn P.	2,500.00	2,500.00	-0-	-0-	-0-
Kelly, Robert L.	4,200.00	4,200.00	-0-	-0-	-0-
Kentucky Book Mfg. Co.	1,250.00	1,250.00	-0-	-0-	-0-
Kerns, Ira H.	12,500.00	12,500.00	-0-	-0-	-0-
Kerr, Robert M.	750.00	750.00	-0-	-0-	-0-
Kigel, John W.	1,403.42	311.24	1,092.18	-0-	1,092.18
Kiley, Miss Kathryne	50.00	35.68	14.32	-0-	14.32
Kimbel, Joseph J.	5,000.00	3,221.78	1,778.22	300.00	1,478.22
Kinnarney, George T.	38,275.00	3,438.60	34,836.40	-0-	34,836.40
Kinnarney, James W.	51,025.00	16,677.93	34,347.07	-0-	34,347.07
Kinnarney, James W.	12,743.75	12,743.75	-0-	-0-	-0-
Kinsley, Edward W.	2,800.00	805.24	1,994.76	-0-	1,994.76
Kirwan, James G.	25,000.00	24,115.00	885.00	885.00	-0-
Klapheke, John L.	3,062.00	3,062.00	-0-	-0-	-0-
Klapheke, Louis A.	1,275.84	779.46	496.38	-0-	496.38
Klapheke, Robert H.	1,275.84	751.10	524.74	-0-	524.74
Klapheke, Rudolph W.	918.80	918.80	-0-	-0-	-0-
Klapheke, Vincent	1,275.84	752.03	523.81	-0-	523.81
Klapheke, J. William	9,696.33	9,696.33	-0-	-0-	-0-
Klein, John T.	255.17	255.17	-0-	-0-	-0-
Klunder, Richard F.	125.00	125.00	-0-	-0-	-0-
Knight, E. Vernon	15,152.50	5,152.50	10,000.00	-0-	10,000.00
Knoechelman, Albert Wm.	250.00	54.24	195.76	-0-	195.76
Koehler, Raymond L.	250.00	-0-	250.00	-0-	250.00
Koppelman & Co., Wm. H.	20,000.00	20,000.00	-0-	-0-	-0-
Kosse, Louis C.	800.00	-0-	800.00	-0-	800.00
Kramer, Alex W.	10,000.00	6,283.17	3,716.83	450.00	3,266.83
Krasnice, Mrs. Emma Hunt	500.00	100.00	400.00	-0-	400.00
Lahman, Mrs. Jeanette	1,000.00	1,000.00	-0-	-0-	-0-
Lauer, Chester	525.00	129.04	395.96	-0-	395.96
Langan, Richard D.	2,030.67	1,920.06	110.61	29.43	81.18
Larsen, Hans C.	2,000.00	2,000.00	-0-	-0-	-0-
Leonhardt, Mrs. Rose	3,045.50	-0-	3,045.50	-0-	3,045.50

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN. 1, 1939	VALUE	LOSS
Looney, Miss Margaret	$ 510.33	$ 372.60	$ 137.73	-0-	$ 137.73
Lechleiter, Frank J.	500.00	500.00	-0-	-0-	-0-
Lechleiter, Robert E.	1,000.00	1,000.00	-0-	-0-	-0-
Lee, Edward E.	20,500.00	-0-	20,500.00	-0-	20,500.00
Leibold, Miss Lillian	750.00	262.39	487.61	-0-	487.61
Leibold, Miss Ophelia	250.00	250.00	-0-	-0-	-0-
Lemonds, Robert J.	4,600.00	4,600.00	-0-	-0-	-0-
Letzler, Mrs. Alma B.	500.00	500.00	-0-	-0-	-0-
Levi, Max	500.00	500.00	-0-	-0-	-0-
Lewis, Mrs. Esmeralda B.	5,000.00	100.00	4,900.00	-0-	4,900.00
Lieber, Mrs. Emma	1,000.00	1,000.00	-0-	-0-	-0-
Lincoln, Walter E.	250.00	100.19	149.81	-0-	149.81
Livingston, Geo. E.	3,750.00	-0-	3,750.00	-0-	3,750.00
Loughridge, Mrs. Pearl M.	2,500.00	2,500.00	-0-	-0-	-0-
Luckett, Grassy H.	15,000.00	15,000.00	-0-	-0-	-0-
Lyons, S. Clay	8,000.00	8,000.00	-0-	-0-	-0-
McBride, Miss Grace C.	500.00	500.00	-0-	-0-	-0-
McBride, Howard S.	1,500.00	1,500.00	-0-	-0-	-0-
McCarty, A. Clayton	600.00	600.00	-0-	-0-	-0-
McGoodwin, Mrs. Marie D.	5,000.00	5,000.00	-0-	-0-	-0-
McGrath, Michael W..	325.00	325.00	-0-	-0-	-0-
McKenna, John J.	2,500.00	1,150.00	1,350.00	-0-	1,350.00
McNulty, Wm. B.	375.00	3.00	372.00	-0-	372.00
McQuary, Mrs. Daisy L.	2,400.00	2,400.00	-0-	-0-	-0-
Mahoney, Miss Monica	125.00	29.00	96.00	-0-	96.00
Malone, Mrs. Mary G.	5,000.00	5,000.00	-0-	-0-	-0-
Maloney, Thos J.	250.00	250.00	-0-	-0-	-0-
Marchal, Cecil T.	125.00	-0-	125.00	-0-	125.00
Marks, Charles E.	2,000.00	2,000.00	-0-	-0-	-0-
Marshak, Morton	30,455.00	-0-	30,455.00	-0-	30,455.00
Marshall, Burwell K., Jr.	2,222.00	2,222.00	-0-	-0-	-0-
Mason, Malcolm	1,250.00	-0-	1,250.00	-0-	1,250.00
Mattingly, Miss Alma	250.00	250.00	-0-	-0-	-0-
Mattingly, Miss Elizabeth	125.00	20.55	104.45	-0-	104.45
Mattingly, Louis J.	400.00	400.00	-0-	-0-	-0-
May, Eugene P.	625.00	625.00	-0-	-0-	-0-
Mayo, Wm. O.	12,500.00	-0-	12,500.00	-0-	12,500.00
Means, James A., Jr.	5,500.00	5,500.00	-0-	-0-	-0-
Meglemery, Wm. A.	4,000.00	1,712.61	2,287.39	-0-	2,287.39
Memefee, James T.	2,000.00	767.67	1,232.33	-0-	1,232.33
Memefee, Mrs. Jean W.	2,500.00	1,082.46	1,417.54	-0-	1,417.54
Mengel, Edwin Potter	10,303.33	1,611.51	8,691.82	-0-	8,691.82
Mengel, Joseph T.	23,186.25	2,703.75	20,482.50	-0-	20,482.50
Mengel, Sam C.	23,186.25	650.07	22,536.18	-0-	22,536.18
Mereke, Clarence C.	5,102.50	5,102.50	-0-	-0-	-0-
Mereke, George	10,000.00	10,000.00	-0-	-0-	-0-
Mereke, Mrs. Stella Evans	16,328.00	15,492.70	835.30	-0-	835.30
Metz, Raymond L.	504.08	77.02	427.06	-0-	427.06
Meyer, Berent A.	25,000.00	25,000.00	-0-	-0-	-0-
Meyer, Mrs. Elizabeth B.	25,000.00	25,000.00	-0-	-0-	-0-
Miller, Christian C.	1,250.00	1,250.00	-0-	-0-	-0-
Miller, Clarence M.	375.00	156.00	219.00	-0-	219.00
Miller, George M.	12,500.00	12,500.00	-0-	-0-	-0-
Miller, Mrs. Viola McK	250.00	250.00	-0-	-0-	-0-
Minrath, Charles W.	250.00	50.00	200.00	-0-	200.00
Mitchell, Harold	507.58	135.69	371.89	-0-	371.89
Moeller, Rudolph A.	634.48	308.74	325.74	-0-	325.74
Moellman, Miss Theresa	7,000.00	198.01	6,801.99	-0-	6,801.99

Exhibit 196

	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN. 1, 1939	VALUE	LOSS
Meagan, Stephan F.	$ 250.00	$ 140.00	$ 110.00	-0-	$ 110.00
Montgomery, Robert	8,000.00	8,000.00	-0-	-0-	-0-
Mooney, Miss Catherine D.	8,500.00	-0-	8,500.00	-0-	8,500.00
Moore, Geo. W.	4,082.67	1,882.67	2,200.00	-0-	2,200.00
Morgan, Stewart	750.00	750.00	-0-	-0-	-0-
Morits, Miss Eleanor C.	375.00	375.00	-0-	-0-	-0-
Morris, Joseph W.	7,000.00	-0-	7,000.00	-0-	7,000.00
Morrison, John H.	2,000.00	2,000.00	-0-	-0-	-0-
Mosier, Wm. L.	200.00	200.00	-0-	-0-	-0-
Moseley, Forrest L.	17,500.00	4,872.35	12,627.65	-0-	12,627.65
Moosmann, Miss Irene	125.00	125.00	-0-	-0-	-0-
Mulligan, Frederick A.	100.00	100.00	-0-	-0-	-0-
Murphy, Mrs. Celia	500.00	373.00	127.00	-0-	127.00
Murphy, Dennis X.	10,205.00	10,205.00	-0-	-0-	-0-
Murphy, James C.	2,551.66	2,551.66	-0-	-0-	-0-
Murphy, Peter J.	1,250.00	451.12	798.88	-0-	798.88
Neel, Clarence H.	2,500.00	2,500.00	-0-	-0-	-0-
Neel, Harrell H.	2,500.00	2,500.00	-0-	-0-	-0-
Nelligan, Joseph J.	800.00	150.00	650.00	-0-	650.00
Newhouse, Wilbur I.	4,000.00	-0-	4,000.00	-0-	4,000.00
Newman, James L.	10,000.00	10,000.00	-0-	-0-	-0-
Nitzken, Elmer J.	1,000.00	1,000.00	-0-	-0-	-0-
Noe, Alphonse L.	5,000.00	697.67	4,302.33	-0-	4,302.33
Noe, Mrs. Hattie Lee	5,000.00	200.00	4,800.00	-0-	4,800.00
Nugent, Edward B.	2,500.00	623.34	1,876.66	-0-	1,876.66
Nugent, Thomas L.	1,000.00	1,000.00	-0-	-0-	-0-
Nugent, Wm. F.	2,000.00	2,000.00	-0-	-0-	-0-
Nuxol, Mrs. Ida M. Eich	5,000.00	5,000.00	-0-	-0-	-0-
Obermeier, Henry A.	5,103.33	-0-	5,103.33	-0-	5,103.33
Obermeier, Mrs. Julia	2,500.00	2,500.00	-0-	-0-	-0-
O'Brien, Edward J., Jr.	50,758.33	50,758.33	-0-	-0-	-0-
O'Gara, Miss Grace	475.00	305.00	170.00	-0-	170.00
Onderdonk, Wm. A.	7,532.50	7,532.50	-0-	-0-	-0-
Osborne, Paul S.	1,250.00	1,250.00	-0-	-0-	-0-
O'Sullivan, Daniel E.	25,379.17	2,580.18	22,798.99	-0-	22,798.99
Pearcy, Charles S.	5,000.00	5,000.00	-0-	-0-	-0-
Pearl, Francis J.	1,100.00	-0-	1,100.00	-0-	1,100.00
Pendleton, Miss Anna F.	150.00	150.00	-0-	-0-	-0-
Pilson, Jesse	250.00	250.00	-0-	-0-	-0-
Pinney, Miss Anne	1,450.00	200.00	1,250.00	-0-	1,250.00
Pogue, Philip S.	25,000.00	25,000.00	-0-	-0-	-0-
Ponder, Terrence V.	10,000.00	10,000.00	-0-	-0-	-0-
Pope, Wm. T.	81.20	81.20	-0-	-0-	-0-
Pratt, Charles H.	12,500.00	12,500.00	-0-	-0-	-0-
Pridday, Joseph E.	25,000.00	25,000.00	-0-	-0-	-0-
Puthuff, G. Fetter	5,076.67	819.34	4,257.33	-0-	4,257.33
Putnam, Lawrence	125.00	24.00	101.00	-0-	101.00
Queen, Joseph R.	250.00	164.44	85.56	-0-	85.56
Quinn, Philip F.	550.00	550.00	-0-	-0-	-0-
Ramage, J. Russell	2,500.00	2,500.00	-0-	-0-	-0-
Ramser, Anthony P.	17,000.00	-0-	17,000.00	-0-	17,000.00
Ramser, George	1,500.00	543.01	956.99	-0-	956.99
Raque, Emil J.	1,250.00	477.99	772.01	-0-	772.01
Rassinier, Fernand M.	5,102.50	5,102.50	-0-	-0-	-0-
Ratterman, John B.	500.00	500.00	-0-	-0-	-0-
Reed, McKay & Stanley	25,516.67	1,[illegible]13.25	24,203.42	-0-	24,203.42
Reese, Geo. H., Jr.	2,336.03	2,336.03	-0-	-0-	-0-
Ritman, W. S.	625.00	330.00	295.00	-0-	295.00

Exhibit 196

	AMT.BORROWED	PAYMENTS	BALANCE DUE JAN. 1,1939	VALUE	LOSS
Renau, W. Irvin	$ 1,250.00	$ 1,250.00	-0-	-0-	-0-
Reutlinger, Adolph	25,000.00	25,000.00	-0-	-0-	-0-
Revenaugh, Claude L.	250.00	15.00	235.00	-0-	235.00
Reynolds, James S.,Jr.	1,250.00	1,250.00	-0-	-0-	-0-
Richeson, Hugh H.	2,300.00	-0-	2,300.00	-0-	2,300.00
Riddell, J. Elliott	5,000.00	5,000.00	-0-	-0-	-0-
Riley, Walter M.	2,323.38	330.49	1,992.89	300.00	1,692.89
Ripley, Mrs. Eleanor M.	500.00	500.00	-0-	-0-	-0-
Ripley, Robt. S.	500.00	500.00	-0-	-0-	-0-
Robinson, James M.	2,000.00	381.99	1,618.01	-0-	1,618.01
Roby, Miss Clema	125.00	75.00	50.00	-0-	50.00
Rogers Bros.	25,000.00	25,000.00	-0-	-0-	-0-
Roemel, Daniel	20,000.00	20,000.00	-0-	-0-	-0-
Roemel, Edward D.	20,000.00	20,000.00	-0-	-0-	-0-
Roper, Margaret	2,500.00	2,500.00	-0-	-0-	-0-
Rose, David B.G.	1,500.00	1,500.00	-0-	-0-	-0-
Rosenbaum, Jesse	1,624.27	1,624.27	-0-	-0-	-0-
Rowe, James H. Kinnaird	10,000.00	10,000.00	-0-	-0-	-0-
Rueff, George	200.00	-0-	200.00	-0-	200.00
Ruffner, George, Jr.	125.00	16.51	108.49	-0-	108.49
Ryan, Charles J.	1,200.00	1,200.00	-0-	-0-	-0-
Ryan, Joseph J.	800.00	800.00	-0-	-0-	-0-
Ryan, W. Frank	1,250.00	1,059.32	190.68	-0-	190.68
Salomon, Sam L.	2,500.00	886.89	1,613.11	300.00	1,313.11
Samuel, Myer	2,000.00	2,000.00	-0-	-0-	-0-
Samuell, Fouche W.	2,500.00	-0-	2,500.00	-0-	2,500.00
Samuels, Theodore O'Hara	1,000.00	1,000.00	-0-	-0-	-0-
Sand, Alexander	25,000.00	-0-	25,000.00	-0-	25,000.00
Sanders, Cecil F.	4,000.00	4,000.00	-0-	-0-	-0-
Sanders, Herschel E.	15,000.00	15,000.00	-0-	-0-	-0-
Saufley, Shelton M.	25,815.67	6,650.91	18,865.76	-0-	18,865.76
Scanland, Mrs. Susan M.	1,200.00	240.02	959.98	-0-	959.98
Scharfenberger, Wm. F.	500.00	464.91	35.09	-0-	35.09
Scheer, Miss Helen	200.00	200.00	-0-	-0-	-0-
Schickli, Solomon	5,000.00	3,369.90	1,630.10	150.00	1,480.10
Schlentker, Mrs. Lennie	1,000.00	1,000.00	-0-	-0-	-0-
Schmalz, Robert C.	1,100.00	1,100.00	-0-	-0-	-0-
Schabel, Jacob J.	440.00	440.00	-0-	-0-	-0-
Schneider, Erle	125.00	125.00	-0-	-0-	-0-
Schopp, William J.	400.00	400.00	-0-	-0-	-0-
Schrecker, Joseph J.	500.00	500.00	-0-	-0-	-0-
Schreiber, Arthur T.	1,250.00	1,250.00	-0-	-0-	-0-
Schuberth, Miss Ada L.	250.00	250.00	-0-	-0-	-0-
Schulman, Wm.	500.00	50.00	450.00	-0-	450.00
Schuls, Miss Loraine C.	200.00	40.00	160.00	-0-	160.00
Schwab, Paul E.	507.58	507.58	-0-	-0-	-0-
Scott, Curtis E.	125.00	125.00	-0-	-0-	-0-
Segar, John F.	250.00	250.00	-0-	-0-	-0-
Seidenfaden, Mrs. Amelia	7,500.00	3,952.60	3,547.40	-0-	3,547.40
Selby, Robert Carr	100.00	100.00	-0-	-0-	-0-
Selligman, Alfred	3,572.33	3,572.33	-0-	-0-	-0-
Selligman, Mrs. Jennie K.	4,082.67	4,082.67	-0-	-0-	-0-
Selligman, Joseph	5,000.00	5,000.00	-0-	-0-	-0-
Semple, Geo. C.	5,000.00	5,000.00	-0-	-0-	-0-
Semple, Mrs. Lottie D.	1,531.00	1,531.00	-0-	-0-	-0-
Seymour, Chas.	2,318.62	643.51	1,675.11	-0-	1,675.11
Sherman, Elmore	2,000.00	2,000.00	-0-	-0-	-0-
Sherrill, J. Garland	625.00	625.00	-0-	-0-	-0-
Shinnick, Mrs. Kate	5,076.15	-0-	5,076.15	-0-	5,076.15
Simpson, Robt. H.	1,500.00	1,150.74	349.26	-0-	349.26
Simpson, Sam H.	22,500.00	22,500.00	-0-	-0-	-0-
Simpson, Virgel E.	4,500.00	4,500.00	-0-	-0-	-0-
Simpson, Wm. G.	5,000.00	-0-	5,000.00	-0-	5,000.00

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	AMT. BORROWED	PAYMENTS	BALANCE DUE JAN. 1, 1939	VALUE	LOSS
Sleadd, Miss Fanny	$ 125.00	125.00	-0-	-0-	-0-
Smith, Albert S.	2,000.00	1,801.31	198.69	-0-	198.69
Smith, James R.	2,500.00	-0-	2,500.00	-0-	2,500.00
Smith, John A.	100.00	-0-	100.00	-0-	100.00
Smith, Newton C.	1,020.33	1,020.33	-0-	-0-	-0-
Speda, Miss Susanna	625.00	625.00	-0-	-0-	-0-
Spaulding, Harry T.	300.00	300.00	-0-	-0-	-0-
Spellman, Ernest J.	250.00	24.71	225.29	-0-	225.29
Speed, Wm.	5,000.00	-0-	5,000.00	-0-	5,000.00
Speed, Wm. S.	75,000.00	75,000.00	-0-	-0-	-0-
Speer, Eugene E.	500.00	500.00	-0-	-0-	-0-
Spillman, Lemuel C.	4,593.00	4,293.00	300.00	300.00	-0-
Spurling, R. Glen	12,500.00	5,302.59	7,197.41	900.00	6,297.41
Stancell, Wm.	200.00	200.00	-0-	-0-	-0-
Starks, Mrs. Millicent	28,000.00	13,168.37	8,831.63	8,831.63	-0-
Steele, Condit	125.00	-0-	125.00	-0-	125.00
Steltenpohl, Aloysius J.	250.00	250.00	-0-	-0-	-0-
Steltenpohl, Miss Anna	1,268.96	1,268.96	-0-	-0-	-0-
Steltenpohl, Joseph C.	2,500.00	2,500.00	-0-	-0-	-0-
Stils, Mrs. Ann	375.00	375.00	-0-	-0-	-0-
Stites, Frank M.	2,000.00	2,000.00	-0-	-0-	-0-
Stites, John	2,000.00	2,000.00	-0-	-0-	-0-
Stokes, Earl M.	9,600.00	8,400.00	1,200.00	1,200.00	-0-
Street, Mrs. Mary G.	5,000.00	5,000.00	-0-	-0-	-0-
Streng, Jesse F.	7,500.00	7,500.00	-0-	-0-	-0-
Summers, Turner A.	5,500.00	3,449.46	2,050.54	-0-	2,050.54
Sweeney, Miss Eleanor M.	650.00	650.00	-0-	-0-	-0-
Taber, John D.	4,200.00	3,350.00	850.00	-0-	[illegible]
Talamini, Harry G.	10,023.43	-0-	10,023.43	-0-	10,023.43
Tashgian, Herbert	25,000.00	25,000.00	-0-	-0-	-0-
Tayler, Bushrod W.	650.00	650.00	-0-	-0-	-0-
Tayler, Major	4,500.00	4,500.00	-0-	-0-	-0-
Tellman, Mrs. Susie E.	2,500.00	2,500.00	-0-	-0-	-0-
Theobald, Edward J.	25,516.67	1,448.91	24,067.76	-0-	24,067.76
Thiemann, Henry	162,000.00	78,416.07	83,583.93	-0-	83,583.93
Thomas, John A.	1,250.00	345.07	904.93	-0-	904.93
Thomas, Mrs. Zelma S.	300.00	300.00	-0-	-0-	-0-
Thompson, Mrs. Mabel	125.00	97.39	27.61	-0-	27.61
Thompson, Paul E.	25,000.00	15,596.43	9,403.57	-0-	9,403.57
Thompson, Robert P.	7,500.00	-0-	7,500.00	-0-	7,500.00
Thornberry, Murray H.	5,000.00	3,105.86	1,894.14	1,894.14	-0-
Tilford, Henry J.	2,000.00	2,000.00	-0-	-0-	-0-
Timmel, Edward V.	300.00	300.00	-0-	-0-	-0-
Timmel, Eugene H.	600.00	150.00	450.00	-0-	450.00
Torlina, Elmo F.	1,000.00	458.41	541.59	-0-	541.59
Treager, Geo. C.	507.58	147.59	359.99	-0-	359.99
Tross, Fred	2,500.00	550.00	1,950.00	-0-	1,950.00
Trudeau, Harold E.	253.79	253.79	-0-	-0-	-0-
Trueheart, Miss Carrie	1,377.90	1,377.90	-0-	-0-	-0-
Trueheart, Charles T.	5,103.33	5,103.33	-0-	-0-	-0-
Truman, Orville	1,250.00	848.46	401.54	401.54	-0-
Tuley, Philip S.	25,000.00	25,000.00	-0-	-0-	-0-
Turpin, Miles	1,250.00	1,250.00	-0-	-0-	-0-
Tway, Robert C.	51,033.33	6,033.33	45,000.00	45,000.00	-0-
Uaruh, John M.	510.25	510.25	-0-	-0-	-0-
Utterback, Robt. L.	2,000.00	2,000.00	-0-	-0-	-0-
Vandivier, Donald P.	800.00	-0-	800.00	-0-	800.00
Vaughan, George E.	4,500.00	4,500.00	-0-	-0-	-0-

Exhibit 196

	AMT.BORROWED	PAYMENTS	BALANCE DUE JAN. 1,1939	VALUE	LOSS
Vaughan, Robt. F.	$ 7,500.00	-0-	$ 7,500.00	-0-	$7,500.00
Veeneman, C. Edward	995.15	975.15	20.00	20.00	-0-
Viglini, J. Arthur	7,036.17	7,036.17	-0-	-0-	-0-
Volz, Harry A., Sr.	6,000.00	6,000.00	-0-	-0-	-0-
Volz, Harry A., Jr.	625.00	625.00	-0-	-0-	-0-
Vonderhite, Charles	4,000.00	369.85	3,630.15	-0-	3,630.15
Vonsye, Mrs. Mayme	250.00	-0-	250.00	-0-	250.00
Wagner, George	4,000.00	2,996.01	1,003.99	-0-	1,003.99
Warner, James H.	1,000.00	728.55	271.45	-0-	271.45
Walker, Eugene W.	5,078.33	5,078.33	-0-	-0-	-0-
Walsh, Maurice W.	37,500.00	-0-	37,500.00	-0-	37,500.00
Walter, John H.	400.00	188.87	211.13	-0-	211.13
Walter, Miss Mary M.	250.00	167.46	82.54	-0-	82.54
Wash, Arthur M.	4,000.00	4,000.00	-0-	-0-	-0-
Washer, Ben Seelig	25,000.00	-0-	25,000.00	-0-	25,000.00
Watkins, Miss Ella D.	50.00	50.00	-0-	-0-	-0-
Watson, Mrs. Charlotte J.	2,512.08	-0-	2,512.08	-0-	2,512.08
Watson, Philip E.	4,500.00	-0-	4,500.00	-0-	4,500.00
Weaver, Miss Daisy E.	500.00	500.00	-0-	-0-	-0-
Webb, Louis K.	2,500.00	2,500.00	-0-	-0-	-0-
Weber, George A.	2,300.00	2,300.00	-0-	-0-	-0-
Wedding, George G.	2,500.00	2,500.00	-0-	-0-	-0-
Weis, Ferd B.	10,000.00	10,000.00	-0-	-0-	-0-
Weis, Isaac A.	10,000.00	10,000.00	-0-	-0-	-0-
Weiser, Wm. J.	25,000.00	25,000.00	-0-	-0-	-0-
Weiss, Coleman G.	800.00	800.00	-0-	-0-	-0-
Weller, Mrs. Helen	200.00	00.00	-0-	-0-	-0-
Wells, Prince(HDOrmsby, Ag)	12,758.33	12,643.08	115.25	-0-	115.25
Welsh, Miss Catherine M.	200.00	200.00	-0-	-0-	-0-
Wesley, Edmund F.	1,250.00	1,136.77	113.23	113.23	-0-
White, Edwin L.	875.00	875.00	-0-	-0-	-0-
White, Upshere M.	350.00	350.00	-0-	-0-	-0-
Wigginton, James L.	12,000.00	5,298.20	6,701.80	-0-	6,701.80
Wiley, Rodman	5,000.00	2,013.69	2,986.31	-0-	2,986.31
Wilkerson, Frank L.	2,551.67	630.94	1,920.73	-0-	1,920.73
Williams, A.Gilmore	2,000.00	1,289.80	710.20	710.20	-0-
Williams, Mrs.Anna C.	10,000.00	10,000.00	-0-	-0-	-0-
Wilson, T. Bert	48,000.00	48,000.00	-0-	-0-	-0-
Winn, Matt J.	50,000.00	50,000.00	-0-	-0-	-0-
Waddy, Noble	400.00	400.00	-0-	-0-	-0-
Wolpert, Allen W.	3,000.00	3,000.00	-0-	-0-	-0-
Wood, Edwin D.	2,500.00	2,500.00	-0-	-0-	-0-
Woodruff, Miss Nata Lee	1,100.00	939.36	160.64	-0-	160.64
Woodward, Louis M.	1,250.00	75.00	1,175.00	-0-	1,175.00
Woody, Mrs.Margaret L.	600.00	600.00	-0-	-0-	-0-
Woolfolk, Mrs.Fanny Owen	38,275.00	38,275.00	-0-	-0-	-0-
Wright, Miss Louise	625.00	176.10	448.90	-0-	448.90
Wurtele, Jacob A.	2,000.00	2,000.00	-0-	-0-	-0-
Yager, Newton T., Jr.	2,500.00	2,500.00	-0-	-0-	-0-
Yeager, Lewis C., Sr.	2,000.00	212.50	1,787.50	-0-	1,787.50
Yoe, Richard T.	25,420.83	4,394.11	21,026.72	-0-	21,026.72
Yeman, J.& Stella Ann	925.00	423.62	501.38	-0-	501.38
Zoeller, Andrew C.	400.00	400.00	-0-	-0-	-0-
Zurschmiede, W.Tom	37,500.00	5,801.11	31,698.89	-0-	31,698.89
TOTALS -	$4,439,505.81	2,403,583.39	2,035,922.42	158,030.55	1,877,891.87

Exhibit 197

A. M. ANDERSON, RECEIVER
NATIONAL BANK OF KENTUCKY

Comparison of Deposits
Monthly From
February 11,1927 to November 17,1930

District Court of the United States for the West... Division

A. M. Anderson, ... Receiver ..... *Plaintiff*

David J. ... 1946 ..... *Defendants*

Plaintiff's ~~Defendants'~~ Exhibit No. 197

WHITE, BOWER & PREVO
CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL BANK BUILDING
DETROIT, MICHIGAN

Exhibit 197

NATIONAL BANK OF KENTUCKY

COMPARISON OF DEPOSITS

Date	Deposits Other Than Banks	Deposits Other Banks	Total
February 11,1927	$ 42,654,701.19	$ 14,081,869.12	$ 56,736,570.31
March 11,1927	37,931,971.74	13,956,806.33	51,888,778.07
April 11,1927	37,215,313.39	13,407,858.96	50,623,172.35
May 11,1927	37,386,578.13	13,703,477.05	51,090,055.18
June 11,1927	35,676,744.32	11,261,513.92	46,938,258.24
July 11,1927	33,194,939.11	11,920,681.09	45,115,620.20
August 11,1927	35,535,645.41	11,393,935.19	46,929,580.60
September 12,1927	35,501,864.32	13,397,059.03	48,898,923.35
October 11,1927	34,254,602.15	12,461,814.44	46,716,416.59
November 10,1927	32,687,213.55	12,228,223.60	44,915,437.15
December 10,1927	31,593,402.94	14,146,414.36	45,739,817.30
January 11,1928	32,029,524.75	14,938,837.65	46,968,362.40
February 10,1928	32,504,240.82	14,756,998.26	47,261,239.08
March 10,1928	31,374,081.82	12,815,244.11	44,189,325.93
April 11,1928	32,982,754.14	11,667,612.08	44,650,366.12
May 11,1928	32,792,946.54	9,530,797.68	42,323,744.22
June 11,1928	31,990,691.43	8,944,184.69	40,934,876.12
July 11,1928	31,506,429.41	9,435,983.32	40,942,412.73
August 10,1928	30,595,022.35	8,204,522.41	38,799,544.76
September 11,1928	31,330,408.76	8,444,417.14	39,774,825.90
October 11,1928	32,168,914.12	8,871,401.02	41,040,315.14
November 12,1928	29,426,584.78	9,127,649.39	38,554,234.17
November 16,1928	28,891,208.57	8,807,637.25	37,698,845.82
January 11,1929	31,806,290.53	13,445,226.04	45,251,516.57
February 11,1929	31,381,522.56	14,439,811.30	45,821,333.86
March 11,1929	31,541,602.63	12,185,308.08	43,726,910.71
April 11,1929	29,123,535.70	8,893,153.05	38,016,688.75
May 11,1929	28,691,759.93	7,932,609.74	36,624,369.67
June 11,1929	28,637,597.21	7,737,981.98	36,375,579.19
July 11,1929	27,880,151.10	7,035,081.83	34,915,232.93
August 10,1929	27,154,559.05	7,326,836.34	34,481,395.39
September 11,1929	29,993,569.82	8,154,494.76	38,148,064.58
October 11,1929	36,089,822.26	7,339,097.53	43,428,919.79
November 12,1929	32,782,594.07	7,080,212.04	39,862,806.11
November 16,1929	32,235,344.86	6,097,305.24	38,332,650.10

Exhibit 197

Date	Deposits		
	Other than Banks	Other Banks	Total
January 11,1930	$30,517,827.92	$11,023,521.93	$41,541,349.85
February 11,1930	30,646,067.70	12,861,911.16	43,507,978.86
March 11,1930	29,726,617.06	10,542,380.35	40,268,997.41
April 11,1930	27,763,904.24	9,058,655.89	36,822,560.13
May 12,1930	27,929,538.90	8,990,868.16	36,920,407.06
June 11,1930	27,013,934.24	7,836,671.70	34,850,605.94
July 11,1930	27,214,159.39	8,738,869.70	35,953,029.09
August 11,1930	26,834,575.52	8,327,495.23	35,162,070.75
September 11,1930	32,026,770.20	8,942,872.71	40,969,642.91
October 11,1930	27,644,195.00	8,059,013.17	35,703,208.17
November 12,1930	25,237,421.09	6,940,855.36	32,178,276.45
November 17,1930	21,828,218.03	5,200,051.78	27,028,269.81

Exhibit 198

SUMMARY SHOWING PERCENTAGE OF TOTAL OUTSTANDING SHARES OF STOCK OF THE BANCOKENTUCKY COMPANY, ON WHICH DIVIDENDS WERE PAID, WHICH WAS HELD BY THE SAME STOCKHOLDERS WHO EXCHANGED TRUSTEES' PARTICIPATION CERTIFICATES FOR THE BANCOKENTUCKY COMPANY STOCK AND WERE STOCKHOLDERS ON NOVEMBER 17, 1930

	Total Shares on which Dividends were paid	Shares held by former T.P.C.Holders who exchanged and who had Banco at Close	Percentage Held
December 31,1929	1,532,669	1,027,051	67.01%
June 30, 1930	1,575,483	1,138,479	72.26%
November 17, 1930	1,595,079	1,063,517	66.68%

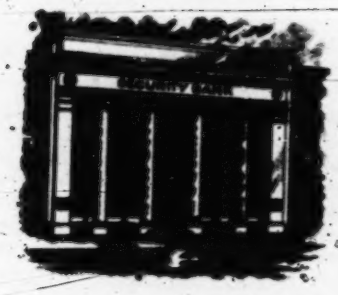
District Court of the United States for the Western District

A. M. Anderson, Receiver ..... *Plaintiff*

David J. Cavanaugh et al ..... *Defendants*

Plaintiff's ~~Defendants'~~ Exhibit No. 198

Exhibit 203



SECURITY BANK

INCORPORATED

CHAS. H. BONMER, Chairman Board of Directors
GEO. GUTIG, President
CHAS. GUTIG, Vice President
H. NELLIS KRAFT, Vice President
SAML. J. POHRMANN, Cashier
EDWIN HORN, Assistant Cashier

LOUISVILLE, KY.

April 18, 1930.

Mr. James B. Brown, President,
BancoKentucky Company,
Louisville, Kentucky.

Dear Mr. Brown:

Plaintiff's Exhibit No. 203

You no doubt will be interested to know that we have received for exchange for BancoKentucky Company stock on both options sixty percent of the outstanding shares of the Security Bank stock to date. This number of shares being in excess of the required amount, you are hereby officially advised of the acceptance of your proposition as outlined in your letter of March 24, 1930, by our stockholders.

As our directors have delivered all their stock for exchange, we beg to call your attention to the necessity of issuing in their names ten shares each to qualify for the office, this we understand will be arranged by your company.

We are endeavoring to handle the matter as expeditiously as possible and assure you of our willingness to co-operate with any suggestions offered.

Hoping you are pleased with results thus far obtained, we beg to remain,

Yours very truly,

H. Nellis Kraft
Vice-President.

Exhibit 204

Wm. L. Speer

GERMAN BANK

1/1/18	76 Shares -	$24,000.00	
5/23/18	60 4/5 Shs. Bank of Commerce received in consolidation		16,720.00
	Cash		20,520.00
			37,240.00
12/31/18	To P& L.	13,240.00	
		$37,240 00	

- - - - - - - - -

NATIONAL BANK OF COMMERCE

5/23/18	60 4/5 Shs. rec. in reorganisation	16,720.00	
6/ 3/18	1/5 "	55.00	
1/ 1/19	10 Shares Hilliard - - - - - - - -	3,277.50	
		$20,052.50	
2/11/19	71 Shares exchanged for Nat'l Bank		
	District Court of the United States Ky		$20,052.50
	the Western District - - - - - - - - - - - -		

A. M. Anderson, Receiver,.....Plaintiff
vs. No. 1646
David J. Abbott, et al.....Defendants
Plaintiff's ~~Defendants~~ Exhibit No. 204

NATIONAL BANK OF KENTUCKY

1/ 7/19	25 Shares - - - - - - - - - - - - - - - - - -	$6,393.75	
2/11/19	Div. in liquidation		$1,437.50
	25 Shares Exchanged for new stock		4,956.25
			6,393.75

- - - - - - - - -

NATIONAL BANK OF KENTUCKY

2/11/19	15 1975/10000 Shs. Rec. in exchange	4,956.25	
2/10/19	71 Shares from Nat'l Bank of Commerce	20,052.50	
2/11/19	1975/10000 sold		69.12
12/30/19	to P&L on fraction	4.72	
	86 Shares onahand		24,944.35
		25,013.47	25,013.47

- - - - - - - - -

1/1/20	86 Shares on Hand	$24,944.35	
6/4/21	14 " O.S.S.	3,550.00	
7/14/26	59 " Hilliards	20,886.00	
7/15/26	15 " "	5,332.50	
8/27/26	22 " "	7,821.00	
7/28/25	4 " "	1,422.00	
1927	120 " Stock Div.	- -	
	320	$63,955.85	
7/1/27	300 Shares Exc. Consolidated Stock		$59,958.60
"	10 " " Nat'l Bank of Ky. Qualifying Shares		1,998.62
"	10 " " Louis.Tr.Co. Qualifying shares		1,998.63
			$63,955.85

Exhibit 204

Sheet No.

NATIONAL BANK OF KENTUCKY. Consolidated Stock

7/1/27	300	Shares on Hand	$59,958.60	
1/21/29	300	" C. C. Hieatt	106,800.00	
			166,758.60	
5/13/29		600 Shares Exchanged		$166,758.60

- - - - - - - - - - - -

NATIONAL BANK OF KENTUCKY & LOUISVILLE TRUST CO. $10. Par

5/13/29	6,000	Shares rev. in exchange	$166,758.60	
9/16/29	500	" Hilliards	22,750.00	
			189,508.60	
9/19/29		6,500 Shares Exchanged for Banco		$189,508.60

- - - - - - - - -

BANCO KENTUCKY COMPANY

9/19/29	13,000	Received in exchange for "ational Bank of Ky.&L.Tr.Co.	$189,508.60	
10/1/29	5,000	Shares "ew Stock	125,000.00	
4/4/30	200	Rec. in Exch. L.Tr.Co.Stc.	1,998.63	
4/17/30	400	Shs. H.C.&Co.	9,512.50	
4/22/30	200	" "	4,725.00	
4/23/30	200	" "	4,825.00	
	19,000	Shares	$335,569.73	
11/18/30	450	Shs. Sold thru H.C.&Co.		865.35
11/19/30	6,000	" " "		6,094.25
"	4,800	" " "		4,467.90
11/20/30	6,000	" " J.J.B.H&Son		6,789.00
11/26/30	1,750	" " H.C.&Co.		626.50
	19,000	"		$18,843.00
11/20		Ck to Hilliards acct error	1.00	
			$335,570.73	
12/31		By P&L		316,727.73
				$335,570.73

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Exhibit 204

Sheet No. 3

NATIONAL BANK OF KENTUCKY — Qualifying Shares

7/1/27	10 Shares	$1,998.62	
3/26/31	Paul C. Keyes, Rev. Nat'l Bank of Ky, Stock Assessment	1,000.00	
		$2,998.62	
3/26/31	To P&L on 10 Shares		$2,998.62

LOUISVILLE TRUST COMPANY — Qualifying Shares

7/1/27	10 Shares	$1,998.63	
May, 1929	10 Exchanged for $10. Par Val Stock		$1,998.63

May 1929	100 Shares Received in Exchange	$1,998.63	
4/4/30	100 Shs. Exchanged for Banco		$1,998.63

Exhibit 205

421 WEST MARKET STREET

The Louisville National Bank and Trust Company Consolidated with

THE LOUISVILLE TRUST COMPANY

In joint ownership with the National Bank of Kentucky

LOUISVILLE, KENTUCKY

June 20, 1929.

Mr. James B. Brown,
National Bank of Kentucky,
Louisville, Kentucky.

My dear Mr. Brown:

On investigation this morning with Mr. Andrew Seay of the Louisville Title Company, he tells me that when they organized their trust company all of the shares of stock except the qualifying shares were owned by the Louisville Title Company. It develops that Kentucky has a law which prevents a corporation from owning more than 50% of the stock of a bank, so they accomplished their end by trusteeing the stock of the Louisville Title Company and stock of their Guaranty Trust Company with some trustees. In other words, those two banks have their stock trusteed just like our two banks have it.

Under this law, it looks as if the Kentucky Company may own 50% of the stock in the two banks, and that will serve our purpose very well.

Yours very truly,

Richard Bean

President.

RB:NKF

District Court of the United States for the Western District of K...

A. M. Anderson, Receiver..... Plaintiff
vs. No. 1046
David J. Abbott, et al..... Defendants

Plaintiff's Defendants' Exhibit No. 205

2157

Exhibit 206

"Original" Natl Bank Examiner 5

TREASURY DEPARTMENT

OFFICE OF
COMPTROLLER OF THE CURRENCY

CHIEF NATIONAL BANK EXAMINER
EIGHTH FEDERAL RESERVE DISTRICT
1200 FEDERAL COMMERCE TRUST BLDG.
ST. LOUIS, MO.

St. Louis, May 20, 1930.

District Court [illegible] the United States, the Western District of Missouri, Western Division

A. M. Anderson, Receiver ..... Plaintiff
vs. No. 1016
David J. Abbot et al ..... Defendants
Plaintiff's ~~Defendant's~~ Exhibit No. 206

Mr. C. F. Jones,
Vice Pres., National Bank of Kentucky,
Louisville, Kentucky.

Dear Mr. Jones:

Since my return to St. Louis, I have given some attention to the report of your bank. I have not, however, completed the report. I desire to call your attention to the fact that the Statutory "Bad Debts" of your bank aggregate $2,296,351.12. This exceeds slightly surplus and undivided profits of your bank. In view of this fact I thought, perhaps, I had better call to your attention the provisions of Sections 5199 and 5204 R. S. U. S. I suggest that you take immediate steps to renew some of these loans and make them current. For your information will state that there are a number of ~~already~~ loans payable on demand on which no interest has been paid for more than six months. I think, perhaps, a renewal of all the old demand loans would cure the defect.

Another thing I forgot at the directors' meeting was to call attention to the fact that President Brown is a director in three national banks and six state banks, members of the Federal Reserve System, four of which have assets exceeding $5,000,000.00. In this connection your attention is called to Page 7 of the enclosed pamphlet. According to the provision of Section 8, it would seem that he can only be a director in three of the banks whose assets exceed $5,000,000.00 except the Louisville Trust Company whose stock, I believe, is unified with that of the National Bank of Kentucky. If this is true and the Louisville Trust Company is owned solely by the National Bank of Kentucky, it would be exempted. It would seem, therefore, that he would have to resign in all except three of the following banks:

Pearl Market Bank & Trust Co., Cincinnati, Ohio
Brighton Bank & Trust Co., Cincinnati, Ohio

Exhibit 206

Peoples Liberty Bank & Trust Co., Covington, Ky.
Ashland National Bank, Ashland, Ky.
First National Bank, Paducah, Ky.
National Bank of Kentucky, Louisville, Ky.

As stated before the Louisville Trust Company appears to be excepted.

Very truly yours,

Geo. S. Wood

Chief National Bank Examiner,
Eighth Federal Reserve District.

JSW:AA
(Encl.)

Exhibit 206

Treasury Department
Office Comptroller of the Currency
Form 1417

DUTIES AND LIABILITIES OF DIRECTORS OF NATIONAL BANKS AND MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM.

PROVISIONS OF LAW DEFINING DUTIES OF DIRECTORS AND PRESCRIBING PENALTIES FOR NEGLECT OF SUCH DUTIES.

APPOINTMENT AND POWERS OF DIRECTORS.

(SEC. 5136, U. S. R. S.) Fifth. To elect or appoint directors, and by its board of directors to appoint a president, vice president, cashier, and other officers, define their duties, require bonds of them, and fix the penalty thereof, dismiss such officers or any of them at pleasure, and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected or appointed, its officers appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes according to the provisions of this title.

NUMBER AND ELECTION OF DIRECTORS—TERM OF OFFICE.

(SEC. 5145, U. S. R. S.) The affairs of each association shall be managed by not less than five directors, who shall be elected by the shareholders at a meeting to be held at any time before the association is authorized by the Comptroller of the Currency to commence the business of banking; and afterward at meetings to be held on such day in January of each year as is specified therefor in the articles of association. The directors shall hold office for one year, and until their successors are elected and have qualified.

QUALIFICATIONS OF DIRECTORS.

(SEC. 5146, U. S. R. S.) Every director must, during his whole term of service, be a citizen of the United States, and at least three-fourths of the directors must have resided in the State, Territory, or District in which the association is located, or within fifty miles of the location of the office of the association, for at least one year immediately preceding their election, and must be residents of such State or within a fifty-mile territory of the location of the association during their continuance in office. Every director must own in his own right at least ten shares of the capital stock of the association of which he is a director, unless the capital of the bank shall not exceed $25,000, in which case he must own in his own right at least five shares of such capital stock. Any director who ceases to be the owner of the required number of shares of the stock, or who becomes in any other manner disqualified, shall thereby vacate his place.

OATH REQUIRED FROM DIRECTORS.

(SEC. 5147, U. S. R. S.) Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not knowingly violate, or willingly permit to be violated, any of the provisions of this title, and that he is the owner in good faith, and in his own right, of the number of shares of stock required by this title, subscribed by him, or standing in his name on the books

Exhibit 206

3

DEPOSITS WITH NONMEMBER BANKS SUBJECT TO LIMIT (SEC. 19, FEDERAL RESERVE ACT).

No member bank shall keep on deposit with any State bank or trust company which is not a member bank a sum in excess of ten per centum of its own paid-up capital and surplus. No member bank shall act as the medium or agent of a nonmember bank in applying for or receiving discounts from a Federal reserve bank under the provisions of this act, except by permission of the Federal Reserve Board.

DIVIDENDS AND SURPLUS FUND.

(SEC. 5199, U. S. R. S.) The directors of any association may, semiannually, declare a dividend of so much of the net profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend, carry one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall amount to twenty per centum of its capital stock.

WITHDRAWAL OF CAPITAL PROHIBITED—DIVIDEND NOT TO EXCEED NET PROFITS—BAD DEBTS DEFINED.

(SEC. 5204, U. S. R. S.) No association, or any member thereof, shall, during the time it shall continue its banking operations, withdraw, or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital. If losses have at any time been sustained by any such association, equal to or exceeding its undivided profits then on hand, no dividend shall be made; and no dividend shall ever be made by any association, while it continues its banking operations, to an amount greater than its net profits then on hand, deducting therefrom its losses and bad debts. All debts due to any association, on which interest is past due and unpaid for a period of six months, unless the same are well secured, and in process of collection, shall be considered bad debts within the meaning of this section. But nothing in this section shall prevent the reduction of the capital stock of the association under section fifty-one hundred and forty-three.

PENALTY FOR VIOLATION OF PROVISIONS OF THIS TITLE—VIOLATION, HOW DETERMINED—LIABILITY OF DIRECTORS FOR VIOLATION.

(SEC. 5239, U. S. R. S.) If the directors of any national banking association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the association to violate any of the provisions of this title, all the rights, privileges, and franchises of the association shall be thereby forfeited. Such violation shall, however, be determined and adjudged by a proper circuit, district, or territorial court of the United States, in a suit brought for that purpose by the Comptroller of the Currency, in his own name, before the association shall be declared dissolved. And in cases of such violation, every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation.

PENALTY FOR FALSELY CERTIFYING CHECK.

(SEC. 5208, U. S. R. S.) It shall be unlawful for any officer, director, agent, or employee of any Federal reserve bank, or of any member bank as defined in the act of December twenty-third, nineteen hundred and thirteen, known as the Federal reserve act, to certify any check drawn upon such Federal reserve bank or member bank unless the person, firm, or corporation drawing the check has on deposit with such Federal reserve bank or member bank, at the time such check is certified, an amount of money not less than the amount specified in such check. Any check so certified by a duly authorized officer, director, agent, or employee shall

Exhibit 206

INTERLOCKING DIRECTORATES.—WHEN FORBIDDEN (ACT OCT. 15, 1914, AS AMENDED BY ACT MAY 15, 1916).

(SEC. 8.) That from and after two years from the date of the approval of this act no person shall at the same time be a director or other officer or employee of more than one bank, banking association, or trust company organized or operating under the laws of the United States either of which has deposits, capital, surplus, and undivided profits aggregating more than $5,000,000; and no private banker or person who is a director in any bank or trust company organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than $5,000,000, shall be eligible to be a director in any bank or banking association organized or operating under the laws of the United States. The eligibility of a director, officer, or employee under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association, or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or selected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter under said election or employment.

No bank, banking association, or trust company organized or operating under the laws of the United States, in any city or incorporated town or village of more than two hundred thousand inhabitants, as shown by the last preceding decennial census of the United States, shall have as a director or other officer or employee any private banker or any director or other officer or employee of any other bank, banking association, or trust company located in the same place: *Provided*, That nothing in this section shall apply to mutual savings banks not having a capital stock represented by shares: *Provided further*, That a director or other officer or employee of such bank, banking association, or trust company may be a director or other officer or employee of not more than one other bank or trust company organized under the laws of the United States or any State where the entire capital stock of one is owned by stockholders in the other: *And provided further*, That nothing contained in this section shall forbid a director of class A of a Federal reserve bank, as defined in the Federal reserve act, from being an officer or director, or both an officer and director, in one member bank: *And provided further*, That nothing in this act shall prohibit any officer, director, or employee of any member bank or class A director of a Federal reserve bank, who shall first procure the consent of the Federal Reserve Board, which board is hereby authorized, at its discretion, to grant, withhold, or revoke such consent, from being an officer, director, or employee of not more than two other banks, banking associations, or trust companies, whether organized under the laws of the United States or any State, if such other bank, banking association, or trust company is not in substantial competition with such member bank.

The consent of the Federal Reserve Board may be procured before the person applying therefor has been elected as a class A director of a Federal reserve bank or as a director of any member bank. * * *

When any person elected or chosen as a director or officer or selected as an employee of any bank or other corporation subject to the provisions of this act is eligible at the time of his election or selection to act for such bank or other corporation in such capacity his eligibility to act in such capacity shall not be affected, and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the affairs of such bank or other corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment.

Exhibit 207

EVERY WORTH-WHILE CINCINNATIAN READS THE CINCINNATI ENQUIRER

THE CINCINNATI ENQUIRER

VOL. LXXXVI. NO. 269—DAILY Entered as second-class matter, Post Office, Cincinnati, Ohio. THURSDAY

WEATHER—Thursday Showers; Friday Cooler. Temperatures Yesterday: Maximum, 70; Minimum, 60; Noon Humidity, 97. Detailed Weather Reports, Pages 4 and 24.

MORNING, SEPTEMBER 26, 1929 THIRTY PAGES PRICE FIVE CENTS

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Cincinnati Banks Join Middle West Chain; Brighton And Pearl Market In Big Deal Forming Unit In BancoKentucky Group

Assuming the initiative in the development of banking associations on a large scale in the Middle West, The BancoKentucky Company yesterday consummated deals which give it a commanding situation in the Cincinnati banking field. The company, which is headed by James B. Brown, Louisville, Ky., banker and capitalist, arranged to acquire control of the Brighton Bank & Trust Co. and the Pearl Market Bank & Trust Co.

Under the plans of Mr. Brown and his associates, the two banks will be merged into one institution, thus becoming one of the larger Cincinnati units, with Gustave M. Mosler, President of the Brighton bank, as head of the combined banks. But beyond the formation of an important unit in Cincinnati, the deal puts behind the Cincinnati institution the great resources of The BancoKentucky Company, which is fast becoming one of the great financial institutions of the country.

Besides aligning Cincinnati and Louisville institutions of great financial strength, the immediate plans call for association with strong banks in Chicago and Indianapolis, forming a network in the East Central States, covering Ohio, Kentucky, Indiana, Illinois and parts of Tennessee and West Virginia. Negotiations are now pending for the acquisition of strong banks in Chicago and Indianapolis and later on, banks in other cities in the states named will be taken into the fold.

The entry of the BancoKentucky into the Cincinnati field, the first outside of its home town, Louisville, is in recognition of the great importance of the commercial and industrial position of the Queen City in the Ohio Valley and the new spirit [illegible] evident in the [illegible] Ohio metropolis.

With the acquisition of the Cincinnati banks, the BancoKentucky Company will have resources of $315,000,000, making it the largest banking group in the Ohio Valley and one of the important banking factors west of New York City.

JAMES B. BROWN

GUSTAVE M. MOSLER

Definite action for the acquisition of the Cincinnati banks was taken yesterday at meetings of Boards of Directors of the two institutions. Directors of the Brighton Bank and later the Board of the Pearl Market Bank acted favorably upon the proposals of Mr. Brown, and recommendations will be made to the stockholders of both institutions for the acceptance of the terms contained in the deal. With the recommendations will go formal offers to the stockholders of the institutions for their stock. The offer to the Brighton Bank stockholders is $900 a share and to the Pearl Market Bank stockholders $750 a share.

Stockholders will have the option of taking cash for their holdings or part cash and part stock in the BancoKentucky Company.

On completion of the merger of the two institutions, the Cincinnati unit will have a capital of $1,000,000, surplus and undivided profits of $1,000,000 and total resources of $30,000,000. Under the plans for the merger Mr. Mosler will become President of the enlarged bank. Other active officers and the entire personnel of both institutions will be retained and all the present banks and branches continued. It is planned to open a downtown office, probably on Fourth Street, and with this, the bank will have eight offices well distributed through Cincinnati. It is possible that another Cincinnati institution will be taken into the fold.

The BancoKentucky Company, organized in the early summer under a Delaware charter, has a capital of $30,000,000 par value, and with the acquisition of the Cincinnati banks will have total resources of more than $315,000,000. The shares of the company are $10 par value and have been sold at $25 a share, which gives the company $50,000,000 in cash for capital. The shares were sold privately over a period of two months without a public offering, a notable result in the realm of Middle West financing.

The company has acquired complete ownership of the National Bank of Kentucky and of the Louisville Trust Company. While these banks have not been merged, membership is represented by joint trustee certificates of the National Bank of Kentucky.

Negotiations for the Cincinnati deal were conducted by Mr. Brown in person. Associated with him were

Continued on Page 2, Column 2.

Exhibit 207

Cincinnati Banks Join BancoKentucky Group In Big Financial Deal

CONTINUED FROM FIRST PAGE.

Charles F. Jones, Cashier of the National Bank of Kentucky, and Maurice L. Galvin, attorney for the Banco-Kentucky. Mr. Mosier conducted the negotiations for the Brighton Bank. Sidney Weil, director in the Pearl Market, and Cincinnati's newest baseball magnate, and Joseph Heimers, Executive Vice President, of the Pearl Market, represented the latter interests in the negotiations.

The entry of Mr. Brown into the Cincinnati banking field brings into the city's financial affairs one of the dynamic personalities of the Blue Grass State. A man of vision and action, he sees a brilliant future for Cincinnati, and expressed himself as profoundly impressed with the recent developments in the city.

Mr. Brown is President of the BancoKentucky Company and the National Bank of Kentucky.

"I believe Cincinnati has a great future before it," Mr. Brown said, in explaining his entry into the Cincinnati field. "I have been wonderfully impressed by the great progress the city has made in the past few years. No city in the country today is going ahead any faster nor is showing finer spirit than Cincinnati. With a continuation of this spirit and this progress the future looks very bright.

"There is a great change coming over the banking situation in the United States and the BancoKentucky Company has been organized to meet this condition. Our plan is to develop an organization that will have the resources necessary to take care of the needs of the territory which we serve without dependence on institutions in other sections of the country.

"By grouping a chain of strong banks in the key cities of the East Central States, we will form an association that will be able to handle the business needs of the communities served. The change is coming in the banking world and we believe we have taken the logical steps to meet it according to the best economic principles.

"Our coming to Cincinnati is due to its great importance in the Ohio Valley and likewise in recognition of its remarkable development in the past few years. By tieing into our group strong Chicago and Indianapolis banks with what we have in Louisville and are acquiring in Cincinnati, we will have a group that will be second to none in this territory. We are friendly neighbors and our aim is to develop the best interests of this section of the country.

"With the large resources that the combination will give, the Cincinnati banks will be in a position to render services that now are impossible to business and industry in the part of the separate institutions.

"The association of the banks will make possible economies in a large way, will give them the advantage of mutual experience and will enable them to finance individual businesses more effectively and handle much larger financial deals."

Mr. Brown has been a banker for 21 years, practically all of his career being spent in Louisville. He is a Kentuckian by birth. He was Cashier, then President of the National Bank of Commerce. In 1919 this bank was merged with the National Bank of Kentucky and he became the head of the merged institution, which position he still holds. Besides his banking connection Mr. Brown is a newspaper owner and publisher, his paper being the Louisville Herald-Post. He is a Director in the Standard Oil Company of Kentucky, the Louisville and Nashville Railroad, the Southern Bell Telephone Company, the Louisville Gas & Electric Company. He has numerous other corporate connections and is a Director in the American Turf Association.

Mr. Brown and Mr. Galvin will become directors in the Cincinnati bank and Mr. Brown plans to give much of his personal time and attention to its affairs.

Mr. Mosier, who will head the combined bank, has made his mark as a banker at the head of the Brighton Bank and Trust Company. Under his guidance, the bank has grown consistently, and though it has not acquired a downtown location, is one of the important institutions in the city. Possessed of a striking personality and known for his frankness in his dealings with men, Mr. Mosier has gained an enviable reputation as a banker and financier. The price at which the Brighton Bank stock was sold is evidence enough of the character of its management, it was pointed out. Still a young man, Mr. Mosier is known for his hobbies. He is President of American Philatelic Association, having one of the largest collections of stamps in Ohio. He is also a dog fancier and has won many ribbons at national dog shows with his kennel of beagles.

Regarding the deal Mr. Mosier said: "There is a great change coming in the banking situation in the United States and our action in becoming associated with the Banco-Kentucky Company was taken with this in view. In my opinion it is a big step for Cincinnati, and it gives us a connection with a powerful banking group that has vision and real enterprise. The combined bank will be able to render a great service to Cincinnati business, and with the character of men in control of the holding company, many benefits should accrue to the city.

"There is no question but that banking in the United States is going through a remarkable change, with every prospect of developing into a system similar to that existing in Canada today—that of big banks in central locations with branches throughout the country. At the start this situation in the United States is being met by holding companies, but ultimately an amendment to the Mc-Fadden banking act is inevitable. The amount of available paper for rediscount with the Federal Reserve System has decreased from 43 to 13 per cent. This change has come about through the many new stock issues, the money derived from which has been used to liquidate bank loans. The Federal Reserve System soon will have to make important changes to conform to existing conditions, in the opinion of leading bankers.

"In agreeing to head the Cincinnati unit of this system I was influenced by the wonderful progress that has been made in our city and the importance of organizing the banking field to meet the situation in the light of the new conditions. I feel that the institution will be fully qualified to do its share in the continued progress and development of Cincinnati."

"Mr. Brown has advised me that the resources and funds of the various institutions in the group are available for any local development that may be presented. In view of his wonderful record of past achievements, I cannot help but feel that we all will benefit by the new connection."

The bank deal serves to bring Mr. Weil into the limelight again, or rather simultaneously. In a week's time this young man has become one of the most-talked-of of personalities in Cincinnati. Last night he announced his acquisition of control of the Cincinnati Baseball Club and in the revelation of the banking merger he was shown to have played an important and determining part through his position and influence as a Director of the Pearl Market Bank.

CAPITAL $750,000.00

LOUISVILLE NATIONAL BANK & TRUST COMPANY

In the United States District Court
J. M. Anderson, Receiver, ... Plaintiff
vs. No. 1046
David J. Libbitt, et al ..... Defendants
Plaintiff's ~~Defendants'~~ Exhibit No. 208

THIS CERTIFIES THAT _____ IS THE OWNER OF _____ SHARES OF ONE HUNDRED DOLLARS EACH OF THE CAPITAL STOCK OF THE LOUISVILLE NATIONAL BANK & TRUST COMPANY, OF LOUISVILLE, KY. TRANSFERABLE ONLY ON THE BOOKS OF SAID BANK IN PERSON OR BY ATTORNEY ON THE SURRENDER OF THIS CERTIFICATE.

THE REGISTERED HOLDER OF THE SHARE OR SHARES OF STOCK OF SAID BANK REPRESENTED BY THE WITHIN CERTIFICATE OF STOCK IS ENTITLED TO A BENEFICIAL INTEREST IN THE CAPITAL STOCK OF THE LOUISVILLE NATIONAL COMPANY RATABLY WITH ALL OTHER SHAREHOLDERS OF SAID BANK, IN ACCORDANCE WITH THE TERMS OF A CERTAIN TRUST AGREEMENT DATED AS OF NOVEMBER 15TH 1927, BETWEEN THE BANK, OF THE FIRST PART, THE TRUSTEES AND THEIR SUCCESSORS IN OFFICE, OF THE SECOND PART, THE SHAREHOLDERS UNITING THEREIN, OF THE THIRD PART, AND THE LOUISVILLE NATIONAL COMPANY, OF THE FOURTH PART, A COPY WHEREOF IS ON FILE IN THE OFFICE OF THE BANK IN LOUISVILLE, KENTUCKY. SAID BENEFICIAL INTEREST, UNDER THE TERMS OF SAID AGREEMENT, IS TRANSFERABLE ONLY BY A TRANSFER ON THE BOOKS OF THE SAID BANK OF THE SHARES OF STOCK REPRESENTED BY THE WITHIN CERTIFICATE.

IN WITNESS WHEREOF THE SEAL OF SAID BANK AND THE SIGNATURES OF THE PRESIDENT OR VICE PRESIDENT AND CASHIER ARE HEREUNTO AFFIXED.

LOUISVILLE, KY. _____ 19____

_____ CASHIER

_____ VICE PRESIDENT

2165

Exhibit 208

Exhibit208

THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

For Value Received ___ *hereby sell, assign and transfer unto* _____

all _____ *right, title and interest in and to the within Certificate, and do hereby irrevocably constitute and appoint* _____

Attorney to transfer the said Certificate on the books of THE LOUISVILLE NATIONAL BANK AND TRUST COMPANY *with full power of substitution in the premises.*

Dated _____ *19*___

In the presence of: _____

_____

Exhibit 209

CIRCULAR No. 1121

of

THE CHICAGO STOCK EXCHANGE

on

The BancoKentucky Company

(A Delaware Corporation)

The BancoKentucky Company has made application to have listed on The Chicago Stock Exchange 2,000,000 shares of Common stock of $10 par value, 1,630,000 shares to be admitted to trading upon notice, the balance, whole or in part, upon notice of issuance, in the form of temporary stock certificates, with further authority to admit engraved stock certificates upon official notice of their availability.

Said stock is full paid and non-assessable. No personal liability attaches to ownership.

District Court of the United States for the Western District

A. M. Anderson, Receiver, ... Plaintiff

vs. No. 1076

David J. Adsit, et al. ..... Defendants

Plaintiff's ~~Defendants~~ Exhibit No. 209

Exhibit 209

CIRCULAR No. 1121

of

THE CHICAGO STOCK EXCHANGE

on

The BancoKentucky Company

(A Delaware Corporation)

The BancoKentucky Company has made application to have listed on The Chicago Stock Exchange 2,000,000 shares of Common stock of $10 par value, 1,630,000 shares to be admitted to trading upon notice, the balance, whole or in part, upon notice of issuance, in the form of temporary stock certificates, with further authority to admit engraved stock certificates upon official notice of their availability.

Said stock is full paid and non-assessable. No personal liability attaches to ownership.

ORGANIZATION

The BancoKentucky Company was organized under the laws of the State of Delaware on July 14, 1959, with an authorized capital of 2,000,000 shares of $10 par value. The Company was organized for the purpose of owning a controlling interest in state and national banks located primarily in Kentucky, Ohio and Indiana. Its charter gives it broad powers entitling it to engage in a wide range of investment and other activities.

All of the shares of Capital stock authorized and presently to be issued are identical as to voting, dividends, and other rights.

HISTORY AND BUSINESS

The BancoKentucky Company has acquired, through an exchange of stock, nearly 100% of the shares of the National Bank of Kentucky-Louisville Trust Company, and in addition its stockholders have subscribed to 460,000 shares of its stock for cash. This cash will be used for acquiring majority interests in other banks and for other corporate purposes.

National Bank of Kentucky and Louisville Trust Company have a long history of successful operation. National Bank of Kentucky has been in existence for almost a century and Louisville Trust Company has been in existence for *over sixty years. The banks offer a complete unit of financial service embracing all phases of* banking and all trust company facilities.

CAPITALIZATION

	Authorized	Presently to be Issued
Common stock, $10 par value	2,000,000 shs.	1,000,000 shs.

THE BANCOKENTUCKY COMPANY

PRO FORMA BALANCE SHEET AS OF OCTOBER 1, 1959

ASSETS		LIABILITIES	
Cash	$12,000,000.00	Capital (represented by 1,000,000 shares of Common stock of $10 per value)	$10,000,000.00
Investments	18,710,000.00	Surplus	20,710,000.00
Total	$30,710,000.00	Total	$30,710,000.00

AGREEMENTS

The BancoKentucky Company has agreed with The Chicago Stock Exchange:

(1) Not to dispose of an integral asset, nor its stock interest in any constituent, subsidiary, owned or controlled company, except in the regular course of business or allow any of said constituent, subsidiary, owned or controlled companies to dispose of an integral asset or stock interest in other companies, except in the regular course of business, without notice to The Chicago Stock Exchange.

(2) To publish once in each year and submit to the stockholders and The Chicago Stock Exchange, a statement of its financial condition consisting of a consolidated income account covering the previous fiscal year, a consolidated balance sheet showing assets and liabilities at the end of the year, or an income account and balance sheet of the parent company and of all constituent, subsidiary, owned or controlled companies.

(3) To maintain in the City of Chicago, within the vicinity of the Exchange, a transfer office or agency, which may be the company, where all listed securities shall be directly transferable and the principal of all listed securities with interest or dividends thereon shall be payable.

(4) Also to maintain, in the City of Chicago, within the vicinity of the Exchange a registry office, not identical with the transfer office, where all listed securities shall be registered and which shall be a responsible bank or trust company satisfactory to the Committee on Stock List.

(5) In case it makes transfers of its shares in other cities as well as in Chicago, all certificates of stock shall be interchangeably transferable and bear a legend reciting the right of transfer in Chicago and other cities. All such certificates shall be identical in color and form except as to names of transfer agent and registrar, and the combined amounts of stocks registered in all such cities shall at no time exceed the amount authorized to be listed.

(6) To give The Chicago Stock Exchange at least fifteen (15) days' notice of any proposed increase in the authorized or outstanding capital stock of the company and forthwith to apply for the listing thereof, if the original issue of the same class of stock has previously been listed.

(7) Not to make any change without the approval of the Committee on Stock List:

(a) In listed securities,

(b) Of a transfer agency,

(c) Of a registrar of its stock.

(8) To notify The Chicago Stock Exchange in the event of the issuance or creation in any form or manner of any rights to subscribe to or to be allotted its securities, or of any other rights or benefits pertaining to ownership in its securities, so as to afford the holders of its securities a proper period within which to record their interests and so that all rights to subscribe or to receive allotment and all other such rights and benefits shall be transferable, and shall be transferable and deliverable in the City of Chicago.

(9) To publish promptly to holders of stocks any action in respect to dividends on shares, or allotment of rights for subscription to securities, notice thereof to be sent to the Stock Exchange, and to give The Chicago Stock Exchange at least ten (10) days' notice in advance of the closing of the transfer books or extensions, or of the time of the taking of a record of holders for any purpose.

(10) To furnish to The Chicago Stock Exchange, at any time, on demand, such reasonable information concerning the company, or its condition, as may be required.

(11) To have on hand at all times a sufficient supply of certificates to meet the demands for transfer.

GENERAL INFORMATION

The fiscal year of the Company is the calendar year.

The annual meeting of the Company is held on the second Tuesday in January of each year at the offices of the Company in Louisville, Kentucky.

The principal office of the Company is located at 19-21 Dover Green, Dover, Delaware and its executive office is located at Louisville, Kentucky.

The officers of the Company are: James B. Brown, President; John Stites, Vice President; Richard Bean, Vice President; W. T. Zurschmiede, Secretary and Treasurer.

The directors are: John S. Ahern, Henry J. Angermeier, Richard Bean, William Black, Dr. Oscar E. Bloch, Charles H. Bohmer, George O. Boomer, R. R. Boswell, James B. Brown, R. Lee Callahan, Anthony J. Carroll, George M. Clark, Samuel W. Coons, Allen P. Dodd, Nicholas H. Dosker, Stuart E. Duncan, Joseph H. Durham, C. Oscar Ewing, James Garnett, Walter H. Girdler, Angerau Gray, James J. Hayes, T. Kennedy Helm, Baylor O. Hickman, C. C. Hirst, Saunders P. Jones, Milburn P. Kelley, Walter I. Kohn, Brainard Lemon, S. Clay Lyons, Charles C. Mengel, Ben J. Metcalfe, J. Wm. Miller, Thomas J. Minary, David C. Morton, Edward J. O'Brien, Jr., Henry D. Ormsby, John B. Pirtle, Ben Robertson, Arthur M. Rutledge, William Short, William S. Speed, John Stites, Sam H. Stone, E. Leland Taylor, Horace A. Taylor, Robert F. Vaughan, Henry Vogt, E. Weinstock.

The Transfer Agents are: Hairis Trust and Savings Bank, Chicago, Illinois; The Louisville Trust Company, Louisville, Kentucky.

The Registrars are: Continental Illinois Bank and Trust Company, Chicago, Illinois; National Bank of Kentucky, Louisville, Kentucky.

The Committee on Stock List recommended that the aforedescribed 2,000,000 shares of Common stock, $10 par value, of The BancoKentucky Company be admitted to the list, of which amount 1,630,000 shares are admitted to trading upon notice; the balance, whole or in part, to be admitted to trading upon official notice; said stock to be admitted to trading in the form of temporary stock certificates, with further authority to admit the engraved stock certificates upon official notice of their availability.

The Governing Committee adopted the recommendation of the Committee October 2, 1929.

C. T. ATKINSON,
Secretary.

Exhibit 210

CIRCULAR No. 1262

of

THE CHICAGO STOCK EXCHANGE

on

The BancoKentucky Company

(A Delaware Corporation)

Reference is made to the previous application of The BancoKentucky Company for admission to the list of 2,000,000 shares of its Common stock of $10 par value with authority to admit to trading 1,630,000 shares, approved by the Governing Committee on October 2, 1929.

The BancoKentucky Company has made supplemental application requesting the listing of 2,000,000 additional shares of said Common stock, making a total of 4,000,000 shares of a presently authorized capital consisting of 5,000,000 shares of said stock, admitted to the list.

The additional stock is to be issued in connection with the acquisition of stock of additional banks, to provide additional cash resources for the Company and for other corporate purposes. Reference is made to Circular No. 1121 of The Chicago Stock Exchange for other information with regard to the Company.

THE BANCOKENTUCKY COMPANY

PRO FORMA BALANCE SHEET—As of April 23, 1930

After Giving Effect to Increase of Outstanding Capital stock to 4,000,000 Shares of $10 Par Value

ASSETS

Investments	$ 66,386,488.00
Cash	33,655,923.73
Total	$100,042,411.73

LIABILITIES

Capital	$ 40,000,000.00
Surplus	60,042,411.73
Total	$100,042,411.73

The Committee on Stock List recommended that the aforementioned 2,000,000 additional shares of The BancoKentucky Company Common stock of $10 par value be admitted to the list, in accordance with the terms of the original application; to be admitted to trading on notice.

The Governing Committee adopted the recommendation of the Committee on April 23, 1930.

C. T. ATKINSON,
Secretary.

District Court of the United States for the [illegible]

A. M. Anderson, [illegible] ..... Plaintiff

vs. [illegible]

David J. Arnold, et al ..... Defendants

Plaintiff's Defendants' Exhibit No. 210

Exhibit 211

IN THE DISTRICT COURT OF THE UNITED STATES

FOR THE EASTERN DISTRICT OF MICHIGAN

SOUTHERN DIVISION

Certified as a true copy of an original record in the District Court of the United States for the Western District of Michigan

A. M. Anderson, Receiver, ... Plaintiff

vs. No. 1046

David J. Abbott, et al ..... Defendants

Plaintiff's Defendants' Exhibit No. 211

IN EQUITY

No. 6035

PAUL H. DELING, et al.,

Plaintiffs,

v.

E. C. SCHAAL, Receiver of the GUARDIAN NATIONAL BANK OF COMMERCE OF DETROIT, and ALEXANDER J. GROESBECK, Receiver for GUARDIAN DETROIT UNION GROUP, INCORPORATED, et al.,

Defendants.

FINDINGS OF FACT

In view of the numerous corporations involved in this suit and the great group of individuals who are interested directly or indirectly in the various steps in connection with the corporations prior to the levying of the stock assessment, and in order to clarify as far as possible the situation by specific findings of fact, which may or may not be of importance to the various groups of stockholders, the Court makes the following findings of fact:

1. The Guardian National Bank of Commerce of Detroit is a national banking association, organized under the laws of the United States, with an authorized issued and outstanding capital stock of $10,000,000, divided into 100,000 shares of the par value of $100 each, with its principal place of business in the City of Detroit, in Wayne County, Southern Division of the Eastern District of Michigan.

2. This bank failed to reopen its doors for the transaction of banking business after the close of business at 12 o'clock noon on Saturday, February 11th, 1933. The Governor of the State of Michigan declared a state bank holiday February 14, 1933, which was from time to time extended until the national bank holiday on March 6th declared by the President of

the United States. As the result of these bank holidays declared by the Governor of Michigan and by the President of the United States, the bank did not reopen, and on March 15, 1933, the Comptroller of the Currency found that this bank was unable to transact and carry on its ordinary business or to exercise its usual banking functions without prejudicing the rights of depositors and creditors, and pursuant to the act of Congress relating to the appointment of conservators, the Comptroller of the Currency did on March 15th, 1933, appoint B. C. Schram conservator of said bank, who thereupon qualified, took possession and control thereof, and continued in such possession and control until his appointment as receiver thereof on May 11th, 1933.

3. It appearing to the satisfaction of the Comptroller of the Currency of the United States on May 11th, 1933, that said Guardian National bank of Commerce of Detroit was insolvent and unable to pay its just and legal debts, after a finding by him of the necessity therefor in accordance with the statutes of the United States, the Comptroller of the Currency appointment B. C. Schram receiver of said bank, with all the powers, duties, and responsibilities given to or imposed upon a receiver under the provisions of the Revised Statutes of the United States. The receiver immediately qualified on May 11th, 1933, and has been and now is the duly appointed, qualified, and acting receiver of the Guardian National Bank of Commerce of Detroit.

4. On May 15, 1933, the Comptroller of the Currency, in compliance with the laws relating thereto, found and declared that it appeared to his satisfaction that in order to pay the contract debts and engagements of the bank, it was necessary to enforce the individual liability of the stockholders of the bank and did therefore levy and make an assessment and requisition on the shareholders of the Guardian National Bank of Commerce of Detroit for $10,000,000, and did make demand upon each and every one of said shareholder

for the par value of each and every share of the capital stock of said bank held or owned by said shareholders respectively at the time of its failure, and thereupon directed B. C. Schram receiver aforesaid to take the necessary proceedings by suit or otherwise to enforce the individual liability of said shareholders. The date for the payment of the assessment fixed by the Comptroller of the Currency was June 23rd, 1933, but by successive extensions was finally fixed as July 31, 1933.

5. In compliance with the directions of the Comptroller of the Currency, the defendant, B. C. Schram, duly notified all the shareholders of said bank of the fact of the levy of said assessment, and made demand upon each of the shareholders of this bank (including each plaintiff and intervenor in this suit).

6. On July 12th, 1933, the plaintiffs filed their bill of complaint in this cause seeking permanently to enjoin the defendant Schram as receiver of said bank from taking any steps toward collecting said assessment from the plaintiffs and all other stockholders of Guardian Detroit Union Group, Inc., and on said day obtained a temporary restraining order against the defendant Schram preventing him from undertaking to collect the said assessment from plaintiffs and the other stockholders of said company, later obtained an interlocutory injunction continuing in effect the restraining order during the pendency of this cause, and by virtue of this order the defendant Schram was prevented from complying with the instructions of the Comptroller of the Currency relative to the collection of the assessment so far as the shareholders of the Guardian Detroit Union Group, Inc., were concerned.

7. The Guardian National Bank of Commerce of Detroit resulted from the consolidation of the National Bank of Commerce of Detroit, a national banking association, and the Guardian Detroit Bank, a Michigan state bank, on December 31st, 1931. Prior to that time the Griswold First State Bank, another Michigan state bank, consolidated with the National Bank of Commerce of Detroit under the latter name, on February 28th, 1929.

The Comptroller of the Currency, upon proof satisfactory to him, had found that the consolidations were in due and proper form and in compliance with the National Banking Law, and the validity of the consolidations is not open to challenge by the plaintiffs and intervenors, or defendants, in this suit.

8. At the time of the appointment of the receiver of the Guardian National Bank of Commerce, all of its capital stock, with the exception of qualifying shares standing in the names of the officers and directors of said bank, were registered upon the stock books of the bank in the name of Guardian Detroit Union Group, Inc. as owner of such stock. The principal controversy arises over the nature of the ownership of such stock by Guardian Detroit Union Group, Inc., it being the contention of the plaintiffs and intervenors that this corporation was the true, legal and beneficial owner of the stock of the Guardian National Bank of Commerce, and that it alone is responsible to the receiver for the stock assessment. The receiver contends that the corporation held the stock merely as agent or trustee for the benefit of its shareholders, and that its shareholders are the real and beneficial owners of the bank stock and are liable for the assessment by virtue of being the real and beneficial owners of the bank stock, and by reason of the articles of incorporation of the Guardian Detroit Union Group, Inc., and the certificates of stock held by the shareholders, all of which makes it necessary for the court to make further findings in regard to the nature, operation and functions of the Guardian Detroit Union Group, Inc.

(a) The Guardian Detroit Union Group, Inc. is the final corporate form under an original charter of the Guardian Detroit Group, Inc., a corporation organized and existing pursuant to Act. No. 84 of the Public Acts of Michigan for the year 1921, as amended, for the purposes as set forth in its charter (See Exhibit 44, pages 1 to 4 inclusive.)

(b) Article III states its purpose. "The purpose or purposes of this corporation are as follows: To acquire, own, hold, dispose of, and deal in stocks, bonds and other evidences of indebtedness, and securities, including those issued by any corporation, domestic or foreign, and to possess and exercise in respect thereto all the rights, powers and privileges of individual owners thereof, including the right to vote the same and to execute proxies therefor."

(c) The authorized capital was $7,500,000 with $1,000 subscribed and paid in.

(d) Article IX contains the following: "The holders of the stock of this corporation shall be individually and severally liable (in proportion to the number of shares of its stock held by them respectively) for any statutory liability imposed upon this corporation by reason of its ownership of shares of the capital stock of any bank or trust company."

(e) The subscribers were excused by resolution of the board of directors from making payment for the stock.

(f) The articles of incorporation were executed on the 9th day of May, 1929, and duly and legally filed with the Secretary of State for the State of Michigan, and the County Clerk for the County of Wayne, State of Michigan.

(g) On May 15, 1929, the Securities Commission of the State of Michigan validated 100,000 shares of common stock for exchange for 50,000 shares of Guardian Unified Stock, 20,000 shares for exchange for 10,000 shares of Highland Park State bank stock, and 5,000 shares for exchange for 5,000 shares of stock of Highland Park Trust Company, and also listed and authorized for sale 6,000 shares of common stock at the price of $124.50 per share, 15,100 shares at the price of $125 per share, which was

amended May 21, 1929, authorizing a validation for the sale of 15,000 shares at the price of $49.80, and 32,750 shares at the price of $90 per share, and permanent validation of 250,000 shares for exchange for 50,000 shares of Guardian unified stock, 50,000 shares for exchange for 10,000 shares of Highland Park State Bank stock, and 12,500 shares in exchange for 5,000 shares of Highland Park Trust Company stock, and thereafter issued its final order of approval dated June 1st, 1929, confirming the foregoing.

(h) The plan and agreement for exchange of unified stock of the Guardian Detroit Bank and Guardian Trust Company of Detroit and Guardian Detroit Company, and similar agreement for exchange of shares of Highland Park State Bank and Highland Park Trust Company, are set forth at length in Exhibit 44, pages 22-a, 22-b and 22-c, which are hereby referred to and made a part of this finding.

(i) In the application to the Securities Commission, the application stated that the Guardian Detroit Group, Incorporated, is a holding company which will hold inter alia over 75 per cent of the capital stock of the following corporations, listing several banks and trust companies and a security company, and it was recited that the proceeds of the issuance of its stock would be used to obtain by exchange the capital stock of the listed companies and to raise the additional capital for the use of certain of such subsidiary companies.

(j) Thereafter the Guardian Detroit Group, Incorporated, by means of exchange of its capital stock, acquired the entire capital stock of the following banks and trust companies:

Guardian Detroit Bank

Guardian Detroit Company

Guardian Trust Company

Highland Park State Bank

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Highland Park Trust Company

Bank of Dearborn

National Union Bank & Trust Company

Federal Commercial & Savings Bank of Port Huron

First National Trust & Savings Bank of Port Huron

Bank of Detroit

The sole consideration for the deposit of the stocks of the above banks of the Guardian Detroit Group, Incorporated, was the exchange of holding company shares for the shares of the capital stock of the above banks, as provided in the deposit agreements.

(k) On December 16,1929, by formal resolution of the respective boards of directors, ratified and approved by the unanimous vote of their respective stockholders at special stockholders' meetings, held for that purpose, of which due and proper notice was given, of the Union Commerce Corporation and of the Guardian Detroit Group, Incorporated, a plan of consolidation and merger was adopted providing for the exchange of one share of Guardian Detroit Union Group, Incorporated, stock for each share of Union Commerce Corporation stock. The plan further provided that article IX of the articles of association of Guardian Detroit Group, Incorporated, should be amended so as to provide a method of enforcing double liability of stockholders with respect to bank and trust company capital stock. Said plan was consummated, and pursuant to the terms of said merger and consolidation, article IX of the articles of association of Guardian Detroit Union Group, Incorporated, was amended so as to read as follows:

"The holders of stock of this corporation shall be individually and severally liable (in proportion to the number of shares of its stock held by them respectively) for any statutory liability imposed upon this corporation by reason of its ownership of shares of the capital stock of any bank or trust company, and the

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"stockholders of this corporation by the acceptance of their certificates of stock of this corporation severally agree that such liability may be enforced in the same manner as statutory liability may now or hereafter be enforced against stockholders of banks or trust companies under the laws of the United States or the State of Michigan. A list of the stockholders of rhis corporation shall be filed with the Banking Commissioner of Michigan and the

Comptroller of the Currency whenever requested by either of those officers."

And a copy of the articles of association of the Guardian Detroit Union Group, Incorporated, with the amended Article IX, was filed with the County Clerk of Wayne County, the Secretary of State of the State of Michigan, and with the Securities Commission of the State of Michigan.

L. Subsequent to the above merger, there was deposited with and acquired by Guardian Detroit Union Group, Incorporated, by means of the exchange of its shares of stock, all of the capital stock of the following banks and trust companies:

Peoples National Bank, Jackson
Grand Rapids National Bank,
Grand Rapids Trust Company,
Second National Bank & Trust Company, Saginaw
Capital National Bank, Lansing,
First National Bank & Trust Company, Kalamazoo,
City National Bank & Trust Company, Niles,
National Bank of Ionia.

9. The Union Commerce Corporation, which merged with the Guardian Detroit Group, Incorporated, under the name of Guardian Detroit Union Group, Incorporated, by the sale of its assets to the Guardian Detroit Union Group, Incorporated, in exchange for its certificates of stock, upon which Article IX was printed on the back, and referred to on the face of the certificate, was the first of these so-called holding corporations. It was incorporated under the name of Union Commerce Investment Company (later changed to Union Commerce Corporation), chartered, organized and existing under and by virtue of the laws of the State of Delaware on May 17th, 1928, with an authorized capital stock of $5,000,000, divided into 50,000 shares of the par value of $100 each, and its certificate of incorporation was filed in the office of the Secretary of State of Delaware on the 24th day of May, 1928. Said corporation was duly and legally authorized to transact the following, among other business:

"to subscribe for, purchase, acquire, invest in, hold for investment, or otherwise own, trade, generally deal in and to use, sell, assign, transfer, pledge, mortgage, exchange,

or otherwise dispose of the stock, bonds, and other evidences of indebtedness of any corporation, domestic or foreign, public, quasi-public, or private, and to possess and exercise in respect thereof all rights, powers, and privileges of individual owners or holders of such stock, including the right to vote thereon and to execute proxies therefor."

(a) Article VIII of the charter contained the following clause: "Private property of stockholders shall not be subject to the payment of corporate debts, except that the holder of each share of the stock of this corporation shall be individually and severally liable for such stockholder's ratable and proportionate part (determined on the basis of their respective stock holdings of the total issued and outstanding stock of this corporation) of any statutory liability which may be determined, imposed upon, or assessed against this corporation;

"(a) By reason of its ownership of any stock in any bank now or hereafter organized and existing under the national banking act of the United States of America, and any amendment thereto, and/or under any present or future law or laws of the United States of America governing and controlling the organization and regulation of capitalized national banks;

"(b) By reason of its ownership of any stock in any trust company, now or hereafter organized and existing under the Trust Deposit and Security Companies act of the State of Michigan, and any amendment thereto, and/or any present or future law or laws of the State of Michigan governing and controlling the organization and regulation of trust companies;

"(d) By reason of its ownership of any stock in any bank now or hereafter organized and existing under the laws of the State of Michigan authorizing the business of banking and to establish a banking department for the supervision of such business, and any amendment

"thereto, and/or - - under any present or future law or laws of the State of Michigan governing and controlling the organization and regulation of banks."

(b) Thereafter said corporation was duly and legally admitted to do business within the State of Michigan on the 19th day of June, 1928.

(c) Pursuant to deposit authorization providing for deposit with the Union Trust Company as depositary of stock of the National Bank of Commerce of Detroit, Union Trust Company, and Union Company of Detroit, Union Commerce Company acquired a substantial portion of the capital stock of said National Bank of Commerce of Detroit and said Union Trust Company and Union Company of Detroit, and thereafter, to-wit, on or about May 21st, 1929, it acquired by subsequent purchase or transfers to it other shares of stock of said National Bank of Commerce of Detroit, Union Trust Company, and Union Company of Detroit, until it acquired in reality by exchange of its stock all of the shares of the capital stock of those three corporations, except certain shares which were left in the names of the directors and officers to qualify them.

(d) On or about October 31,1928, it entered into negotiations and ultimately acquired by exchange of its stock all of the shares of the Griswold First State Bank, a state bank existing under the laws of the State of Michigan.

(e) Thereafter pursuant to the meeting of the stockholders of the company, duly and legally held on January 29th,1929, the capital stock of said corporation was increased to $10,000,000, divided into 100,000 shares of the par value of $100 each, and authorization given to the board of directors to offer not exceeding 25,000 additional shares of said increase to the stockholders for subscription at the price of $300 per share, and thereafter the stockholders took up said stock, producing an additional sum of $7,500,000 of paid in capital of the corporation.

(f) From time to time other shares of stock were arranged to be sold and were sold to the stockholders. The purpose of these sales was to provide funds either to acquire more bank or trust company stock, or affiliates thereof, or to finance the obligations of units whose stock was owned by the holding company.

(g) On August 20th,1929, provision was made for the acquisition of Keane-Higbie & Company stock on the basis of an exchange of one share of Union Commerce Corporation stock for one share of Keane-Higbie & Company stock. Keane-Higbie & Company was a Michigan corporation organized and existing under the laws of the State of Michigan, engaged in the business of selling stocks, bonds, and corporate securities. It was a corporation organized under the laws of the State of Michigan for pecuniary profit.

(h) About the same time the Union Commerce Corporation was engaged in negotiations with the Union State Bank of Dearborn, the Bank of Commerce of Dearborn, the Trenton State Bank of Trenton, Michigan, Jefferson Savings Bank, Grosse Pointe Park, Michigan, all corporations organized under the Michigan banking laws, and also Union Joint Stock Land Bank of Detroit, a Federal land bank agency.

(i) About Sept. 10th,1929, negotiations were commended for the merger of the Union Commerce Corp. with the Guardian Detroit Group, Inc.

(j) The plan of the merger between the Union Commerce Corp. and the Guardian Detroit Group, Inc. contemplated the declaration of a stock dividend of 20 per cent to be taken and paid by Guardian Detroit Company, Inc. to its then stockholders, the provision for the issuance of not to exceed 474,500 additional shares of Guardian Detroit Group, Inc. to carry out the commitments of the corporation with which it was then dealing, the delivery to Union Commerce Corporation of not to exceed 800,000 shares for the acquisition of sundry corporations then under negotiation by Union Commerce Corporation, which agreements had not then been fully consummated.

(k) On Dec. 16,1929, joint meetings of the stockholders of the Union Commerce Corporation and of the Guardian Detroit Group were held and the transaction completed whereby the Union Commerce Corporation executed a bill of sale, as shown by Exhibit 23, Volume 1, page 277, and all the assets of the Union Commerce Corporation pursuant thereto

excepting only the sum of $100,000, delivered to Guardian Detroit Union Group, Incorporated, for which the Group corporation delivered to Union Commerce Corporation 733,695 shares of the capital stock of the Guardian Detroit Union Group, Incorporated, of the par value of $20 per share.

10. Thereafter in due course the Union Commerce Corporation took steps pursuant to which it was duly and legally dissolved, according to the laws of the State of Delaware, its debts paid, and a liquidating dividend declared by Union Commerce Corporation to all its stockholders at the rate of 5 cents per share in cash, and also a pro rata distribution and liquidation of 633,695 shares of Guardian Detroit Union Group, Incorporated, to the then stockholders of Union Commerce Corporation, and 100,000 shares of the Guardian Detroit Union Group, Incorporated, to Keane-Higbie & Company in fulfillment of the agreement to acquire all of the shares of the capital stock of Keane-Higbie & Company.

11. Thereafter the Guardian Detroit Union Group, Incorporated, in addition to the banks which it acquired outright, as hereinbefore set forth, acquired a minority interest in the following corporations:

Thompson Savings Bank of Hudson, Michigan,
State Savings Bank, Vestsburg, Michigan
State Savings Bank, Stanton, Michigan,
State Bank of Six Lakes, Six Lakes, Michigan
State Savings Bank of Reese, Michigan
State Savings Bank, Clinton, Michigan
Blanchard State Bank, Blanchard, Michigan

At the time of the sale of the assets of the Union Commerce Corporation to Guardian Detroit Union Group, Incorporated, which included amongst its assets certain of the shares of the National Bank of Commerce, a deposit agreement in pursuance of the plan of merger was executed by substantially all of the stockholders of the Union Commerce Corporation in the form of Exhibit No. 218, which is attached hereto and made a part hereof, and is the only form of deposit agreement signed by any of the stockholders of the Union Commerce Corporation.

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12. It was the primary purpose of the Guardian Detroit Union Group, Incorporated, of the Guardian Detroit Group, Incorporated, and of the Union Commerce Corporation to hold the stocks and vote the same in state and national banks and trust companies in such a way as to avoid the destruction of the corporate units, and if and when either of them acquired an interest in another enterprise, whether acquired by exchange of its stock or by the sale of stock and the use of the proceeds, or the purchase thereof, the transaction was merely incidental to its principal plan of holding and controlling stock in the various state and national banks in the state of Michigan, and the evidence disclosed by the various minutes of the directors and stockholders, both as to the holding companies and the various units, shows that this primary plan or purpose of the holding company was executed for the purposes aforesaid.

13. The Guardian Detroit Union Group, Incorporated, was the holder of the legal title to all of the capital stock in the Guardian National Bank of Commerce, but it held the same for the real and beneficial use of those who held certificates of stock in the Guardian Detroit Union Group, Incorporated, and the holders of these certificates of stock are the real and beneficial owners of the capital stock of the Guardian National Bank of Commerce.

14. The Union Commerce Corporation, the Guardian Detroit Group Incorporated, and the Guardian Detroit Union Group, Incorporated, were chartered upon articles of association agreed to and subscribed by the principal officers and directors of the banking institutions and trust companies in which the holding companies were organized for the purpose of holding the stock, and these companies as were holding companies for the convenience, profit, and advantage of the shareholders in the various banks and trust companies were merely agents or trustees for the real and beneficial stockholders of the banks, whether state or national banks. The holding companies were not organized by the officers and holders of stock in the various banks for any fraudulent or illegal purposes, or with the intent to avoid or defeat the statutory liability for stock assessment. On the contrary, it was the manifest intention of the incorporators of these groups that their stockholders should be liable for the stock assessment, which

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their proportionate part of the stock assessment on the capital stock of the standing in the name of the Guardian Detroit Union Group
Guardian National Bank of Commerce upon the theory that they are the real, true, and beneficial owners of the stock, and that the Guardian Detroit Union Group, Incorporated, was merely acting as agent or trustee for the benefit of the real, true and beneficial owners, to-wit, the shareholders of the Guardian Detroit Union Group, Incorporated.

A decree will accordingly be entered in conformity with these findings and conclusions.

The statutory liability against stockholders of banks and trust companies imposed by the state and federal law was designed to afford some additional protection to the depositors and creditors of such institutions. The real and beneficial owners of such stock can not defeat the provisions of these statutes by the creation of a so-called holding company, by transferring their stock to it. A court of equity should look through such devices and discover and hold accountable the real and beneficial owners of such stock.

The legal question here involved is novel. An appellate court has held that a stockholder can not escape the liability by the creation of a corporation to whom he transfers his stock for the purpose of avoiding the assessment. If this is law, then a shareholder, who conveys his stock to a holding corporation under an express agreement to remain liable for the assessment, in all conscience ought to make good that obligation.

Moreover, as a matter of sound public policy, a holding company of bank stock, whose chief functions and assets consist of such stockholding, should be declared a mere trustee for its shareholders who must respond to the statutory assessment.

The situation is simple if we could assume all the stockholders of Guardian National Bank of Commerce organized a holding corporation for the

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purpose of conveying their stock to it. Given a subsequent insolvency of the bank, I take it to be conceded, in such a case, the stockholders would be liable for the assessment. The same result should then follow if the holding company, under like conditions, obtains all the stock in several banks. The contention that its ownership of stock in other banks constitutes assets is more fiction than fact. If one of its units becomes insolvent, in practice the chain fails by the breaking of the link. Therefore, I conclude that a corporation for holding bank stock, under the conditions as shown here, is a mere agent or trustee for the real owners of bank stock, and that this device should not shield them from the statutory assessment.

This March 8, 1934

(signed) JOHNSON J. HAYES
U. S. District Judge

(Filed in Clerk's Office
Mar. 8, 1934
Elmer W. Voorheis, Clerk.)

should be enforced in the same manner as against stockholders in state or national banks, as the case might be, and the stockholders of the Guardian Detroit Union Group, Incorporated, by the acceptance of their certificates of stock, which referred upon the face of the certificate to Article X and incorporated the same in the back of the certificate, assented to the arrangement to be primarily liable to the bank for a stock assessment in the event one were levied in the proportion that his share of stock in the Guardian Detroit Union Group, Incorporated, bore to the total amount of outstanding stock of the Group for any stock assessment on the Guardian National Bank of Commerce stock.

15. The Guardian Detroit Union Group, Incorporated, was the owner of all the stock of the Guardian National Bank of Commerce, although it caused to be issued and permitted to remain in the name of the officers and directors of the Guardian National Bank of Commerce a sufficient amount of stock to qualify the directors and officers to act in their various capacities. [The arrangement by which this was accomplished was this: The directors surrendered a certain number of shares of their stock in the Guardian Detroit Union Group, Incorporated, for the ostensible purpose of creating the earmarks of a sale, and thereupon caused to be issued to the directors ten shares of the capital stock of the Guardian National Bank of Commerce] but the director was required to execute an assignment to the Guardian Detroit Union Group, Incorporated, of the ten shares of stock, as well as any dividends that might accrue thereon, and deposit the same together with the certificate with the depositary who had the irrevocable right to transfer this bankstock of stock if and when the director ceased to be a director, and to complete the circuitous journey the Guardian Detroit Union Group, Incorporated, having cancelled the director's fifty shares of stock, issued a new certificate in his name and deposited this certificate in trust with the depositary so that it could be returned to the director if and when he ceased to be a director, but it entered into a solemn contract to pay the director the dividends on the fifty shares of stock in the same manner as if he had not surrendered his stock. But in fairness to the directors, I find that they were advised that this was legal, and that this advice was furnished by reputable members of the Bar in the City of Detroit. While some of the directors hesitated to take the oath required of directors, after being assured that the scheme was legal, they con-

tinued to act in the capacity of director. There is no evidence to show that the directors at any time acted for their own personal profit or advantage, or that they were actuated by any improper or fraudulent motives, but the evidence does show that the Guardian Detroit Union Group, incorporated, through its directors, virtually nominated and elected the directors in the various units, and that through this arrangement many things were done for the promotion of the general interests of the Group, which, in my opinion, would not have been done if the Group had not been in virtual control of the banks. While I recognize that there was a transfer of assets and shifting of credits for the benefit of some of the weaker units by the stronger units of the Group, yet it is merely problematical whether these things would not have been done if there had not been a holding group. In other words, there did prevail throughout the entire country a belief that the failure of a bank had a bad psychological effect upon other banks and would hasten runs thereon, with the consequent result that many banking institutions in utmost good faith extended credits which were not perfectly sound, but in the honest belief that it was for the ultimate best interests of their depositors and stockholders.

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16. The shareholders of the Guardian Detroit Union Group, Incorporated, by filing their articles of incorporation as a public record in the office of the Secretary of State at Lansing and in the office of the Clerk of the County of Wayne at Detroit, Michigan, and by published statements, represented to the public that they were liable for the payment of any assessment that might be levied by state or national law upon any bank of the Group in the same manner as if they were the record holders of the banks' stocks. The depositors of the Guardian National Bank of Commerce of Detroit relied upon such representations in making deposits in said bank and in keeping their deposits in said bank, and have been injured thereby, and said shareholders are now estopped to deny such liability.

17. The shareholders of Guardian Detroit Union Group, Incorporated, exercised all the rights of shareholders of the Guardian National Bank of Commerce of Detroit through their agency, the Guardian Detroit Union Group, Incorporated, secured and retained for their own use and enrichment the advantages and benefits of shareholders of the Guardian National Bank of Commerce of Detroit, and used the Guardian Detroit Union Group, Incorporated, as a mere instrumentality or agency by which their purpose to unify the control, operation and ownership of a large number of national and state banks in the State of Michigan and elsewhere could be carried out.

18. A voluntary petition for dissolution of Guardian Detroit Union Group, Incorporated, was filed in the Circuit Court for the County of Wayne, on March 29th, 1933, and a temporary receiver appointed. Thereafter an order of dissolution was entered and a permanent receiver appointed. The liabilities of the Guardian Detroit Union Group, Incorporated, exceed the value of its assets.

19. At the request of the agent and representative of the Comptroller of the Currency of the United States, the Guardian Detroit Union Group, Incorporated, on the 26th day of March, 1933, delivered to the Comptroller of the Currency of the United States, through his agent and representative, a certified list of the stockholders of record of said Guardian Detroit Union Group, Incorporated, ~~in compliance with article II of the articles of association of said company~~.

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20. There was issued and outstanding at the time of the failure of the Guardian National Bank of Commerce of Detroit 1,544,088 shares of Guardian Detroit Union Group, Incorporated, stock. The holders of said shares were the owners of 100,000 shares of the capital stock of the Guardian National Bank of Commerce of Detroit, less the shares in the names of the directors and officers, against whom the receiver is entitled to collect the assessment by virtue of the fact that they are the registered owners of said stock, and each of said so-called Group shareholders was the owner of the number of shares of Guardian National Bank of Commerce of Detroit stock in the percentage and fraction that his holdings of said Group stock bore to the total number of said Group shares outstanding. Each share of said so-called Group stock outstanding represented the ownership of .06436± shares of Guardian National Bank of Commerce of Detroit stock, and consequently the assessment levied by the Comptroller of the Currency upon the shareholders of Guardian National Bank of Commerce of Detroit is equal to the sum of $6.4362 upon each share of Guardian Detroit Union Group, Incorporated, stock outstanding.

21. At the time of the levy of said assessment and requisition of the Comptroller of the Currency, the plaintiffs and intervening petitioners were the owners of record of the number of shares of capital stock of Guardian Detroit Union Group, Incorporated, set opposite their respective names on a schedule and a list hereto attached and marked Exhibit A, the proportionate part of said assessment against each of the plaintiffs and intervening petitioners being in the amount set opposite their respective names on said Exhibit A in the column thereof designated "Amount of assessment."

22. The obligation of the shareholder in Guardian Detroit Union Group, Incorporated, referred to as Article IA never was signed by the shareholder or by any agent thereunto by him lawfully authorized.

23. The obligation by such shareholder was for the primary benefit of the depositors and creditors of the bank and not merely to indemnify the Guardian Detroit Union Group, Incorporated. The certificate of incorporation and the privilege to issue stock granted by the Michigan Securities Commission were granted upon the express condition of the assumption of this obligation by the stockholder for the benefit of the bank and to secure its creditors

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and depositors and this fact was made known by the Attorney General of the state, by the Banking Department, and by the Securities Commission to the officers and stockholders of the Guardian Detroit Union Group, Inc. so that the very issuance of the certificates of stock to entitle the holders thereof to participate in the dividends and profits to be derived by virtue of the investment in bank stock was conditioned upon his assumption of the stockholders' liability in the bank. His acceptance of the stock under such circumstances created a binding direct obligation on his part to the bank to pay his pro rata part of the assessment.

CONCLUSIONS OF LAW.

1. The plaintiffs and intervening petitioners, as the holders of stock in the Guardian Detroit Union Group, Inc. are not entitled to enjoin the receiver of the Guardian National Bank of Commerce from the collection of the stock assessment.

2. Being the real and beneficial owners of the stock, they are liable for the payment of the assessment in the proportion that the number of shares of stock held by them bear to the total outstanding shares of stock of the Guardian Detroit Union Group, Inc. on such of the stock assessment as could be levied by the receiver against the Guardian Detroit Union Group on account of its being the registered owner of the stock, the proportion being set forth in the findings of fact.

3. The acceptance by the plaintiffs and intervening petitioners of the shares of stock of the Guardian Detroit Union Group, Inc. with Article IX thereon constituted a binding obligation on the part of each holder of the shares of stock of the Guardian Detroit Union Group, Inc., to pay to the Guardian National Bank of Commerce their proportionate share of the stock assessment which was levied against that portion standing in the name of Guardian Detroit Union Group, Inc.

4. Their promise is not one to answer for the debt, default or miscarriage of another and the statute of frauds has no application.

5. The plaintiffs and interveners, and the receiver, are alike bound by the finding of the Comptroller of the Currency as to the compliance with the law in regard to the incorporation and various consolidations of the Guardian National Bank of Commerce, and no party to this suit can challenge in this cause the legality of the consolidations leading up to and culminating in the final consolidation of the Guardian National Bank of Commerce of Detroit.

6. The receiver, by suing four of the directors who appeared of record as the stockholders of Guardian National Bank of Commerce of Detroit, is not estopped thereby in this proceeding to show that the shareholders of the Guardian Detroit Union Group, Inc. are the real, true, and beneficial owners of the stock of the Guardian National Bank of Commerce, nor in any wise estop the receiver in this suit from establishing the true relationship existing between the shareholders of the Guardian Detroit Union Group, Inc. and the Guardian National Bank of Commerce.

7. Plaintiffs and intervening petitioners have represented to the depositors and creditors of the bank that they were liable and would pay said assessment, and credit having been extended to the bank by reason thereof, they are now estopped to deny said liability in this cause.

8. The receiver of the Guardian Detroit Union Group, Inc. had no beneficial interest in the recovery against these shareholders, since the corporation of which he is receiver was a mere agent or trustee for the real and beneficial owners of the stock, and the assessment liability, being primarily for the benefit of the Guardian National Bank of Commerce, should be recovered by the receiver of the Guardian National Bank of Commerce in the same manner and to the same extent as if the real and beneficial owners of the stock had been the registered owners thereof, and the receiver, having been made a party to this suit by leave of the court of competent jurisdiction which appointed him, and having become such a party and filed an answer in this cause, is bound by the decree entered herein and cannot withdraw from the case or limit the effect of the decree entered herein.

9. The receiver of the Guardian National Bank of Commerce of Detroit is entitled to recover of the plaintiffs and intervening petitioners

Exhibit 211

DEPOSIT AGREEMENT

RELATING TO THE DEPOSIT OF THE STOCK OF

UNION COMMERCE CORPORATION

PURSUANT TO THE PROPOSED PLAN
FOR THE MERGER OF

UNION COMMERCE CORPORATION
AND
GUARDIAN DETROIT GROUP, INC.

Exhibit 211

Deposit Agreement

WHEREAS, a Plan of Merger of Union Commerce Corporation and Guardian Detroit Group, Inc., has been approved by the Board of Directors of each institution in the following form:

(1) It is proposed that a stock dividend of 20% shall be paid by Guardian Detroit Group, Inc., upon its outstanding stock and upon such of its additional shares as shall be deliverable in exchange for shares of other banks and trust companies for the acquisition of which stocks Guardian Detroit Group, Inc., is now negotiating. The total number of shares upon which such stock dividend shall be paid shall not, however, exceed 474,500.

(2) It is proposed to change the name of Guardian Detroit Group, Inc., to Guardian Detroit Union Group, Inc., and that thereafter that Company shall issue a sufficient number of additional shares to equal the outstanding shares of Union Commerce Corporation and also, (a) such Union Commerce shares as may be deliverable in exchange for shares of other corporations for which shares Union Commerce corporation is now negotiating and (b) such shares of Union Commerce Corporation as are exchangeable for shares of Union Trust Company, Union Company of Detroit, National Bank of Commerce. of Detroit and Michigan Industrial Bank, not now standing in the name of Union Commerce Corporation. The total number of such additional shares as provided in this paragraph shall not exceed 800,000.

(3) After the payment of the stock dividend above referred to, each stockholder of Union Commerce Corporation (including those to whom Union Commerce stock may be deliverable, as above provided) will be entitled to receive one share of Guardian Detroit Union Group, Inc., for each share of Union Commerce Corporation Stock surrendered to or to the order of Union Commerce Corporation in pursuance of this Plan.

(4) It is proposed that thereafter the Union Trust Company and Guardian Trust Company shall be merged or consolidated under the title of Union Guardian Trust Company and that the Guardian Detroit Bank and National Bank of Commerce of Detroit shall be consolidated under the title Guardian Detroit Bank.

(5) The Plan for the merger of these corporations (Union Commerce Corporation and Guardian Detroit Group, Inc.), shall not be effective until the condition of the Union Commerce Corporation and its affiliated companies shall be found to be satisfactory to a committee appointed by Guardian Detroit Group, Inc., nor until the condition of Guardian Dertoit Group, Inc. and its affiliated companies shall be found to be satisfactory to a committee appointed by Union Commerce Corporation.

(6) The details of the Plan and the method of bringing about the merger are to be left to the decision of a joint committee composed of an equal number of members appointed by the presidents of Guardian Detroit Group, Inc., and Union Commerce Corporation, respectively. The joint committee shall have full power to determine each and every matter incident to the carrying out of the Plan and to take and authorize any action which in their judgment is advisable to carry out and render such Plan effective.

(7) Neither Guardian Detroit Group, Inc., nor Union Commerce Corporation shall, pending the consummation of the Plan distribute any assets other than current dividends at the rates now obtaining (except the stock dividend above referred to), nor shall the Plan be effective unless assented to before November 1, 1929, by the owners of at least 75 per cent of the stock of Union Commerce Corporation, nor until approved by the Michigan Banking Commissioner, the Comptroller of the Currency and the Michigan Securities Commission with respect to those features requiring such approval. The joint committee shall have power to extend the foregoing date.

Exhibit 211

NOW, THEREFORE, in consideration of the execution of counterparts of this Agreement by other stockholders of Union Commerce Corporation and the deposit by them of Union Commerce Corporation stock with the Depositary hereinafter named,

THE UNDERSIGNED, subject to the terms and conditions hereof, hereby deposits with Union Trust Company, hereinafter called Depositary, certificates of the stock of Union Commerce Corporation, as follows:

Certificate Number	In Name of	Shares

Total Shares .....

which have been endorsed by the undersigned to the order of the Union Trust Company; and

THE UNDERSIGNED hereby irrevocably authorizes said Depositary, when the Joint Committee above referred to shall notify the Depositary that said Plan of Merger is effective, to surrender said certificates to Union Commerce Corporation or to its order, but only upon delivery to said Depositary for the account of the undersigned of certificates of said Guardian Detroit Union Group, Inc., representing one share of stock of said Guardian Detroit Union Group, Inc., for each share of Union Commerce Corporation stock deposited as aforesaid; and

THE UNDERSIGNED likewise authorizes said Depositary to vote said deposited shares as the proxy of the undersigned at any meeting of stockholders of Union Commerce Corporation (notice of any such meeting being hereby expressly waived) held in connection with the carrying out of said Plan of Merger and in favor of the sale or disposition of all of the property and assets of Union Commerce Corporation for stock of Guardian Detroit Union Group, Inc. pursuant to said Plan of Merger, should that method of consolidation be determined upon; and

THE UNDERSIGNED likewise authorizes said Depositary upon the direction of said Joint Committee to cause the certificates of Union Commerce Corporation deposited herewith to be transferred to its name on the books of said Union Commerce Corporation in order that said Depositary may vote the stock evidenced by said certificates to carry out the said Plan of Merger in the manner agreed upon by the said Joint Committee therein referred to; and

The UNDERSIGNED likewise authorizes said Depositary to vote said deposited shares at any meeting of stockholders of Union Commerce Corporation (notice of any such meeting being hereby expressly waived) held in connection with the dissolution and liquidation of Union Commerce Corporation after the said Plan of Merger shall have become effective; and likewise authorizes said Depositary to cause the certificates of Union Commerce Corporation deposited herewith to be transferred to its name on the books of said Union Commerce Corporation in order that said Depositary may vote the stock evidenced by said certificates in favor of the dissolution and liquidation of said Union Commerce Corporation after the proposed Plan of Merger shall have become effective.

THE UNDERSIGNED hereby expressly agrees that the delivery to him of stock of Guardian Detroit Union Group, Inc., after said Plan of Merger shall have been carried out may constitute the final liquidating dividend on dissolution of said Union Commerce Corporation and the receipt of the undersigned for said stock of Guardian Detroit Union Group, Inc., shall constitute the receipt of the undersigned for such final liquidating dividend.

Exhibit 211

This Deposit Agreement shall be regarded as, and is hereby declared to constitute the consent of the undersigned to the dissolution of the said Union Commerce Corporation.

An Interim Receipt, transferable subject to all of the terms and conditions hereof, representing the shares deposited hereunder, is to be issued to the undersigned. Unless said Guardian Detroit Union Group, Inc., shares are received by the Depositary for delivery to the undersigned under the terms hereof on or before November 1, 1929, or such later date as the Joint Committee mentioned in said Plan may determine, said deposited shares shall be returned upon the surrender of said Interim Receipt.

This Agreement shall be binding upon the undersigned, his heirs, executors, administrators and assigns.

Executed as of the 3rd day of October, 1929.

Witness: (L. S.)

Exhibit 211

DETAILED LIST OF PLAINTIFFS AND AMOUNT OF ASSESSMENTS OMITTED

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DETAILED LIST OF PLAINTIFFS AND AMOUNT OF ASSESSMENTS OMITTED.

Exhibit 211

CERTIFIED COPY

D. C. Form No. 99

United States of America

Eastern DISTRICT OF Michigan } ss:

I, George M. Read, Clerk of the United States District Court in and for the Eastern District of Michigan, do hereby certify that the annexed and foregoing is a true and full copy of the original FINDINGS OF FACT----------

now remaining among the records of the said Court in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Detroit, Michigan this 21st day of January, A. D. 19 39

GEORGE M. READ
Clerk.

By Helen R. Townsend
Deputy Clerk.

Exhibit 212

DIVIDEND CHECK

DIVIDEND
No. 4

The BauroKentucky Company

Louisville, Kentucky

No. 5932

PAY

OCTOBER 1, 1930

TO THE ORDER OF

The BauroKentucky Company

James B. Brown
PRESIDENT

LOUISVILLE TRUST COMPANY
TRANSFER AGENT

By

NATIONAL BANK OF KENTUCKY
OR THE
LOUISVILLE TRUST CO., LOUISVILLE, KY.

SECRETARY

DIVIDEND CHECK

147

FILE COPY

OCT. 23 1942

No. [redacted] 3

IN THE

Supreme Court of the United States

OCTOBER TERM 1942

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED, OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT AND BRIEF FOR PETITIONER.

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KARFIS,
Attorneys for Petitioner.

Of Counsel,
NICHOLS, WOOD, MARX & GIESTER.

THE JOHNSON & HARDIN CO., LAW PRINTERS
CINCINNATI, OHIO

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No._____

IN THE

Supreme Court of the United States

OCTOBER TERM 1942

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED, OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

A. M. Anderson, Receiver of the National Bank of Kentucky, of Louisville, prays that a writ of certiorari issue to review the decree, entered May 4, 1942, and the order denying petitioner's motion for a rehearing thereof, en-

tered June 5, 1942, in the United States Circuit Court of Appeals, Sixth Circuit. The decree and order affirmed a judgment of the United States District Court for the Western District of Kentucky, which finally dismissed petitioner's Bill of Complaint. The Bill sought to recover, from the respondents, for the benefit of the unpaid depositors of the insolvent National Bank of Kentucky, their proportionate part of the statutory *individual* liability amounting to Four Million Dollars, assessed against several thousand shareholders thereof by the Comptroller of the Currency.

SUMMARY STATEMENT

National Bank of Kentucky, located at Louisville, was the largest bank in the South. Its capital was four million dollars; deposits about forty million. It failed November 16, 1930; closed by voluntary resolution of its Board of Directors. The National Bank Examiners' reports, for three full years before its failure clearly indicated its eventual collapse unless a sound house-cleaning was put into effect. (Ex. 13, 14, 15, 16, 17, pp. 224, 314, 407, 486, 572.)* Copies of these Bank Examiners' reports, two each year, were sent to the Bank as provided by law; so its failing condition was known to its officers, and should have been known by all its directors. (Ex. 31-1 to 33-25 inclusive, pp. 1275-1305.) The non-officer directors, however, disclaimed knowledge of the conditions; said they had complete confidence in James M. Brown, President; said they did not see the examiners' reports, and did not know of the Bank's failing condition.

---

* In this petition and brief exhibits are referred to by number and by page at which they appear in the five photo-offset volumes. References to the three-volume printed record are by volume number and page. Italics and other emphasis is ours unless otherwise noted.

Brown was the dominant figure. His authority was supreme and unquestioned. It is admitted that he knew the Bank's true condition. He was personally involved and seemed unable to furnish the sound financial leadership necessary to avert the inevitable failure. Instead, with full co-operation of the directors and stockholders, he resorted to grandiose financial schemes leading eventually to a large chain of banks operated through a bank-stock holding company, BancoKentucky Company.

In 1927, National Bank of Kentucky and a large State bank, Louisville Trust Company, were "unified"; substantially all the stock of both banks being transferred to trustees who issued Trustees Participation Certificates therefor. (Ex. 7, p. 115; Ex. 10, p. 152.) Thereafter these two banks were operated through identical Boards of Directors. (Ex. 77, p. 1753.) Extensive publicity attended this "unification" but publicity alone would not cure the financial ills of National Bank of Kentucky. The National Bank Examiners' criticisms continued and became more insistent. Large charge-offs were suggested. Deposits were shrinking. Serious difficulty was experienced in maintaining legal reserve requirements. Brown evolved one scheme after another to escape the crash. He tried to denationalize the Bank by consolidating it with Louisville Trust Company as a State Bank; thus to escape national supervision. (R. III, p. 20.) This failed because of four million dollars in "substandard" assets. (Ex. 54, pp. 1479, 1481.)

Finally, in June, 1929, while the Bank Examiners were in the bank making an examination Brown proposed the organization of a big bank stock holding company, Banco-Kentucky Company, with "twenty million" dollars capital; and upon the promise that the holding company would be promptly organized and would "acquire" and "work out" the Bank's criticized assets the "matter of charge-off was dropped" by the National Bank Examiners. (Ex. 17, p. 612.)

BancoKentucky Company, conceived to bolster up a failing National Bank, was incorporated on July 19, 1929, under the laws of Delaware. (R. II, p. 81.) It was authorized to issue two million shares at ten dollars each. Its prospectus, signed by the two banks and their identical Boards of Directors, was sent to each shareholder of the "unified" National Bank of Kentucky and Louisville Trust Company. It stated that (Ex. 24-3, p. 1140.)

> "the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the operation of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections."

And provided that:

> "It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees Participation Shareholders, *and that it be managed and operated by the Boards of Directors and the officers of the two banks.*

It was also a prerequisite part of the plan that Banco hold at least a majority of the Bank stock.

This prospectus offered the "entire capital stock" of BancoKentucky to the shareholders of the two banks; two shares for each Trustees' Participation Certificate and the remainder at twenty-five dollars per share. Substantially all the certificate holders made the exchange. (R. II, pp. 93, 97.) The plan was so arranged that no tax liability would be imposed on the exchange. The creation of the holding company was described as a "reorganization" (Ex. 24-3, p. 1140). It was "at once seen that the taxable gain would be very large" (Ex. 25, p. 1145) unless this

was so, and the organizers took every step so that the exchange of bank stock for holding company stock would be "made to appear (so far as the bank stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property." (Ex. 25-5, p. 1157.) The Court of Appeals held that an out and out exchange of assessable stock for non-assessable stock was made but the trading of bank stock for holding company stock simply cannot be a "reorganization" to escape taxes, and a sale, to escape assessment.

A great many certificate holders in addition to making the exchange, and in response to a regular promotion campaign put on by the banks and aided by loans made by the National Bank of Kentucky amounting to more than Five Million Dollars on the security of BancoKentucky stock, subscribed for additional shares. (Ex. 134-5, p. 1934.) Some subscriptions were accepted from non-certificate holders. Nearly ten million dollars in cash thus came into the treasury of BancoKentucky Company. Instead of utilizing this new money to clean up the National Bank of Kentucky, as promised to the Bank Examiners, it was paid out almost immediately to purchase the controlling stock in a number of other banks, some of which was paid for in cash and some in BancoKentucky stock. (R. II, pp. 1195-97.) Banco promoters represented to the stock exchange "it is the intention of the management to employ its cash for acquiring additional banks." (Ex. 74, p. 1723.)

The following pertinent facts about BancoKentucky Company appear in the record. It was incorporated in Delaware July 19, 1929. Its President and Secretary-Treasurer were President and Cashier respectively of National Bank of Kentucky. (Ex. 23, pp. 1063, 1099.) Its directorate and the unified banks' directorate were identi-

cal. (Ex. 23, pp. 1055, 1056.) It had no employees; paid no salaries or wages; had no office, office furniture or equipment. It did not even have a telephone. (R. II, pp. 102, 122, 280.) It had only three small record books: cash journal, ledger, and security record (Ex. 65, 65A, 65B, pp. 1496, 1575, 1621A), and these were all kept by and in the desk of the Cashier of the bank. (R. II, p. 282.) It did not have a correspondence file. It never even qualified to do business in Kentucky. Ky. Stat. Sec. 571. (R. II, pp. 102, 103.) It is significant that notwithstanding his annual oath to the contrary, as required by law (12 U. S. C. 73), not a single director of National Bank of Kentucky was a "good faith" owner of a single share of its stock.*

Banco began its actual business existence in October, 1929. It failed ingloriously in November, 1930, with no substantial assets except bank stocks; and most of these banks became insolvent at the same time. (Ex. 23, p. 1120; Ex. 179, p. 2099.) During the short period that it was in existence it acquired the following bank stocks through exchange of its stock and for cash:

Number of Bank Shares Held by Banco			Name of Bank	Percentage of Stock Held by Banco
38,000	out of	40,000	National Bank of Kentucky, Louisville	95%
16,625	"	17,500	Louisville Trust Co.	95%
47,854	"	60,000	Pearl Market Bank & Trust Co., Cinti., O.	80%
44,290	"	50,000	Brighton Bk. & Trust Co.	89%
548	"	600	Central Sav. Bk., Cov., Ky.	91%+
2,099	"	6,500	Peoples Liberty Bk. & Tr. Co., Covington, Ky.	32%+
6,925	"	7,500	First National Bank, Paducah, Ky.	92%+
7,125	"	8,000	Ashland National Bk., Ashland, Ky.	89%+
2,713	"	3,000	Security Bank, Louisville, Ky.	90%+
575	"	1,000	Mechanic's Tr. & Sav. Bk., Paducah, Ky.	58%—

The above bank stocks together with "an infinitesimal amount" (R. III, p. 167) of Insurance Stock and a concealed unauthorized note of the President Brown (infra, p. 7) were the entire portfolio of Banco.

* (R. II, p. 247; Exhibits 23, 92-95, 81-85, 90-2, 90-5, 90-7 to 90-12, 91, 94, pp. 1099, 1822-25, 1797-1801, 1809, 1812, 1814-1819, 1820, 1824.)

BancoKentucky Company, as its name significantly indicates, was a bank-stock holding company pure and simple. It was so listed on all the stock exchanges. (Ex. 98, p. 1829; Ex. 74, pp. 1717, 1723; Ex. 73, p. 1713; Ex. 71, p. 1695.) All the newspapers carried its market quotations under the heading of Bank stocks. (Ex. 26, pp. 1181, 1183, 1189.) The prospectus announced that Banco was organized after study of "the rapidly changing conditions in the banking business" and "in line with the trend of business and finance in this country" (Ex. 24-3, p. 1140). The "trend" was to organize holding companies. See "Hearings on Branch, Chain and Group Banking" under H. R. 141, 71st Cong., 2nd Sess. "At the end of June 1929 . . . there were in existence . . . 230 group systems in the United States which embraced about two thousand banks." (Vol. 1, Part 1, p. 43, Record of Hearings.)

During its whole existence it engaged in no business outside of acquiring and holding bank stocks except for these three simple transactions: It invested $25,000.00, less than 1/10 of 1% of its total assets (Ex. 76, p. 1739), in Union Central Life Insurance Company stock. It made an unauthorized personal loan to its President Brown. (R. II, p. 98.) The loan was concealed from the Directors of the Company. (R. II, pp. 63, 64.) At the last minute in a futile effort to save the bank it purchased some of the bank's worthless investments. (R. II, p. 97.) This last transaction, involving only one and a half per cent of its total assets, was never brought before the directors, and was rescinded by the courts after the collapse. *BancoKentucky Company's Receiver* v. *National Bank of Kentucky's Receiver*, 281 Ky. 784, 137 S. W. (2d) 357. A belated scheme to go into partnership with the insolvent Caldwell & Co., which controlled a chain of 66 banks (see table compiled from Federal Reserve Board data by Cartinhour—Branch Group and Chain Banking, p. 66; see also Ex. 103, p. 1840; Ex. 26, pp. 1207, 1212; R. II, pp. 105, 302), was never consummated. (R. I, p. 262.) It was an effort to avert failure; trying to make a good financial omelet out of two bad eggs.

National Bank of Kentucky paid dividends of $160,000.00 each quarter, equal to $16.00 per share per year on its capital stock, to BancoKentucky which distributed the exact amount to its shareholders on the very same day it was received from the bank. (R. II, p. 101.) From its organization until its failure, little more than a year, BancoKentucky's only income, except a small interest earning on deposit balances, was from dividends on bank stock. (R. II, p. 122.) During its existence it collected $1,180,858.50 dividends from its bank stocks and paid $1,253,513.00 to its stockholders. The money to pay the deficit was met by overdraft on the National Bank of Kentucky. (R. II, p. 122.)

National Bank of Kentucky failed November 17, 1930. One week later a petition for receiver was filed for Banco-Kentucky Company. (Ex. 66, p. 1676.) On February 20, 1931, the Comptroller of the Currency under Sections 64, 191, and 192 U. S. Code Title 12, then in effect made an assessment upon the shareholders of the National Bank of Kentucky of four million dollars, and directed the Receiver to collect the same. (R. II, p. 76; Ex. 5, p. 6.) Shortly thereafter the Receiver notified the stockholders of Banco-Kentucky Company of his intention to proceed against them for the collection of said assessment to the extent that he was unable to collect the same from the Receiver of the BancoKentucky Company. (R. I, p. 70; R. II, p. 76.) The Receiver of the National Bank of Kentucky was able to collect only a small part of said assessment from the Receiver of BancoKentucky Company because of its hopeless insolvency. (R. I, p. 71; R. II, p. 106.) It had no assets except bank stocks and these had become liabilities by the collapse. He therefore brought this suit against the stockholders residing in the Western District of Kentucky to recover from each their proportionate part of said assessment ($2.305 on a share of Banco, Ex. 120, p. 1871; R. II, p. 124). The depositors of the bank have received dividends to date of 77%. The assessment involved in this and kindred cases pending in other districts (D. C. Ala.; E. D. Kentucky; D. C. Mass.; E. D. Mich.; D. C. New

York; S. D. Ohio; E. D. Pa.; M. D. Tenn.; S. D. Ind.; N. D. Ill.; D. C. Va.; D. C. W. Va.) would, if collected, provide a ten per cent additional dividend.

OPINIONS BELOW

The District Court for the Western District of Kentucky filed two opinions. An opinion overruling defendants' motion to dismiss was filed April 15, 1936, and is reported in 23 F. Supp. 265. (R. I, p. 144.) The opinion on the merits dismissing the Bill of Complaint was filed March 23, 1940, and is reported in 32 F. Supp. 328. (R. I, p. 288.) Similar suits were filed and are now pending against shareholders residing in other States. A motion to dismiss the Bill of Complaint filed in the Northern District of Illinois was denied by the District Court of that State in an opinion filed February 14, 1938. *Anderson* v. *Atkinson*, 22 F. Supp. 853.

On May 4, 1942, the Circuit Court of Appeals, Sixth Circuit, affirmed the judgment of the District Court for the Western District of Kentucky. This opinion is reported at 127 F. (2d) 696. (R. III, p. 312.) The petitioner's application for rehearing (R. III, p. 327) was denied on June 5, 1942, without written opinion. (R. III, p. 355.)

JURISDICTION

Jurisdiction is conferred on this Court to review this cause by writ of certiorari by Section 240a of the Judicial Code as amended by the Act of February 13, 1925. (United States Code, Title 28, Section 347.) On August 26, 1942, an order was entered in this Court extending the time for the filing of this petition for writ of certiorari until November 1, 1942. (R. III, p. 357.)

THE QUESTION PRESENTED

The legal question presented here is: Are the owners of an insolvent national bank relieved from individual liability or "double assessment," under the then existing Federal statute because, shortly before the bank's failure, they organized a holding company and exchanged their bank shares for holding company shares?

Contrary to a long list of Federal and State Supreme Court decisions, none contra, the Circuit Court of Appeals, Sixth Circuit, affirming the District Court, held that the owners were not liable notwithstanding the fact that after the exchange the same shareholders using the holding company as an instrumentality

(1) continued in the management, operation, and control of the bank through the same officers and an identical Board of Directors, and

(2) continued to receive the dividends declared by the bank in exactly the same amount and on the very same day.

This Court has never passed directly on the question presented by this petition. It did, however, deny certiorari in the Detroit Bank-Stock Holding Company cases, *where the holding company shareholders were held liable,* on a factual situation strikingly parallel if not exactly identical to this case. *Barbour* v. *Thomas,* 86 F. (2d) 510, cert. den. 300 U. S. 670 (1937); *Ullrich* v. *Thomas,* 86 F. (2d) 678 (1936), cert. den., 301 U. S. 692 (1937).

The underlying problems presented by this case are not confined to banking or to stock assessment. The case squarely presents the question whether the holding company can be used to limit or circumvent the protection afforded to the general public by statutes enacted by Congress.

REASONS RELIED ON FOR ALLOWANCE OF WRIT OF CERTIORARI

The specific matter presents an important question of Federal law which has not been heretofore directly determined by this Court, and should now be determined.

The matters and issues involved are of general public interest and come within the class of cases indicated by the Rules to be appropriate for review.

It is also submitted that the case presents matters of substantial public interest to the community of Louisville, in that it vitally affects the welfare of thousands of depositors of National Bank of Kentucky to the extent of

potential dividends in the amount of nearly Four Million Dollars. While it is recognized that the amount involved does not of itself constitute a valid ground for review it is submitted that the interest of thousands of depositors in the outcome presents more the aspects of public welfare than private or individual controversy.

Cases involving numerous defendant stockholders are pending in district courts in the 1st, 2nd, 3rd, 4th and 7th Circuits. The present decision is not binding on any of those courts. In order that an authoritative decision may be rendered which will control all of the pending cases and thereby avoid the possibility of conflict, this case should be reviewed.

The decision of the Circuit Court of Appeals, holding that the owners of a failing national bank can organize a holding corporation such as BancoKentucky, acquire virtually all the capital stock by exchange of its stock for bank stock, continue to control the bank and get all its profits and dividends and, at the same time, shake off a statutory double liability, is in conflict with the decisions of this Court holding that corporate identity must be disregarded when the corporation becomes an instrument to circumvent and avoid the effect of a statute. *Northern Securities Co.* v. *United States*, 193 U. S. 197; *United States* v. *Lehigh Valley Railway Co.*, 220 U. S. 257; *United States* v. *Delaware L. & W. Railway Co.*, 238 U. S. 516; *C. M. & St. P. Railway Co.* v. *Minneapolis Civic & Commerce Association*, 247 U. S. 490. The Trustees Participation Certificates were held under an agreement incorporated therein that "each owner shall be subject to the same liability thereon as he would have been subject to in case he had been the owner of record" of his proportion of bank stock. (Ex. 7, pp. 8, 28, 29.) Having avoided tax liability on the exchange of Trust Certificate for holding company certificate, supra, p. 4, because the same property was retained and having contracted to pay the assessment in addition to assuming statutory liability, it would appear evident that the transformation of the form of

their certificates should not have relieved the defendants from liability.

The importance of the case is not lessened by the fact that the individual or double liability statute has since been limited, 12 U. S. C. 64a. Such a liability still remains on Federal Farm Loan Banks, 12 U. S. C. 872. The Circuit Court of Appeals (2d Circuit) has held that shareholders of such banks do not "evade their statutory stockholders' liability by organizing a corporation and transferring their shares for the holding company's shares." *Brusselback* v. *Cago Corp.*, 85 F. (2d) 20, cert. den. 299 U. S. 586. The decision of the Circuit Court of Appeals in the instant case would, on principle, permit the bank to make loans upon the sole security of the holding company stock, in violation of the statute forbidding the bank to loan upon the security of its own shares, 12 U. S. C. 83. It would permit a bank stock holding company to carry on branch and chain banking in violation of the entire spirit of the National Bank Act, 12 U. S. C. 36. It would permit interlocking directorates in violation of 15 U. S. C. 19. It would permit the shareholders to use the bank funds through the holding company to engage in many business enterprises which banks are forbidden to do. It would create additional problems of the examination and regulation of the subsidiary and parent corporation—a problem already presented to the lower courts in a controversy between a bank holding company and the Securities and Exchange Commission. *Bank of America Nat'l Trust & Savings Association* v. *Douglas et al.*, 105 F. (2d) 100 (C. C. A.—Dist. Col.). The problem of the bank holding company and its effect on stock assessment is recognized as a vital one by text writers on the subject. *Cartinhour—Branch Group and Chain Banking*, p. 245; *Bonbright and Means —The Holding Company*, pp. 319, 330.

The decision of the Circuit Court of Appeals is in direct conflict with a long line of federal and state court decisions which have uniformly ruled that the real owners of a national bank, that is, those who run the bank and get the dividends and profits, are liable for an assessment whether the stock stands in their names or not; and that such real owners cannot escape this liability by interposing a holding corporation as a shield to protect them from such liability. *Corker* v. *Soper*, 53 F. (2d) 190, cert. den., 285 U. S. 540 (1931); *Metropolitan Holding Co.* v. *Snyder*, 79 F. (2d) 263 (1935); *Harris Investment Company* v. *Hood*, 123 Fla. 598, 167 So. 25 (1936); *Fors* v. *Farrell*, 271 Mich. 358, 260 N. W. 886 (1935); *Nettles* v. *Rhett*, 94 F. (2d) 42 (C. C. A. 4, 1938); *Nettles* v. *Sottile*, 184 S. C. 1, 191 S. E. 796 (1937); *Hansen* v. *Agnew*, 195 Wash. 354, 80 P. (2d) 845 (1938); *Brusselback* v. *Cago Corporation*, 85 F. (2d) 20, cert. den., 299 U. S. 586; *Durrance* v. *Collier*, 81 F. (2d) 4 (C. C. A. 5, 1936); *White* v. *Aaronson*, 169 Misc. 593, 7 N. Y. S. (2d) 901 (1938); *Bacon* v. *Barber*, 110 Vt. 280, 6 A. (2d) 9 (1939); *Barbour* v. *Thomas*, 86 F. (2d) 510, cert. den., 300 U. S. 670 (1936); *Ullrich* v. *Thomas*, 86 F. (2d) 678, cert. den., 301 U. S. 692 (1936); *Anderson* v. *Atkinson*, 22 F. Supp. 853 (District Court Illinois, 1938); *Pearson* v. *All Borg*, 23 F. Supp. 837; *MacPherson* v. *Schram*, 112 F. (2d) 674 (C. C. A. 5, 1940); *Lucking* v. *Schram* (C. C. A. 6, 1941), 117 F. (2d) 160; *Union Guardian Trust Company* v. *Schram* (C. C. A. 6, 1941), 123 F. (2d) 579; *Flanagan* v. *Madison Square State Bank*, 302 Ill. App. 468, 24 N. E. (2d) 202 (1939); *Schram* v. *Cotton*, 281 N. Y. 499, 24 N. E. (2d) 305; *Schram* v. *Keane*, 279 N. Y. 227, 18 N. E. (2d) 136 (1938); *Partridge* v. *Ainley*, 28 F. Supp. 472 (District Court, New York, 1939); *Davis* v. *Schram* (C. C. A. 6, 1940), 111 F. (2d) 144; *Wolf* v. *Schram* (C. C. A. 6, 1940), 111 F. (2d) 146; *Gillespie* v. *Schram* (C. C. A. 6, 1939), 108 F. (2d) 39; *Galinski* v. *Adler*, 302 Ill. App. 474, 24 N. E. (2d) 205 (1939).

The leading case, holding that the stockholders of a bank stock holding company are liable for an assessment on the bank, arose out of the Detroit bank failures, where two great bank stock holding companies, Detroit Bankers Company and Guardian Detroit Union Group, Inc., dominated nearly all the banks in Michigan. The stockholders of these two great holding companies were held liable for the assessments ($35,000,000) levied on the banks by the United States District Court, 7 F. Supp. 271, by the United States Circuit Court of Appeals, 86 F. (2d) 510, 86 F. (2d) 678, and in which cases this Court twice denied certiorari, 300 U. S. 670, 301 U. S. 692. The decision in this case has been cited frequently with approval. *Adams* v. *Nagle*, 303 U. S. 532 (1938); *Munro* v. *Post*, 102 F. (2d) 686 (C. C. A. 2, 1939); *Erickson* v. *Richardson*, 86 F. (2d) 963 (C. C. A. 9, 1936); *Ericson* v. *Slomer*, 94 F. (2d) 437 (C. C. A. 7, 1938); *Schram* v. *Poole*, 97 F. (2d) 566 (C. C. A. 9, 1938); *Schram* v. *Cotton*, 281 N. Y. 499, 24 N. E. (2d) 305 (1939); *Smith* v. *Witherow*, 102 F. (2d) 638 (C. C. A. 3, 1939); *Geber* v. *Gossweyler*, 18 F. Supp. 925 (D. C. N. Y., 1937); *Powell* v. *Malone*, 22 F. Supp. 300 (D. C. N. Car., 1938); *Staudenmaier* v. *Johnson*, 30 F. Supp. 341 (D. C. Wis., 1939). See also: *Church* v. *Hubbard*, 91 F. (2d) 406 (C. C. A. 6, 1936); *Moss* v. *Furlong*, 93 F. (2d) 182 (C. C. A. 6, 1937); *Comm. of Internal Revenue* v. *Carey-Reed Co.*, 101 F. (2d) 602 (C. C. A. 6, 1939). It has been favorably commented on in numerous law review articles. The opinion is reprinted in Dodd and Baker's "Cases On Business Organization," used as a textbook at Harvard Law School.

The importance of this case is not affected by the fact that the Receiver of the National Bank of Kentucky also undertook to collect the assessment from Banco-Kentucky Company. BancoKentucky was the record owner of the bank stock. It is sought in this case to establish that the stockholders of Banco were in fact the real and beneficial owners. The Receiver's suit against Banco was for

the benefit of Banco's stockholders and the amount recovered by the Receiver was credited to them. (R. I, p. 178.) *Nettles* v. *Rhett*, 94 F. (2d) 42; *Continental Nat. Bank and Trust Co.* v. *O'Neil*, 82 F. (2d) 650; *Ericson* v. *Slomer*, 94 F. (2d) 437.

The liability of the Banco stockholders is not affected by the fact that they wrote into their Articles of Incorporation a section exempting their personal property from liability, and wrote on their certificates of stock that it was "fully paid and non-assessable." The real and beneficial owner cannot evade the liability in this manner.

This court will note the extent to which the same question presented here was before this Court in the suit brought by the Receiver of the National Bank of Kentucky against the Directors of that bank for losses due to their alleged negligence and statutory violations of duty. One of the claims of the Receiver in that case was that the directors had violated Section 83 of Title 12 of the United States Code, which provides that no national bank may make loans upon the security of its own capital stock. The loans in question were loans upon the security of BancoKentucky stock. The District Court held that loans made by the National Bank of Kentucky upon the security of BancoKentucky stock "was, in truth and in fact, making loans on the security of the shares of its own capital stock in violation of this statute." *Anderson* v. *Akers*, 7 F. Supp. 924, 951. The Court said:

> "The Directors of the National Bank of Kentucky caused to be organized this holding company, to which was given the suggestive name of BancoKentucky Company, which was, indeed, intended to be, and was, in many important respects and in a very real sense, as the record abundantly shows, the National Bank of Kentucky." *Anderson* v. *Akers*, 7 F. Supp. 924, 950.

The District Court opinion referred to above was reversed by the Circuit Court of Appeals, *Atherton* v. *Anderson*, 86 F. (2d) 518. *This Court granted certiorari,*

300 U. S. 652, and upon a partial hearing and without a full review, remanded the case for reconsideration by the Circuit Court of Appeals as to the question of common law negligence, a point not decided below, 302 U. S. 643 (1937). The Circuit Court of Appeals, upon rehearing, decided against the directors on the question of negligence, awarded the Receiver a *very large judgment*, but adhered to its former opinion with relation to the loans made on the security of BancoKentucky stock, 99 F. (2d) 883. The case was then settled and the question of the directors' liability, arising from loans made upon the security of BancoKentucky stock and arising out of the relationship and identity of the bank and holding company stock, thus escaped decision by this Court. However, the decision of the Circuit Court of Appeals in the Directors' Suit, which through settlement was not reviewed by this Court, is cited by the Circuit Court of Appeals as the principal authority for the decision in this case.

Since all the facts pertinent to the determination of this case by the Circuit Court of Appeals were undisputed written records, or were the subject of findings, the determination of this case presents only the question of law.

For all the foregoing reasons, it is respectfully submitted that this petition should be granted.

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel,
NICHOLS, WOOD, MARX & GINTER.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

OPINIONS BELOW

Opinions below have been referred to in the petition for writ of certiorari under this same caption.

JURISDICTION

The statement as to jurisdiction has been set forth in the petition.

STATEMENT OF THE CASE

The facts have been stated in the petition.

SPECIFICATIONS OF ERROR

1. The Circuit Court of Appeals erred in affirming the decision of the District Court.

2. The Circuit Court of Appeals erred in holding that the respondents could shield themselves behind the corporate entity of BancoKentucky and avoid stock assessment in this matter.

ARGUMENT

The idea of a bank-stock holding company originated, or at least assumed serious proportions, in the high finance days of 1911. It was then proposed in New York to form a giant bank-stock holding company to buy up, through exchange of holding company shares for bank shares, a great many banks, national and state, throughout the nation. Had the effort received governmental sanction, and succeeded, a few great holding companies might soon have controlled all the banks in the United States. The President saw the danger and called upon the Solicitor General for an opinion on the matter. In the opinion, Solicitor General Lehmann said:

"If many enterprises and many banks are brought and bound together in the nexus of a great holding corporation, the failure of one may involve all in a common disaster."

And he concluded that a holding company

"in its holdings of National Bank stock is in usurpation of Federal authority and in violation of the Federal law." Congressional Record, May 10, 1932, page 102-12.

What the Solicitor General prophesied came true at Louisville with its BancoKentucky; in Michigan with its Detroit Bankers Company and its Guardian Detroit Union Group, Inc. Fortunately for the nation, it did not happen in the northwest with its Northwest Bank Corporation, or in the far west with its giant Bank America Corporation.

Banco, just like Detroit Bankers and Guardian Detroit Group, was a promotion by the owners of the bank. It was promoted, not to let them go out of the banking business, but to continue and enlarge their investment therein, and increase their opportunity to profit thereby. They "distinctly provided" in the articles of incorporation of Banco and on its certificates of stock that it was "fully paid and non-assessable." What did they intend by this except to escape the assessment liability? The answer to the question will be found in the letter of Bean, President of the Trust Company, to Brown, President of the bank, written July 26, 1929 (Ex. 27, p. 1262), which states:

"Does the 'double liability' apply to BancoKentucky Company stock as it does to stock in the banks? NO; one of the advantages of transferring your bank stock for BancoKentucky Company stock is that you are relieved of the double liability clause which applies under the Kentucky law."

This court has consistently held that:

> ". . . they (owners of national bank stock) cannot enjoy the benefits accruing to shareholders and escape liability for the contracts, debts and engagements of the bank." (Parenthetical addition ours.) *Christopher* v. *Norvell*, 201 U. S. 216, 229.

The decisions from the earliest cases involving stock assessment liability adhere to and extend the principle that technicalities and subterfuges will be disregarded to discover the real, true and beneficial owners of the shares of the insolvent bank in order that such owners may be held liable to assessment.

> "As to such owners (real owners) the law looks through subterfuges and apparent ownership and fastens the liability upon the shareholders to whom the shares really belong." (Parenthetical addition ours.) *Ohio Valley National Bank* v. *Hulitt, Receiver*, 204 U. S. 162, 168.

The transferor has been held to be liable as actual owner where transfer of stock was made to a financially irresponsible person for the purpose of evading assessment and where the transferor continued to be the true owner. *National Bank* v. *Case*, 99 U. S. 628 (1878). The same rule was followed in *Bowden* v. *Johnson*, 107 U. S. 251 (1882), amplified in *Stuart* v. *Hayden*, 169 U. S. 1 (1897); *McDonald* v. *Dewey*, 202 U. S. 510 (1906); *Pauly* v. *State Loan*, 165 U. S. 606 (1897); *Ohio Valley National Bank* v. *Hulitt*, 204 U. S. 162 (1907).

Where the stock was transferred to a minor child who could not respond to assessment, this Court has held the transferor liable. *Early* v. *Richardson*, 280 U. S. 496 (1930).

In cases where the stock was transferred to a trustee for the purpose of taking advantage of the statute which provides that the trustee shall only be liable to the extent of

trust assets in his possession, 12 U. S. C. 66, it was held that the beneficial and real owner would be liable. *English* v. *Gamble*, 26 F. (2d) 28 (C. C. A. 8, 1928); *O'Keefe* v. *Pearson*, 73 F. (2d) 673 (C. C. A. 1, 1934); *Schlener* v. *Davis*, 75 F. (2d) 371 (C. C. A. 5, 1935).

A state court decision which sums up the law is *Fors* v. *Farrell*, 271 Mich. 358, 260 N. W. 886 (1935):

> "That neither an individual nor a corporation can, through a trust arrangement, or by other indirect means or circumlocution, possess as an owner and enjoy the beneficial interest in bank stock without assuming the contingent liability of a stockholder's assessment imposed by law. To hold otherwise would be to nullify the protection given the bank creditors by the statute imposing double liability." (P. 891.)

In more recent cases involving the use of a holding corporation as a bulwark against stock assessment, the courts have constantly held that the shareholders of the holding company are liable for assessment. *Corker* v. *Soper*, 53 F. (2d) 190 (C. C. A. 5, 1931); *Metropolitan Holding Co.* v. *Snyder*, 79 F. (2d) 263 (C. C. A. 8, 1935). The corporate fiction of the holding company was disregarded. *Durrance* v. *Collier*, 81 F. (2d) 4 (C. C. A. 5, 1936); *Fors* v. *Farrell*, supra; *Harris Investment Co.* v. *Hood*, 123 Fla. 598, 167 So. 25 (1936); *Nettles* v. *Sottile*, 184 S. C. 1, 191 S. E. 796 (1937); *Brusselback* v. *Cago Corp.*, 85 F. (2d) 20 (Cert. denied, 299 U. S. 586); *Nettles* v. *Rhett*, 94 F. (2d) 42; *Hansen* v. *Agnew*, 195 Wash. 354, 80 P. (2d) 845.

The Supreme Court of Michigan has said:

> "In a proceeding to enforce stockholders' liability, it is of little or no importance as to how many paper ownerships or holdings in trust may intervene between the bank that issued the stock and the ultimate

or actual owner thereof. The beneficial owner is liable for stock assessment. . . . Surely it was never intended that this wholesome statutory provision (for double assessment) should be nullified by resort to indirect corporate holdings of such stock."

". . . its corporate structure cannot be used as a shield behind which an actual and beneficial owner of such stock may escape the statutory liability to insolvent bank's creditors." *Fors* v. *Farrell, supra.* (Pp. 889, 890.)

The Sixth Circuit Court of Appeals has held shareholders of a holding company liable for an assessment levied on one of the subsidiary banks and in that case this Court has denied certiorari. *Barbour* v. *Thomas*, 86 F. (2d) 510 (Cert. denied, 300 U. S. 670); *Ullrich* v. *Thomas*, 86 F. (2d) 678 (Cert. denied, 301 U. S. 692). The corporate entity will be disregarded when necessary to avoid a fraud or to prevent an evasion of a statute. Wormser, "The Disregard of Corporate Fiction," pp. 36, 44, 51, 59.

This rule has been followed by this Court when to give sanctity to the corporate entity would result in circumventing a statute enacted for the protection afforded to the public by statute. *Northern Securities Co.* v. *United States*, 193 U. S. 197; *United States* v. *Lehigh Valley Railway Co.*, 220 U. S. 257; *United States* v. *Delaware L. & W. Railway Co.*, 238 U. S. 516.

In *C. M. & St. P. Ry. Co.* v. *Minneapolis Civic and Commerce Association*, 247 U. S. 490 (at 501), this Court said:

". . . the courts will not permit themselves to be blinded or deceived by mere forms of law, but, regardless of fictions, will deal with the substance of the transaction involved as if the corporate agency did not exist and as the justice of the case may require."

COURT OF APPEALS OPINION

The opinion of the Court of Appeals is analyzed in detail in the "Petition for Rehearing" found in the Record, Volume 3, page 327.

The Court of Appeals correctly concluded that the trust certificates, for which the bank stock was exchanged in the so-called "unification" of National Bank of Kentucky and Louisville Trust Company in 1927, was "the equivalent of bank stock" and that the holders thereof were "the real, beneficial shareholders of the National Bank of Kentucky." It based this conclusion upon the fact that the owners of the bank stock "carefully provided" that they should continue to be liable for any assessment. The Court then concludes that since they made no such careful provision for liability when they exchanged for Banco-Kentucky stock, they had, therefore, successfully evaded the statutory liability, and particularly so because they wrote a non-assessment section in the Articles of Incorporation and carried it on the stock certificates. It is submitted that a bank stockholder cannot so easily excuse himself from liability. The only transfer of bank stock which releases the shareholder from this statutory liability is an "out and out" transfer, whereby the shareholder completely severs himself from his stock interest in the bank and completely divests himself of his opportunity of having a voice in its control, or the receipt of any of its earnings. This Court long ago said in *National Bank* v. *Case*, 99 U. S. 628 (632, 633):

> "It is not every transfer that releases a stockholder from his responsibility as such. . . . (Liability continues if) the 'privileges and possible benefits of ownership continue.'" (Parenthetical insertion ours.)

Notwithstanding the fact that the bank examiners' reports for three full years had indicated that the bank was in financial straits, the appellate court said that "no probability of assessment" appeared when bank shares were exchanged for Banco shares. Liability does not depend upon pending insolvency. It arises by virtue of statute and depends upon ownership. The owner is the one who enjoys the "privileges and possible benefits" of the bank. *National Bank* v. *Case*, supra. What privilege or benefit did the owners of National Bank of Kentucky give up when they exchanged for Banco shares? In the words of their own lawyer, they kept "the same property in another form." Louisville Trust Company said it "was in its essence a mere continuation and retention of the ownership of Trustees Participation shares," which were conceded to be the equivalent of bank stock. Exhibit 122, pages 1886, 1887, 1890. See also Exhibit 123, p. 1896.

The Court of Appeals concluded that BancoKentucky was not organized for the primary purpose of escaping double liability. It is not necessary to quarrel with this conclusion. BancoKentucky was promoted by the owners of the bank to enable them to continue in the banking business, not for the purpose of getting out of the banking business. As an incident, they provided as best they could that the Banco shares should not be assessable and by the language of their charter and the words on their stock certificates, as evidenced by Bean's letter to Brown, *infra*, page 18, they knew very well that they were attempting to escape this liability.

The Court of Appeals, in its opinion, makes a great deal out of the fact that three million dollars of the cash raised by Banco was not invested in bank stocks. This statement is completely answered by the fact that five million dollars

of Banco's cash assets came out of the National Bank of Kentucky upon loans made solely upon the security of Banco stock and that over two million of said amount was lost by the National Bank of Kentucky. And in any event, the three million dollars was not "invested" by Banco. Twenty-five thousand dollars was invested in Union Central Life Insurance Company stock. Brown took two million dollars of the invested three million dollars without asking anybody about it, substituted his note therefor and no one knew that Banco had Brown's note until after the failure. The remainder of the "invested" three million dollars went to lift worthless assets out of the National Bank of Kentucky on the eve of its failure. This transaction was rescinded by the courts. The Caldwell deal was never consummated. Therefore, it is undisputed in the record that all of BancoKentucky's cash was invested in bank stocks except the twenty-five thousand dollars in Union Central shares.

CONCLUSION

In conclusion, therefore, it is submitted that the Record undisputably shows that BancoKentucky Company was organized to support a failing national bank; organized by its owners in order that they might continue in the banking business on a grander scale; and organized for the purpose of holding double liability bank stocks. Its doing business in Kentucky was unlawful because it never qualified to do business there. (Ky. Stat. 571.) Its ownership of all the stock of Louisville Trust Company and several other Kentucky state banks was expressly forbidden by Kentucky law. (Ky. Stat. 581, 609.) Except for a few days in October, 1929, when it first started business, all of its assets were in bank stocks and it never thereafter had any assets with which to pay an assessment

upon these bank stocks. It was never anything more than a corporate instrumentality of the shareholders in order that they might continue in the banking business, get all possible benefits therefrom and at the same time escape a statutory assessment in the event that one should be levied.

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel,
NICHOLS, WOOD, MARX & GINTER.

APPENDIX

COPY OF STATUTES INVOLVED—ALL FROM UNITED STATES CODE, TITLE 12, BANKS & BANKING

§ 64. Individual liability of shareholders; transfer of shares.

The stockholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, each to the amount of his stock therein, at the par value thereof in addition to the amount invested in such stock. The stockholders in any national banking association who shall have transferred their shares or registered the transfer thereof within sixty days next before the date of the failure of such association to meet its obligations, or with knowledge of such impending failure, shall be liable to the same extent as if they had made no such transfer, to the extent that the subsequent transferee fails to meet such liability; but this provision shall not be construed to affect in any way any recourse which such shareholders might otherwise have against those in whose names such shares are registered at the time of such failure. (Dec. 23, 1913, c. 6, § 23, 38 Stat. 273.)

§ 191. General grounds for appointment of receiver.

Whenever any national banking association shall be dissolved and its rights, privileges, and franchises declared forfeited, as prescribed in section 93, or whenever any creditor of any national banking association shall have obtained a judgment against it in any court of record, and made application, accompanied by a certificate from the clerk of the court stating that such judgment has been rendered and has remained unpaid for the space of thirty days, or whenever the comptroller shall become satisfied of the insolvency of a national banking association, he may, after due examination of its affairs, in either case, appoint a receiver who shall proceed to close up such association, and enforce the personal liability of the shareholders, as provided in section 192. (June 30, 1876, c. 156, § 1, 19 Stat. 63.)

§ 192. Default in payment of circulating notes.

On becoming satisfied, as specified in sections 131 and 132 of this title, that any association has refused to pay its circulating notes as therein mentioned, and is in default, the Comptroller of the Currency may forthwith appoint a receiver, and require of him such bond and security as he deems proper. Such receiver, under the direction of the comptroller, shall take possession of the books, records, and assets of every description of such association, collect all debts, dues, and claims belonging to it, and, upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like order, may sell all the real and personal property of such association, on such terms as the court shall direct; and may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders. Such receiver shall pay over all money so made to the Treasurer of the United States, subject to the order of the comptroller, and also make report to the comptroller of all his acts and proceedings.

PROVIDED, That the comptroller may, if he deems proper, deposit any of the money so made in any regular Government depositary, or in any State or national bank either of the city or town in which the insolvent bank was located, or of a city or town as adjacent thereto as practicable; if such deposit is made he shall require the depositary to deposit United States bonds or other satisfactory securities with the Treasurer of the United States for the safe-keeping and prompt payment of the money so deposited:

PROVIDED, That no security in the form of deposit of United States bonds, or otherwise, shall be required in the case of such parts of the deposits as are insured under section 264 of this title. Such depositary shall pay upon such money interest at such rate as the comptroller may prescribe, not less, however, than 2 per centum per annum upon the average monthly amount of such deposits. (R. S. § 5234; May 15, 1916, c. 121, 39 Stat. 121; Aug. 23, 1935, c. 614, § 339, 49 Stat. 721.)

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IN THE

Supreme Court of the United States

October Term 1942

No. 497 3

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED, OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.,

Respondents.

REPLY BRIEF

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel:
NICHOLS, WOOD, MARX & GINTER.

THE JOHNSON & HARDIN CO., LAW PRINTERS
CINCINNATI, OHIO

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IN THE

Supreme Court of the United States

October Term 1942

No. 497

A. M. ANDERSON, RECEIVER OF NATIONAL BANK OF KENTUCKY, OF LOUISVILLE,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED, OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL.,

Respondents.

REPLY BRIEF

Respondents in their brief do not challenge, in any respect, the accuracy of petitioner's "Summary Statement." (See petition, pp. 2-8.) They do not claim that petitioner has unfairly stated "The Question Presented." (See petition, pp. 9, 10.) They do not contradict our statement that this Court has never directly passed on the question and their argument is not addressed to the question, which is:

> "Are the owners of an insolvent national bank relieved from individual liability or 'double assessment,'

under the then existing Federal statute because, shortly before the bank's failure, they organized a holding company and exchanged their bank shares for holding company shares?"

They do, however, set forth, unsupported by record references, except in one instance, their own so-called "Summary Statement of Facts." This statement makes no pretense of being complete. It omits all reference to many of the crucial undisputed facts. It redounds with irrelevant and misleading statements and erroneous conclusions not justified on the record,—a record, by the way, almost exclusively documentary and indisputable.

They say (respondent's brief, p. 1) that the National Bank of Kentucky had "an honorable career." Irrelevant though this statement is, we challenge it. [See Bank Examiners' Reports, R. 1275 to 1305; and the history of the Kentucky Jockey Club and Wakefield loans, and Kentucky Wagon overdrafts in the suits against directors for neglect and misfeasance; *Anderson* v. *Akers*, 7 F. Supp. 924; *Atherton* v. *Anderson*, 86 F. (2d) 518, cert. granted, 300 U. S. 652, and upon rehearing, 99 F. (2d) 883; see also the fraud and rescission suit, *BancoKentucky Receiver* v. *National Bank Receiver*, 281 Ky. 784, 137 S. W. (2d) 357; also observe record fact that dividends of only seventy-seven (77%) per cent have been paid to depositors.]

They stress (p. 2) the "declared" purposes of Banco-Kentucky, and make no reference whatever to the *real* purposes of Banco. They do this to create the impression that Banco was a great general business corporation and that its holding of bank stocks was an incidental part of its "declared" purposes. They try to augment this impression by saying (p. 3) that Banco "acquired various assets." It did not "acquire various assets." It acquired assessable bank stock. Banco was not a general business

corporation. It was nothing but a holding company for bank stocks (see petitioner's unchallenged summary statement with record references, petition, pp. 2 to 8, particularly pp. 6 and 7).

Respondents argue (p. 3) that because the stockholders and directors increased their investment when Banco was formed, in an amount beyond what their assessment would then have been, no liability exists. With this added investment they acquired an added interest in a whole chain of banks. To use their own words (Ex. 24-3, p. 1140) they made the added investment in order to get "new and profitable financial opportunities and connections." This correspondingly increased their contingent assessment liability. They also state on page 3 that over nine million dollars of new money was paid into Banco. They omit to state that over five million dollars of this amount came out of National Bank of Kentucky on loans made on the sole security of Banco stock and that over two million dollars of this amount was lost by the bank. They omit to state the significant fact that substantially all of this money went immediately to acquire other bank stocks.

In the first paragraph (p. 4) respondents seek to create the impression that the stock market crash of October, 1929, the depression which followed, and the Caldwell deal of 1930, coupled with "some unfavorable newspaper publicity" caused withdrawals and closed the bank. This is not correct. The Bank Examiners' reports for years had pointed out the precarious condition of the bank with reference to long-standing loans and overdrafts. These loans and overdrafts caused the bank's failure. The stock market crash had nothing to do with it. The Caldwell deal was never even consummated. The directors of the bank claimed that they never read the Bank Examiners' reports. If this be true their neglect of duty had a lot to

do with the bank's failure. In any event this is all irrelevant because the statutory assessment liability is not conditioned upon what caused the bank's failure.

Respondents at page 6 state the issue in this case as follows:

> "Whether the BancoKentucky Company was organized and carried on in good faith for the purposes declared in its charter and was not a mere holding company nor organized as an agency of its stockholders or for the purpose of shielding its stockholders from the double liability imposed by the Bank Act."

The facts are undisputed. Though Banco was authorized in its corporate charter to engage in all kinds of business it never engaged in any such business. The only business it engaged in was the acquisition of assessable bank shares. It was the merest shell of a corporation. Its officers were the bank officers (Ex. 23, pp. 1063-1099). Its directorate was the bank directorate (Ex. 23, pp. 1055-1056). It had no office employees and only three record books. (See petition for certiorari, p. 6.) It was "a mere holding company" and nothing else. One of its purposes was "shielding its stockholders from the double liability imposed by the Bank Act." Otherwise, why stamp the stock certificates "fully paid and non-assessable" and insert in the Articles of Incorporation a provision that the stockholders should not be liable for such an assessment? That this was intentional is evidenced by the letter of the President of the bank. (See petition, p. 18, for quotation printed in full, Ex. 27, p. 1262.) It is urged at page 9 of the respondent's brief that:

> "On two other occasions the petitioner obtained an adjudication that the BancoKentucky Company was the real and beneficial owner of the stock of the National Bank of Kentucky."

This is an argument to the effect that since the petitioner recovered a judgment from Banco he is precluded from doing so here; in other words, that the petitioner has made an election. Banco was the record owner of the bank stock. The respondents are the real or beneficial owners. This defense was disposed of by two different District Courts in favor of the petitioner: *Anderson* v. *Abbott*, 23 F. Supp. 265; *Anderson* v. *Atkinson*, 22 F. Supp. 853. From neither of these decisions did the respondents appeal. When the assessment was levied the Receiver, for the benefit of the respondents, undertook to collect as much of the assessment out of the meager assets of BancoKentucky as possible, on the theory that it was the record owner of the bank stock. But before doing so he wrote to each and every one of the respondents the following letter and sent it out by registered mail:

"Office of The Receiver
THE NATIONAL BANK OF KENTUCKY
Louisville, Kentucky

Louisville, Ky., March 20, 1931

As a stockholder in The BancoKentucky Company, you will please take notice, that the Comptroller of the Currency has on February 20, 1931, levied an assessment upon the stockholders of The National Bank of Kentucky, Louisville, Ky., on the par value of each and every share, payable at the Office of the Receiver, on or before April 1, 1931. A notice of such assessment and a demand for payment of the same has been served upon the receiver of the BancoKentucky Company as the holder of 540,484 trustees' participation certificates, issued under a certain trust agreement of April 22, 1927, which trustees' participation certificates represent the ownership of 37,721.624 shares of stock in The National Bank of Kentucky. You will, therefore, take notice that it is the intention of the undersigned, as Receiver of The National Bank of

Kentucky, to proceed against you for the collection of the aforesaid assessment liability represented by the said trustees' participation certificates held by said BancoKentucky Company, to the extent that the undersigned, as Receiver of The National Bank of Kentucky, is unable to collect said assessment from The Banco-Kentucky Company or its receiver.

PAUL C. KEYES,
Receiver of The National Bank of Kentucky
Louisville, Kentucky

Registered Letter
Return Receipt Requested" (R. I, p. 70.)

Thus, from the outset, the Comptroller of the Currency and the Receiver considered both the holding company and its shareholders liable for the assessment, the one as the record holder, the other as the actual or beneficial owner. In this the Comptroller and Receiver were supported by plenty of authority: *Metropolitan Holding Company* v. *Snyder*, 79 Fed. (2d) 263 (C. C. A. 8, 1935); *Corker* v. *Soper*, 53 Fed. (2d) 190 (C. C. A. 5, 1931), cert. denied, 285 U. S. 540 (1932); *Harris Investment Co.* v. *Hood*, 123 Fla. 598, 167 So. 25 (1936); *Nettles* v. *Sottile*, 184 S. C. 1, 191 S. E. 796 (1937); *Nettles* v. *Rhett*, 94 Fed. (2d) 42 (C. C. A. 4, 1938); *Flanagan* v. *Madison Square State Bank*, 302 Ill. App. 468, 24 N. E. (2d) 202 (1939); *Galinski* v. *Adler*, 302 Ill. App. 474, 24 N. E. (2d) 205 (1939).

Respondents' argument is predicated on their failure to recognize that both the holding company and its shareholders are liable and that the liability is not in the alternative. Where both are liable suit and judgment against one, in the absence of satisfaction, does not affect the right to proceed against the other. Respondents' whole contention is well answered in *Ericson* v. *Slomer*, 94 Fed. (2d) 437 (C. C. A. 7, 1938):

"It is our conclusion that the receiver of a national bank has a right to proceed against both the record and actual owner of the shares of stock in an attempt to collect the liability thereupon imposed. It seems both logical and reasonable that such procedure should be permissible. Under well-established law, both are liable. As to who shall carry the burden as between them is a matter with which we are not here concerned. Why should the receiver, at his peril, be required to select the one against whom he is to proceed and why should a proceeding against one be a bar to a proceeding against the other? He should not be so required and neither should either of the parties whom the law makes liable be permitted to shield himself from such liability by asserting an unsatisfied judgment has been obtained against the other. To hold otherwise is to lay down the bars so that fraud may be committed upon the creditors of the bank. There can be required only one satisfaction of the stock liability. A judgment against either and a satisfaction, of course, would constitute a bar to a judgment against the other. A partial satisfaction would constitute a bar pro tanto." [94 Fed. (2d) 437, 441.]

For reasons set forth here and in the petition for writ of certiorari it is respectfully submitted that the petition should be granted.

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel:

NICHOLS, WOOD, MARX & GINTER.

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OCTOBER TERM, 1942

No. 497 3

A. M. ANDERSON, Receiver of the National Bank of Kentucky,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al.,

Respondents.

BRIEF FOR PETITIONER

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel, for Petitioner,
NICHOLS, WOOD, MARX & GINTER.
JOHN F. ANDERSON,
Chief Counsel for Comptroller of the Currency.

THE JOHNSON & HARDIN CO., LAW PRINTERS
CINCINNATI, OHIO

References to the three-volume printed record are by volume number and page preceded by designation "R." Reference to the five volumes of reproductions of Exhibits are preceded by "Ex." followed by volume number and page. Italics and other emphasis are ours unless otherwise noted.

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Respondents.

BRIEF FOR PETITIONER

OPINIONS BELOW

The District Court filed two opinions, one overruling defendants' motion to dismiss reported in 23 F. Supp. 265. This opinion is in the Record, Vol. 1, p. 144. The second opinion of the District Court, dismissing the Bill of Complaint on the merits, was filed March 23, 1940, and is reported in 32 F. Supp. 328, and will be found in the Record, Vol. 1, p. 288. Similar suits were filed, and are now pending, against other shareholders residing in other states. A motion to dismiss the Bill of Complaint, filed

in the Northern District of Illinois, was also denied, in an opinion filed February 14, 1938. *Anderson* v. *Atkinson*, 22 F. Supp. 853.

On May 4, 1942, the United States Circuit Court of Appeals for the Sixth Circuit affirmed the judgment of the District Court for the Western District of Kentucky. This opinion is reported in 127 F. (2d) 696 and will be found in the Record, Vol. 3, p. 312. The petitioner's application for rehearing (R. 3, p. 327) was denied on June 5, 1942, without written opinion (R. 3, p. 355).

JURISDICTION

Jurisdiction is conferred on this Court to review this cause by writ of certiorari by Section 240A of the Judicial Code as amended by the Act of February 13, 1925 (United States Code, Title 28, Sec. 347). On August 26, 1942, this Court extended the time for filing a petition for writ of certiorari until November 24, 1942. On December 7, 1942, this Court granted the petition for writ of certiorari.

PRELIMINARY STATEMENT

National Bank of Kentucky of Louisville failed November 16, 1930, closed by voluntary resolution of its Board of Directors (Ex. V. 1, p. 1). It was a bad failure; dividends to depositors have been only 77 per cent. The amount sought in this and similar suits would produce another 10 per cent. On November 17, 1930, the Comptroller of the Currency being satisfied that it was "insolvent and unable to pay its just and legal debts" appointed a Receiver therefor (Ex. V. 1, p. 3). On February 20, 1931, upon an "accounting" and a "valuation of the uncollected assets" the Comptroller of the Currency found that in order to pay the debts of the bank it was necessary to

"enforce the individual liability of the stockholders" (Sec. 5151, Sec. 5234, R. S., 12 U. S. C. 63, 192). He thereupon made "an assessment and requisition upon the shareholders" in the amount of $4,000,000, for the par value of each and every share of the capital stock and directed the Receiver "to take all necessary proceedings, by suit or otherwise, to enforce" the same (Ex. V. 1, p. 6).

As will be explained later herein, substantially all the stock of National Bank of Kentucky, at the time of its failure, was held of record in the name of a bank stock holding corporation, known as BancoKentucky Company, of Delaware, having been transferred to the holding company in exchange for holding company stock one year before, at a time when National Bank of Kentucky was in a precarious financial position. BancoKentucky and the bank failed at the same time. Its only assets consisted of assessable bank stocks. Its chain of banks also collapsed at the same time.

It became apparent to the Receiver of National Bank of Kentucky, shortly after the assessment was levied, that the assets of BancoKentucky would be wholly inadequate to meet this statutory liability. Its ordinary liabilities had been more than doubled by bank assessments. He realized, however, the duty to proceed against BancoKentucky as the *"record"* owner of the bank stock and to realize for his depositors, from that source, as much of the assessment as he would be lawfully entitled to. He would have been remiss in his duty had he not done so. It was all to the advantage of the "real" stockholders, shareholders of BancoKentucky, respondents, because whatever he collected from Banco reduced the amount to be collected from them. But before he proceeded against Banco he was quite careful to notify each stockholder of Banco, by registered mail, of his intention to proceed against them, as the "real" shareholders of National Bank of Kentucky, to the

extent that he failed to collect from Banco. Not a single stockholder complained. His notice reads:

> "As a stockholder in The BancoKentucky Company, you will please take notice, that the Comptroller of the Currency has on February 20, 1931, levied an assessment upon the stockholders of The National Bank of Kentucky, Louisville, Ky., on the par value of each and every share, payable at the office of the Receiver, on or before April 1, 1931. A notice of such assessment and a demand for payment of the same has been served upon the Receiver of The BancoKentucky Company as the holder of 540,484 trustees' participation certificates, issued under a certain trust agreement of April 22, 1927, which trustees' participation certificates represent the ownership of 37,721.624 shares of stock in The National Bank of Kentucky. You will, therefore, take notice that it is the intention of the undersigned, as Receiver of The National Bank of Kentucky, to proceed against you for the collection of the aforesaid assessment liability represented by the said trustees' participation certificates held by said BancoKentucky Company, to the extent that the undersigned, as Receiver of The National Bank of Kentucky, is unable to collect said assessment from The BancoKentucky Company or its Receiver" (Ex. V. 1, p. 7).

As explained later, the "trustees' participation certificates," referred to in the notice above, represented the ownership of Louisville Trust Company as well as National Bank of Kentucky stock under a trust agreement "unifying" ownership of both banks in one certificate. A certificate represented approximately 70% National Bank and 30% Louisville Trust stock (R. 2, p. 244).

Subsequently the Receiver recovered a judgment against the Receiver of BancoKentucky Company for the entire amount of the assessment ($3,772,162.14). Because of its hopeless insolvency he was able to collect but a small

part ($90,745.17) of the judgment (Ex. V. 4, p. 1871). He thereupon brought this suit against the defendant stockholders of BancoKentucky, residing in the Western District of Kentucky, in which he seeks to recover from each his or her proportionate part of the balance of said assessment. Similar suits against other stockholders residing in the Eastern District of Kentucky, Massachusetts, Michigan, New York, Pennsylvania, Tennessee, Indiana, Illinois, Virginia, and West Virginia, were filed in the appropriate Federal District Courts of said several states and are now pending, awaiting the final decision in this case.

The District Court in the instant case in an opinion overruled the defendants' motion to dismiss; but later upon a trial on the merits entered judgment for the defendants. An appeal was taken by the Receiver to the United States Circuit Court of Appeals for the Sixth Circuit and upon a hearing the judgment of the District Court was affirmed.

The legal question presented is:

> *"Are the owners of an insolvent National Bank relieved from individual liability or 'double assessment' under the applicable Federal statute, because shortly before the bank's failure, they organized a holding company and exchanged their bank shares for holding company shares?"*

The District Court, upon the trial of the facts on the merits, answered the question in the affirmative; holding in effect that the stockholders, in creating Banco and exchanging for its stock, had found a method of retaining all the advantages of ownership of National Bank stock without the concomitant statutory liability for assessment. This decision was affirmed by the United States Circuit Court of Appeals for the Sixth Circuit, which subsequently denied a petition for rehearing. This review is presented to reverse said judgment.

The Bill of Complaint was based upon the alternative theories that the entire plan of the bank stockholders to form Banco, exchange bank stock for Banco stock, and thus through the holding company, as their agent and instrumentality, to continue in the banking business by owning and operating a chain of state and national banks, was in and of itself unlawful; that notwithstanding the transfer of bank shares for Banco shares, the defendants continued in law to be the actual, real and beneficial bank stockholders by retaining control of the bank and continuing to receive all the dividends and benefits incident to ownership; that when the stockholders of the failing National Bank, knowing that their bank stock was subject to assessment, evolved the scheme and plan to exchange National Bank stock for Banco stock and attempt to make the Banco stock nonassessable by providing in the Articles of Incorporation and on the stock certificates that it should be "nonassessable," they were plainly and intentionally attempting to evade Sections 5151 and 5234 of the Revised Statutes of the United States, 12 U. S. C. 63, 192 (Sec. 1c 156, Act June 30, 1876, as amended); that by reason of all the foregoing they were not entitled, in equity and good conscience, thus to shield themselves from assessment liability as national bank stockholders by interposing the corporate entity of their creature, Banco Kentucky, between them and the assessment liability; and that they continued until the failure, to remain the real, true and beneficial bank shareholders, liable for the assessment, and estopped to say otherwise.

FACTS OF THE CASE

National Bank of Kentucky was in an unhealthy condition for three full years before it failed on November 16, 1930. Its financial condition grew worse gradually and was very bad in June, 1929, when BancoKentucky was organized, and even worse in October, 1929, when the bank shareholders exchanged their bank stock for BancoKentucky stock. It failed, and so did Banco, exactly thirteen months and sixteen days after the exchange was made.

The above general statement is not argumentative. It is supported by actual and uncontradicted written records of the National Bank of Kentucky introduced in evidence in this case and appearing in great detail in the record before this Court.

1. National Bank of Kentucky's Financial Condition Unhealthy on April 23, 1927

National Bank of Kentucky was examined by the National Bank Examiners on April 23, 1927, which was more than three years before the failure. The examination was concluded on May 12, 1927. The Examiners' report was lodged with the Comptroller of the Currency. A copy of the report, as is customary, was promptly sent to the Board of Directors of the bank. The full report of the examination is in the record (Ex. V. 1, pp. 224 to 313).

A few facts taken from the report are sufficient: the bank's President, James B. Brown, owed $261,523.01 on direct obligations and was liable as surety for $519,107.11 additional (Ex. V. 1, p. 226). Officers and directors owed $1,019,210.46, of which $727,064.00 was unsecured by collateral (Ex. V. 1, p. 225). Corporations, in which officers and directors were largely interested, owed $2,307,902.72, of which over two million was unsecured (Ex. V. 1, p. 225). Its credit files were "incomplete" (Ex. V. 1, p. 308). It had statutory "bad debts as defined" in Sec. 5204, Re-

vised Statutes, amounting to $968,658.12, and "other overdue paper" of $1,204,169.36 (Ex. V. 1, p. 236). In the preceding six months it had charged off $171,473.46 on bad notes (Ex. V. 1, p. 304), and was required to charge off an additional $137,775.39 as a result of this examination (Ex. V. 1, p. 306). Its deposits had shrunk from $56,700,000.00 at February 11, 1927, to $49,400,000.00 at the date of this examination (Ex. V. 1, pp. 179, 224). Its "overdrafts" amounted to $438,960.96 (Ex. V. 1, p. 224). The deposit accounts of Brown, the President, had been overdrawn $30,993.44 for five months, and his newspaper, *Herald Post*, $74,917.82 for four months. Overdrafts of these two accounts were termed by the Examiner as "habitual" (Ex. V. 1, p. 298). It had "excessive loans," that is, loans made in violation of Federal Statutes, of $2,427,310.83 (Ex. V. 1, p. 272). Its "criticized" loans were classified by the Examiner as follows:

"Overdue Class A"	$ 968,658.12
"Overdue Class B"	1,204,169.36
"Slow"	5,000,160.12
"Doubtful"	567,353.47
"Loss"	137,175.16

(Ex. V. 1, p. 270.)

The "attention" of the Board of Directors was promptly "directed to the criticisms of the Examiner" by the Comptroller of the Currency by letter, in which they were requested, after the next meeting of the Board, to reply advising "as to the action taken or to be taken in regard to these matters." In part, the Comptroller said:

> "The report of an examination of your bank completed on May 12, has been received and your attention is directed to the criticisms of the Examiner on Pages 11-1 and 11-2.

"In addition to the estimated losses of $137,775, which it is understood are to be charged off on June 30, the bank is carrying an excessive amount of slow and doubtful assets amounting to $5,820,271, and $601,818, respectively, which have been steadily increasing, in spite of the fact that a substantial amount of losses has been charged off following each examination in the past two years. Overdue paper is also excessive in amount, the aggregate being $2,172,827, and includes statutory bad debts of $968,658. The Examiner has listed on the sheets following Page 6, a long list of large lines and other loans especially mentioned, which in his opinion require reduction, security, or supporting credit information. He has also listed several loans in excess of the legal limit, and a number of unwarranted overdrafts and cash items.

"It is evident that these matters have not been receiving sufficient attention, and it is urged that you review the report at your next board meeting, and take the necessary remedial measures.

"It is noted that the excessive loans to the Kentucky Jockey Club and the Consolidated Realty Company were to be reduced to the legal limit within a reasonable time; but that exception was taken to the classification of Wakefield & Company's loan as excessive. It is evident from the statement of the Examiner on Page 5-1 that the loans of the individuals included in this line were for the accommodation of Wakefield & Company, and should, therefore, be included with its direct liability and the line reduced to the 10% limit.

"Attention is directed to the Examiner's comment in regard to the credit files, and loans sold to country banks, which should receive proper attention.

"It is noted that $100,000 of the Kentucky Wagon Company line was included in the losses to be charged off, and it is believed that further substantial charge-offs should be made periodically until the line is reduced to a conservative figure" (Ex. V. 3, p. 1275).

No reply was given to the above letter and again on September 7, 1927, the Comptroller wrote:

> "... please advise, over the signatures of the available directors, whether the excessive loans have been reduced to the legal limit; the total collections obtained in the overdue and slow paper and the reduction or improvement made in each of the doubtful loans as well as in the large lines and other loans especially mentioned" (Ex. V. 3, p. 1277).

In spite of this unhealthy condition, or better perhaps because of it, National Bank of Kentucky, right at this time, went into a sort of partnership with Louisville Trust Company, a large state bank. Louisville Trust Company failed the same day National Bank of Kentucky failed, so it was a case of two weak brothers leaning on each other for support. Big publicity attended this "unification" or "merger," as it was called (Ex. V. 1, p. 156). National Bank of Kentucky increased its capital one and one-half million to four million by an entry transferring credit from its bookkeeping surplus and undivided profits (Ex. V. 1, p. 159). A mere gesture since its capital structure remained the same. No new money was invested. There was no legal merger however. The national and state banks continued their separate existence but with the same stockholders and identical Boards of Directors. The stock certificates of the two banks were deposited with Trustees who issued, in lieu thereof, what was called a Trustees' Participation Certificate, representing an undivided interest in both National Bank and Louisville Trust stock (Ex. V. 1, pp. 152, 153). The trust agreement, under which the bank stocks were deposited and trust certificates issued, in part provided:

> "(3) Each owner of a Trustees' Participation Certificate issued hereunder shall be subject to the same liability thereon as he would have been subject to in

case he had been the owner of record of such proportionate part of the shares held by the Trustees in any corporation as the number of shares called for by his Trustees' Participation Certificate bears to the whole number of shares covered by all outstanding Trustees' Participation Certificates; and to such extent he shall indemnify and hold harmless the Trustees owning such stock from any loss or liability on account of being the holders or owners thereof. The measure of liability assumed hereunder shall be the same as that provided by law with reference to the holders of stock in any particular corporation in which the Trustees may hold stock as is provided by law with reference to the holders of such stock, and no more" (Ex. V. 1, p. 29).

2. No Improvement in Its Condition During Next Six Months

The Bank Examiner's report of October 14, 1927 (Ex. V. 1, pp. 315 to 406), shows that the unhealthy condition existing six months previous (see pp. 7 to 10, infra) had not improved, notwithstanding "unification" with Louisville Trust Company and the publicity attending the same. It requires substance to clean up a failing national bank.

At this date, three years before the bank failed, and two years before the stockholders exchanged bank stock for holding company stock, its deposits had declined another million dollars, a total of seven million from February 11, 1927 (Ex. V. 1, p. 315). Its borrowed money or "bills payable" at Federal Reserve went up $3,050,000.00 since the last examination. In addition, it owed $200,000.00 on a repurchase agreement obligation (Ex. V. 1, p. 396). Overdrafts were $342,797.38; down a little bit because notes were taken from some of the overdraft obligors (Ex. V. 1, p. 315).

It was deficient in its legal reserve requirements in the amount of $153,988.00 (Ex. V. 1, p. 393). This condition as to legal reserve was chronic, not casual. The legal reserve deficit was $160,930.00 on August 11; $257,580.00 on September 11; and $450,720.00 on October 11, 1927 (Ex. V. 1, pp. 191, 193, 195). Loans to officers and directors increased to $1,184,248.53 (Ex. V. 1, p. 316). Loans to corporations in which officers and directors were largely interested, increased to $2,733,583.89, an increase of over $400,000.00 (Ex. V. 1, p. 316). President Brown's debts were about $700,000.00, a slight improvement over the previous examination. The *Herald Post* loan, Brown's newspaper, was $400,000.00 (Ex. V. 1, pp. 319, 322). The race track loans, Kentucky Jockey Club and Lincoln Fields, at Chicago, were $739,980.00 and $350,000.00 respectively, a total increase of $350,000.00 (Ex. V. 1, p. 380). The bank still had illegal or excessive loans of $1,674,980.00 and "overdue" loans of $1,867,725.36 (Ex. V. 1, pp. 373, 331). It had charged off on bad loans since the last examination $138,980.20 (Ex. V. 1, p. 398). Two very large loans, known as the Campbell and Kentucky Wagon Lines, were severely criticized by the Examiner. As to the Campbell loan, $2,092,956.24, the Examiner said in his report:

> "Your examiner cannot escape the conviction that this line as described, is a source of potential danger to the bank" (Ex. V. 1, p. 405).

As to the Kentucky Wagon loan, $1,001,150.33, he said:

> "The only safe course for the management of the bank is to continue making periodical charges to Profit and Loss until the property can be sold. At least $100,000 should be charged off each six months until the plant can be sold or the carrying value reduced to at least $600,000" (Ex. V. 1, p. 353).

Its "criticized" loans were classified by the Examiner as follows:

"Overdue Class A"	$1,303,239.12
"Overdue Class B"	564,486.24
"Slow"	5,675,509.87
"Doubtful"	795,530.33
"Loss"	150,886.05

(Ex. V. 1, p. 371.)

The Comptroller of the Currency wrote to the Board of Directors as to this examination, in which, among other things, he said that it

> ". . . shows a most unsatisfactory condition which seems to be growing worse, and requires your close attention and more conservative policy in making loans and investments, and more vigorous action in liquidating or improving the condition of those which are subject to criticism.
>
> "Although losses in substantial amounts have been charged off in the past few years, the bank continues to be burdened with a large accumulation of slow and doubtful assets which are largely represented in the large concentrations of credit and 'other loans especially mentioned' in Pages 6-1 to 6-12 of the report, and in the schedule of bonds, securities, etc. As a result of the recent affiliation with the Louisville Trust Company and an increase in the capital stock and dividend requirements, the ability of the bank to absorb its losses out of current earnings has been decreased, and if it is necessary to continue charging off losses in a substantial amount, as seems probable, the condition will be reflected in the bank's published statements. Overdrafts in excessive amounts have been repeatedly shown in reports of examination and in published reports of conditions, and accommodations of this character should be restricted."

The Comptroller also said:

> "The bank has been subject to repeated criticism for granting excessive loans, and it is requested that

the Wakefield & Co. loans be reduced to the legal limit without further delay, and that the requirements of the law be strictly observed in the future" (Ex. V. 3, pp. 1278, 1279).

3. National Bank of Kentucky's Condition at March 9, 1928, Shows That It Was Getting Worse

The Bank Examiner's report of the bank examination of March 9, 1928, showed a further decline in its financial position (Ex. V. 1, pp. 408 to 485). Its deposits went down another $5,000,000.00, a total of $13,000,000.00 since February 11, 1927 (Ex. V. 1, p. 408). Its borrowed money at that particular day was only $200,000.00, but the report showed that its average borrowings since the last examination amounted to $2,400,000.00 (Ex. V. 1, p. 474). Its officers' and directors' loans, direct and indirect, remained at $2,732,207.03 (Ex. V. 1, p. 409). Corporation loans, in which officers and directors were largely interested, were $2,591,103.18, nearly $2,000,000.00 of which was still unsecured (Ex. V. 1, p. 409). President Brown's loans, direct and indirect, were fairly constant at $684,830.72 (Ex. V. 1, p. 410). It was deficient in legal reserve in the amount of $671,364.61, an increase from the last examination of $500,000.00 (Ex. V. 1, p. 471). Overdrafts were "habitual" (Ex. V. 1, p. 471). Statutory bad debts were $1,451,360.06; other overdue loans were $414,341.76, a total of $1,865,701.82 (Ex. V. 1, p. 422). Another $151,382.05 was charged off on bad notes since the last examination (Ex. V. 1, p. 476). Illegal or excessive loans of Kentucky Jockey Club, $610,200.00, and Wakefield and Company, $736,960.00, were listed (Ex. V. 1, p. 455). Again the Kentucky Wagon loan, $1,015,461.06, and Campbell loan, $1,801,268.20, were criticized (Ex. V. 1, pp. 458, 461). In spite of previous criticisms of Kentucky Wagon, its loans were increased $114,330.73 since the last exami-

nation (Ex. V. 1, p. 436). As to these loans the Examiner stated in his report:

> "Your examiner is of the opinion that the assets of this bank which require the most serious attention of the management are included in large lines as listed on page 6 and supplemental pages. They total quite large sums and are thought to be potential sources of large losses. The most careful and active attention should be given, as well as to other substandard assets listed in this report" (Ex. V. 1, p. 479).

As to the Campbell loans, the Examiner stated:

> "Such a situation cannot be considered as a banking proposition. To say the least, it is a very undesirable condition for a national bank to have interest in such a matter, and with the additional criticism of the matter of adequate security, it behooves the management of this bank to give the above line its most careful and active attention" (Ex. V. 1, p. 461).

In this report, the bank loans criticized by the Examiner were classified as follows:

"Overdue Class A"	$1,451,560.08
"Overdue Class B"	414,341.74
"Slow"	4,640,344.25
"Doubtful"	703,186.31
"Loss"	151,266.58

(Ex. V. 1, pp. 422, 478.)

As was done following the previous examinations, the Comptroller of the Currency again wrote the Board of Directors of the bank, in which, among other things, he said as to the Campbell line:

> "This line is entirely unwarranted in size and, from a credit standpoint, is considered to be a real danger to the bank" (Ex. V. 3, p. 1283).

The Comptroller also said:

> "Other matters shown by the report requiring your particular attention are the statutory bad debts aggregating $1,451,560, slow and doubtful assets aggregating $5,210,863 and $868,154 respectively and other loans especially mentioned."

The Comptroller also called attention to non-conforming real estate loans, deficiencies in reserves, illegal cash items and overdrafts. He referred specifically to President Brown's habitual overdrafts, and further stated:

> "The condition of the bank warrants the attention of every member of the board, and you are reminded of your oaths of office and your responsibility to the shareholders for the safe management and proper conduct of its affairs. It is your duty to see that the bank is properly and lawfully conducted and no officer should be permitted to dominate the policies to the extent of jeopardizing the best interest of the bank or violating the requirements of the law and good banking" (Ex. V. 3, p. 1284).

4. Bank's Condition Was Very Bad at October 13, 1928

A regular national bank examination was again held on October 13, 1928 (Ex. V. 2, pp. 486 to 571). This date is a little more than six months before BancoKentucky was organized and just about a year before the exchange of bank stock for Banco stock. This examination discloses that: Its deposits had declined two and one-half million dollars more since the last examination in April, 1928, a total decline since February 11, 1927, of over fifteen million dollars (Ex. V. 2, p. 486). Its borrowed money, "bills payable," and rediscounts had gone up to $5,666,301.96, an enormous increase (Ex. V. 2, p. 561). Its overdrafts amounted to $243,322.58 and were considered "habitual" (Ex. V. 2, p. 558). President Brown's loans remained stationary at $679,321.06 (Ex. V. 2, p. 488). Officers' and

directors' loans, direct and indirect, jumped to $3,145,002.50; and loans of corporations, in which officers and directors were principally interested, jumped to $3,025,891.98 (Ex. V. 2, p. 487). Its legal reserve was deficient in the amount of $142,682.00 (Ex. V. 2, p. 558). The large Kentucky Wagon line was again criticized. Notwithstanding the fact that $100,000.00 of this line had been charged off as loss at the time of the previous examination, the bank had extended further credit to it in the amount of approximately $167,000.00 (Ex. V. 2, p. 518). The large Campbell line was also again criticized (Ex. V. 2, p. 545). As to overdrafts the Examiner's report stated:

> "The last published report of condition of this bank showed overdrafts aggregating $271,502.88. This is the largest amount of published overdrafts that has ever come to the attention of your Examiner. It is the subject of comments by other bankers, and has in a degree embarrassed examiners. Of course the effect cannot be favorable to the bank" (Ex. V. 2, p. 567).

The bank's loans, criticized by the Examiner, were classified as follows:

"Overdue Class A"	$1,200,857.75
"Overdue Class B"	567,254.83
"Slow"	5,108,832.50
"Doubtful"	909,949.27
"Loss"	80,185.16

(Ex. V. 2, p. 540.)

The Comptroller of the Currency also wrote the Board of Directors as to this examination, in which he stated:

> "Its condition is becoming more unsatisfactory, with slow and doubtful assets and losses sufficient in amount to threaten an impairment of the surplus fund.
>
> "It appears from the report that the greater part of the slow and doubtful assets is represented in the large lines of the Kentucky Wagon Company, Camp-

bell, and Consolidated Realty Company. . . . It is hoped that the plans for refinancing these companies will be carried to a successful conclusion, but if they are not you should make some arrangement to eliminate these large lines from the bank's assets for they are a source of danger and embarrassment to it" (Ex. V. 3, p. 1288).

5. When BancoKentucky Was Promoted and Organized, National Bank of Kentucky Was in a Precarious Condition

A regular examination of the National Bank of Kentucky began on May 25, 1929, and consumed twenty-two days. This examination was conducted by the Chief National Bank Examiner (Ex. V. 2, pp. 572 to 652). During this examination the Chief Examiner discussed at length with the President and other officers the unsatisfactory condition of the bank (Ex. V. 2, p. 650). As a result of these conferences it was promised to the Examiner that a holding company would be formed, with new capital, and that the criticized assets would be taken out of the bank.

National Bank of Kentucky at this time was in a deplorable condition, as its own records plainly show. Its condition at that time might well be said to be desperate. Its deposits had dropped over six million dollars since the last examination, made about six months before (Ex. V. 2, p. 572). This was the fulfillment of the Examiner's prophecy in the previous report when he said that "other bankers" had commented on its large "published overdraft" position which "embarrassed the Examiners" and that "the effect cannot be favorable to the bank" (Ex. V. 2, p. 567). This was a total deposit loss of twenty-one million dollars in the two-year period from February 11, 1927, to May 25, 1929 (Ex. V. 1, p. 179; Ex. V. 2, p. 572). A deposit shrinkage from $56,700,000.00 to $35,099,000.00, or over 38%. The deposit withdrawals alone would be a

very serious matter, but, coupled with the financial inability of the bank to rid itself of enormous bad loans, made the situation precarious indeed.

Borrowed money in this period had reached staggering proportions and amounted to $14,131,945.19. At this time the bank owned $9,580,800.00 in Government securities, of which all but $547,100.00 were pledged. It owed the Federal Reserve Bank $11,464,190.41; Guaranty Trust of New York, $907,000.00; National Bank of the Republic, Chicago, $500,000.00; Bank of America of New York, $1,060,754.78. In addition to all this it owed to the Stewart Dry Goods Company of Louisville, a department store, $200,000.00 for bonds borrowed. Its total borrowings amounted to over 40% of its deposits (Ex. V. 2, p. 647).

It was not deficient in legal reserve at the date of the examination, May 25, 1929, but it had been deficient in legal reserve on the day previous in the amount of $412,360.00. It had a deficiency in legal reserve for nine of the days in which the examination was taking place. The deficiency on May 31, 1929, was $1,096,760.00, and two days after the Bank Examiner left the bank, June 17, 1929, the deficiency in legal reserve jumped to $1,367,220.00, and on the following day it increased to $1,972,385.00 (Ex. V. 4, p. 1868).

It still had overdrafts of $154,268.70. Of this, $125,282.03 was the insolvent and habitually overdrawn Kentucky Wagon Company (Ex. V. 2, p. 641).

Loans, direct and indirect, to officers and directors amounted to $3,269,707.43. Loans to corporations in which officers and directors were largely interested amounted to $3,029,964.16 (Ex. V. 2, p. 573). President Brown's loans remained static at $657,294.24 (Ex. V. 2, p. 574). Its statutory bad debts amounted to $1,469,771.83. Other overdue loans amounted to $753,042.28 (Ex. V. 2, p. 592). It also had "loans exceeding the limit prescribed by Section 5200

of the Revised Statutes" amounting to $1,190,000.00, of which all except $20,000.00 were "inadequately secured" (Ex. V. 2, p. 629). Its desperate condition was reflected in the fact, as shown in the report, that it had sold to small country banks eight loans criticized by the Examiner in his previous report (Ex. V. 2, pp. 585, 586). The large credit lines extended to Kentucky Wagon, $1,340,474.38, and Campbell, $1,073,166.57, and Murray Rubber, $1,101,719.96, criticized in many previous examinations, were again adversely commented on by the Examiner. As to these loans the Examiner stated:

> "A grave potential danger lies in these large concentrations of credit" (Ex. V. 2, pp. 631, 632, 650).

With reference to Murray Rubber the report stated:

> "In general the statement shows an indebtedness of $2,049,884.00 against a net worth of $862,582. In other words, the debt of the company is two and one-half times its net worth. . . . It is evident that the company could not continue to operate long without a radical change in the result of its operations. The operating loss for April was $29,883.00. A few more months with such results would surely lead to insolvency" (Ex. V. 2, p. 617).

As to the E. B. Norman & Company loan of $552,871.25 the report stated:

> "It will be a great relief, if, and when, this large indebtedness of the company to the bank can be liquidated. It is a particularly heavy burden for the bank to bear during a time when it is having to use liberally the rediscount privileges of the Federal Reserve Bank" (Ex. V. 2, p. 620).

As to the Campbell loan the report states that the line is "thoroughly undesirable" (Ex. V. 2, p. 595).

The Kentucky Wagon loan, then amounting to $1,340,474.38, was severely criticized. As to this loan the report says:

> "Since last examination this line has increased $257,932.07. One of the disturbing facts in connection with this asset is the progressive increase in amount that has been shown. The first examination made of this bank by your Examiner was in November 1925. The aggregate amount of the loan at that time was $1,039,000.00. Since that time, there has been charged to Profit and Loss $650,000.00. The line is now $301,474.38 greater than it was at that time" (Ex. V. 2, pp. 611, 612).

This Kentucky Wagon Company loan was at this time a very serious matter. The bank only had $368,588.83 in undivided profits at this time (Ex. V. 2, p. 572). The requirement of a substantial charge-off on Kentucky Wagon would have depleted the undivided profits and presented a bank statement with an impaired capital structure. The practice, which the bank had persisted in, in spite of the Bank Examiners' warnings, of charging off $100,000.00 in a six months' period and in the same period making additional loans of more than $200,000.00, was really hard to believe. The Bank Examiner discussed this and all other criticized assets with the officers of the bank. To save the situation the bank officials told the Examiner that, if he would waive the required and necessary charge-offs at this examination, a great holding company with new capital would be immediately organized to take Kentucky Wagon and all the other dead wood out of the bank. It is all in writing in the National Bank Examiner's May 25, 1929, report, wherein it is stated:

> "Your examiner feels that the realizable value of this asset is so uncertain that the management of the bank should continue to make some substantial charges

Profit and Loss on account of it. The matter was discussed at some length at an officers' meeting. Your examiner was advised that a plan is in contemplation whereby a sort of a finance and holding company will be organized with a large capital stock, say twenty million dollars.

"The holding company will hold, among other things, the stock of the National Bank of Kentucky and its affiliated bank through a surrender and exchange of stock of the bank for stock of the company on some satisfactory basis. It is also contemplated that the holding company will acquire, and through a term of years work out, certain assets of the bank, among others probably Kentucky Wagon Manufacturing Company. In view of the contemplated organization of the holding company, your examiner was requested to waive any charge to Profit and Loss at this time on account of the Kentucky Wagon Manufacturing Company loan. Your examiner suggested that the matter might be deferred until the next examination, provided the management of the bank would agree that if the Kentucky Wagon Manufacturing Company loan is not removed from the bank by the time of the next examination, a charge of $200,000.00 to Profit and Loss would be made on the loan. It later developed that the proposed plan of consolidation is likely to be consummated at an early date, hence the matter of charge off was dropped" (Ex. V. 2, p. 612).

As to losses generally the report states:

"The matter was discussed in meeting of officers. It was also discussed in a conference with President Brown. It is expected that the bank will be functioning as a State institution within ninety days. In view of this fact, the management requested that the matter of 'charging off' losses be waived" (Ex. V. 2, p. 650).

The examination was completed June 15, 1929.

The minutes of the Board of Directors of the bank of June 7, 1929, recite:

> "Mr. Brown's proposition to form a new Company with a proposed capital of $20,000,000 organized to own stock of other corporations, all, or any part, buy and sell securities, original and refinancing, etc., was submitted to the Board of Directors and the Board expressed themselves as favorable and on motion duly seconded and unanimously carried the President was authorized to proceed along the lines outlined" (Ex. V. 2, p. 992).

After the Bank Examiner left the bank, the Board of Directors on June 21, 1929, adopted the following resolution:

> "RESOLVED, that it is the sense of this Board that a corporation of the character as outlined by the President at this meeting be formed.
>
> "RESOLVED, further, that the President be and he is hereby requested to report to the Board such details as may be necessary in connection with the organization of said corporation, together with his recommendations in regard to all matters connected therewith" (Ex. V. 2, p. 994).

At the examination completed six days before this resolution was adopted, the "criticized" loans were classified by the Examiner, as follows:

"Overdue Class A"	$1,469,771.83
"Overdue Class B"	753,042.28
"Slow"	5,119,417.92
"Doubtful"	742,521.00
"Loss"	43,276.91

(Ex. V. 2, p. 628.)

6. BancoKentucky Organized in July, 1929

During the national bank examination, May 25th to June 15th, 1929, it became obvious to the officers and directors of the National Bank of Kentucky that its collapse

was inevitable unless drastic measures were immediately taken. Its undivided profits were not sufficient to absorb the charge-offs which good banking dictated. It could not collect the criticized bad loans. Brown, the President, was insolvent, as evidenced by his subsequent voluntary petition in bankruptcy.

Kentucky Wagon was a hopeless mess, the bank losing eventually $2,330,204.02, thereon; of which $650,000.00 had been "charged off." $339,729.64 was loaned after the examination under discussion (Ex. V. 5, p. 2127). At the same time that the bank was charging off as bad a part of the Kentucky Wagon loan, it was also making new advances. Murray Rubber loans were proportionately bad; the bank taking a loss of $1,352,976.51 thereon (Ex. V. 5, pp. 2127, 2135). The ultimate losses on other large criticized assets were: Campbell, $842,216.06; Consolidated Realty, $419,043.70; E. B. Norman, $706,709.36. The total amount of losses which the bank suffered as the result of the loans specifically criticized by the bank examiners in the May 25, 1929, examination alone amounted to $7,620,967.92 (Ex. V. 5, pp. 2122 to 2136).

The officers of the bank certainly knew these conditions. If the directors did not know, it was their duty to know. The public evidently sensed the situation. Otherwise, why the enormous decline in deposits? During the same period there was a marked increase in deposits in the other banks in Louisville (R. 3, p. 113).

Knowing the precarious condition of the National Bank of Kentucky as well as, or better than, the Bank Examiner knew it; realizing that the bank was doomed unless a radical change could be brought about in its affairs, the officers, directors, and stockholders of the bank agreed to organize a great holding company, with new capital, and promised with such new capital to take Kentucky Wagon and other criticized assets out of the bank on condition

that the Bank Examiner would not require any further charge-offs at that time. And thus BancoKentucky Company, at a directors' meeting of the National Bank of Kentucky as set forth in their minutes, was first promoted.

So, therefore, even before the Bank Examiner had left the bank the organization of Banco was set afoot. There was no other alternative because the Examiner had warned that unless the Kentucky Wagon Manufacturing Company loan was removed from the bank by the time of the next examination, a charge of $200,000.00 to profit and loss would be made on the loan (Ex. V. 2, p. 612). If such a charge-off had been made at that time, the bank would have been virtually without an undivided profit account.

The organization of BancoKentucky Company followed very quickly. It was incorporated in Delaware on July 16th, 1929, authorized to issue two million shares at ten dollars each (Ex. V. 3, p. 1051). Its prospectus, signed by National Bank of Kentucky, and its "unified" state bank, Louisville Trust Company, and their identical directors, was sent to each shareholder of the unified banks (Ex. V. 3, p. 1139). For convenience this prospectus is reprinted in full as an appendix to this brief. It stated that:

> "the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the operation of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections."

And provided that:

> "It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees Participation Shareholders, and that it be managed and operated by the Board of Directors and the officers of the two banks" (Ex. V. 3, pp. 1140-1141).

The "two banks" referred to were National Bank of Kentucky and Louisville Trust Company.

It was also a prerequisite part of the plan that Banco-Kentucky hold at least a majority of the stock of the National Bank of Kentucky and Louisville Trust Company.

This prospectus offered the "entire capital stock" of BancoKentucky to the shareholders of the two banks; two shares for each Trustees' Participation Certificate, and the remainder at twenty-five dollars per share. Substantially all the certificate holders made the exchange (R. 2, p. 93). The plan was so arranged that no tax liability would be imposed on the exchange. The creation of the holding company was described as a "reorganization" (Ex. V. 3, p. 1140). It was "at once seen that the taxable gain would be very large" (Ex. V. 3, p. 1145) unless this was so, and the organizers took every step so that the exchange of bank stock for holding company stock would be "made to appear (so far as the Bank's stockholders are concerned) as a mere receipt of the same property in another form, and not as a closed transaction wherein they part with one species of property in exchange for an entirely different species of property" (Ex. V. 3, p. 1157).

The organizers "distinctly provided" in the Articles of Incorporation of BancoKentucky Company and on its certificates of stock that it was fully paid and non-assessable (Ex. V. 4, p. 1703; Ex. V. 3, p. 1449). A letter from Bean, President of the Louisville Trust Company, to Brown, President of the National Bank of Kentucky, written July 26, 1929 (Ex. V. 3, p. 1264), explains what the scheme was by this. It states:

> "Does the 'double liability' apply to BancoKentucky stock as it does to stock in the banks? NO; one of the advantages of transferring your bank stock for

> BancoKentucky Company stock is that you are relieved of the double liability clause which applies under the Kentucky law."

Hayes, a vice-president of the National Bank, in urging stockholders to exchange bank stock for Banco stock, stated:

> ". . . our new money is to be used chiefly for buying controlling interest in banks. . . . The new stock will be in just as safe a position, as I see it, as the old, and without double liability . . ." (Ex. V. 3, p. 1398).

and again:

> ". . . it does not have the double liability to the holders as bank shares have" (Ex. V. 3, p. 1400).

Substantially all the bank stockholders exchanged for BancoKentucky stock (Ex. V. 4, p. 1942). A great many, also, in response to a regular promotion campaign put on by the banks and aided by loans made by the National Bank of Kentucky amounting to more than five million dollars on the sole security of BancoKentucky stock, subscribed for additional shares (Ex. V. 4, p. 1934). Although the prospectus provided that the BancoKentucky Company "offers to the Trustees' Participation shareholders . . . its entire capital stock" some subscriptions were accepted from non-stockholders. Subscriptions were called for payment on October 1st, at which time nearly ten million dollars in cash came into the treasury of BancoKentucky Company (Ex. V. 3, p. 1144; Ex. V. 4, p. 1934). However, instead of utilizing this new money to clean up the National Bank of Kentucky, as promised to the Bank Examiners, it was paid out almost immediately to purchase the controlling stock in banks (Ex. V. 3, pp. 1073-1075). During the short period that Banco was in existence it acquired the following bank stocks through exchange of its stock and for cash (Ex. V. 4, p. 1914).

Number of Bank Shares Held by Banco	Name of Bank	Percentage of Stock Held by Banco.
38,000 out of 40,000	National Bank of Kentucky, Louisville	95%
16,625 out of 17,500	Louisville Trust Co.	95%[1]
47,854 out of 60,000	Pearl Market Bank & Trust Co., Cincinnati, O.	80%
44,290 out of 50,000	Brighton Bk. & Trust Co.	89%
548 out of 600	Central Sav. Bk., Covington, Ky.	91%[1]
2,099 out of 6,500	Peoples Liberty Bk. & Tr. Co., Covington, Ky.	32%
6,925 out of 7,500	First National Bank, Paducah, Ky.	92%
7,125 out of 8,000	Ashland National Bk., Ashland, Ky.	89%
2,713 out of 3,000	Security Bank, Louisville, Ky.	90%[1]
575 out of 1,000	Mechanic's Tr. & Sav. Bk., Paducah, Ky.	58%[1]

In exactly thirty-five days after it commenced business its available cash was gone and it was borrowing money (Ex. V. 3, p. 1553).

BancoKentucky Company began its actual business existence in October, 1929. It failed ingloriously in November, 1930, with no substantial assets except bank stock and most of these banks became insolvent at the same time (Ex. V. 5, pp. 2099 to 2108). BancoKentucky, as its name significantly indicates, was a bank stock holding company pure and simple. It was a creature born out of a resolution adopted by the Board of Directors of the National Bank of Kentucky (Ex. V. 2, p. 994).

Its President, and Secretary-Treasurer, were President and Cashier respectively of the National Bank of Ken-

[1] Over 50 per cent and therefore "an act in violation of the prohibitory provision in Section 609" (Ky. Stat.) *BancoKentucky's Receiver* v. *Louisville Trust Co.'s Receiver*, 263 Ky. 155, 92 S. W. (2d) 19 (1936). Attorney-director Helm testified "The Newport and Covington, Kentucky, banks were both state banks. We were counting on non-action by the State Banking Commissioner and the Attorney General to enforce this provision (Ky. Stat. 609)." (R. 3, p. 92.)

tucky (R. 2, p. 238). Its directors and National Bank of Kentucky's directors were the same individuals, who were also the directors of the Louisville Trust Company (R. 2, p. 238). The same group of men, acting as directors of the two banks and the holding company consistently had three board meetings all at the same time (R. 2, pp. 251, 252).

BancoKentucky Company did not have a single paid employee at any time. It never paid a dollar in salary or wages to anyone. It had no office, office furniture or equipment. It did not even have a telephone (R. 2, pp. 237, 280, 281, 282; R. 3, p. 155). It only had three small record books: cash journal, ledger, and security record (Ex. V. 3, pp. 1497 to 1574; V. 4, pp. 1575 to 1675), and these were all kept by and in the desk of the Cashier of the bank (R. 2, p. 282). It did not have a correspondence file. Letters sent and received by it were commingled in the files of National Bank of Kentucky. Though it was a Delaware corporation it never qualified to do business in Kentucky (Ky. Stat. Sec. 571), (Ex. V. 4, p. 1694; R. 2, pp. 52, 102).

BancoKentucky was listed on all the stock exchanges as a bank stock holding company (Ex. V. 4, pp. 1695, 1713, 1717, 1723, 1829). All the newspapers carried its market quotations under the heading of Bank stock (Ex. V. 3, pp. 1181, 1183, 1189).

7. Business Conducted by Banco Exclusively a Holding Company Business

It has been previously stated that BancoKentucky only had three small record books. All the entries in these books have been reproduced in full as exhibits in this case (Ex. V. 3, pp. 1497 to 1574; V. 4, pp. 1575 to 1675). It is not a tedious task to examine and analyze every different business transaction undertaken by Banco during the short year of its existence. These business transactions, and there were no others, were as follows:

(1) It exchanged its shares for National Bank of Kentucky and Louisville Trust Company shares.

(2) It sold its own shares for cash, $9,869,650.00. Over $7,000,000.00 of this came out of the "unified" banks on loans made on the security of Banco stock.

(3) For cash and exchange of its stock it acquired the controlling stock interest in seven other banks in Kentucky and Ohio; and a minority stock interest in another bank.

(4) It collected dividends, $1,180,858.50, on its bank stocks and paid out, on the same day, dividends ($1,253,513.00) on its own stock. The deficit was met by overdraft at National Bank of Kentucky.

(5) It invested $25,000.00 in 625 shares of Union Central Life Insurance Company stock.

(6) In a vain attempt to peg the stock market on Banco-Kentucky stock it repurchased and cancelled 106,000 shares of its own shares at a cost of $2,374,137.50.

(7) It collected a small amount of interest on its bank deposit.

(8) Brown, President of the Bank and Banco, without authority or knowledge of the Board of Directors, borrowed (?) two million dollars of its funds and substituted his note for that amount therefor.

(9) Shortly before its failure Brown made an unauthorized deal for a sort of a partnership with Caldwell & Company, which was never consummated.

(10) Less than thirty days before the bank's failure Banco purchased, out of the portfolio of the National Bank of Kentucky, the worthless Murray Rubber Company notes of $580,000.00 and the $20,000.00 note of Lewis C. Humphrey. This was done

in a futile last-minute attempt to clean up the National Bank of Kentucky and avert its collapse. This transaction was later rescinded by the courts.

(11) It borrowed from Chemical National of New York $1,000,000.00, pledging some of its bank stocks as collateral, at a time when it was using its funds to support the market on its own stock.

(12) It borrowed another $600,000.00 from Chemical shortly before the failure, the proceeds from which were used to purchase the worthless Murray Rubber and Humphrey notes from the National Bank of Kentucky.

Aside from such inconsequential business transactions as paying its organization, printing, and other similar expenses, stock listing and transfer fees, postage, income tax, and the like, the above mentioned matters comprise every business transaction ever conducted by Banco-Kentucky Company up to the time of its failure (Ex. V. 4, p. 1914).

Every one of the above mentioned transactions were connected directly with and in furtherance of its interest in the stocks which it held in the National Bank of Kentucky, and the other nine banks, except the purchase of "an infinitesimal amount" of stock (R. 3, p. 167) in the Union Central Life Insurance Company for $25,000.00. This represented less than one-tenth of one percent of its total investments (Ex. V. 4, p. 1739). It is not difficult to surmise that this was done to attract bank deposits; and if so, even it was in furtherance of the bank stock holding company business.

The appropriation by Brown of two million dollars of Banco's funds, and the substitution of his note therefor, was unauthorized and therefore not a business transaction of Banco. If it be considered a transaction of Banco, it

was done in furtherance of the interest of the bank because the funds in part went immediately to reduce the much criticized Brown and Wakefield notes in the National Bank of Kentucky.

The Caldwell transaction above was never consummated (R. 1, p. 262). It amounted to an attempt only, was not consummated, and cannot be considered a transaction at all. The Caldwell deal was clearly a last-minute attempt to rescue the fast sinking National Bank of Kentucky, and extend the bank-stock holding company business.

The Murray Rubber and the Humphrey transactions were later rescinded by the courts. *BancoKentucky Company's Receiver* v. *National Bank of Kentucky's Receiver*, 281 Ky. 784, 137 S. W. (2nd) 357. The transaction was a direct attempt to aid National Bank of Kentucky and protect the stockholders' keystone bank.

The "declared" purposes of BancoKentucky, set forth in its articles of incorporation, undoubtedly permitted it to engage in a wide variety of business enterprises aside from the holding of the bank stocks. It engaged, however, only in the business of holding bank stocks. The written record makes this all crystal clear. The President and Secretary of BancoKentucky Company certainly knew what the real purpose and business of BancoKentucky Company was. On September 26, 1929, just as the company was starting business, it made application to list its shares on the Chicago Stock Exchange. As is customary, it filed a sworn written application. This application states that Banco was incorporated "for the purpose of owning controlling interest in state and national banks located primarily in Kentucky, Ohio and Indiana." And "it is the intent of the management to employ its cash for acquiring additional banks" (Ex. V. 4, p. 1723). A letter of the Secretary of Banco, addressed to the Chicago Stock Exchange, March 19, 1930 (Ex. V. 4, p. 1711) reads in part:

> "This is to state that the BancoKentucky Company is a holding company for capital stock of banks and trust companies, of which it owns a majority of stock or a controlling interest."

And in a questionnaire filed with the Chicago Stock Exchange, signed by the Secretary of Banco, it is stated (Ex. V. 4, p. 1713):

> "(b) *Primary Purpose:* To acquire, control and operate banks and trust companies.
>
> "(c) Nature of Business: This company has not engaged in the business of investing and reinvesting in a diversified list of securities of other corporations for revenue and profit, but has limited its activities to acquiring control of banks and trust companies and the operation of same."

8. Banco One of Many Plans Suggested as a Means of Avoiding Charge-Off of Bad Loans

The condition of National Bank of Kentucky was precarious when BancoKentucky was formed. Its condition gradually became worse after Banco was organized. We have heretofore shown in detail, at periods prior to the organization of Banco and from the Bank's own records, the conditions which brought about its eventual collapse. Details such as declining deposits, failure to maintain its legal reserve requirements, heavy borrowings, excessive overdrafts, illegal loans, large charge-offs and millions of sub-standard assets classed as slow and doubtful, alone tell the story. But if one examines more deeply into the details of the record before this Court, he comes to the inevitable conclusion that "unification" with Lonisville Trust and the organization of Banco were simply two of several schemes to clean up National Bank of Kentucky and to restore it to a position of confidence in the community. It could not charge down the Kentucky Wagon, Murray Rubber, Wakefield, Campbell, and Herald Post loans to their

real values without a serious impairment of its capital structure.

Its officers made promises of every kind to the bank examiners as to these loans in order that it would not be required to make the necessary charge-offs. In 1928 they said they were going to sell Kentucky Wagon to the French Government at a price that would pay off the loan (Ex. V. 2, p. 518). In the following year to prevent a charge-off on Kentucky Wagon, they promised the examiner that they would form the holding company, Banco, and that Banco would take Kentucky Wagon and other bad loans out of the Bank (Ex. V. 2, p. 612).

In the year in which Banco was formed they again escaped a charge-off on Kentucky Wagon upon the promise that they intended to denationalize the National Bank of Kentucky and make it a state bank (Ex. V. 2, p. 650). They actually went so far as to incorporate a state bank with the name "Bank of Kentucky" (Ex. V. 3, p. 1187), but found that they could not denationalize; the Federal Reserve Bank would not admit the proposed new state bank to membership because it had about four million dollars in sub-standard loans (Ex. V. 3, p. 1479).

At the time of the spring examination in 1930 they worked up a scheme to go into partnership with Caldwell & Company and its chain of banks. A few months after this deal was contemplated, Caldwell failed for untold millions and his creditors received about one-half of one per cent in dividends—two broken financial houses going into partnership to restore themselves to solvency.

These stockholders did have one chance to save National Bank of Kentucky and that was by complying with the promise that they made to the bank examiner when Banco was organized; that they would put new money into Banco, and that they would take this new money and clean up the National Bank of Kentucky, but instead of doing

this they resorted to the grandiose scheme of acquiring a whole chain of banks on both sides of the Ohio River.

Each time the national bank examiner came into the National Bank of Kentucky they had a new scheme, always in futuro, to take the dead wood out of National Bank of Kentucky. Even at the time of the last examination of National Bank of Kentucky, September 17 to October 24, 1930, less than a month before the failure, they had new proposals as shown in a letter, signed by the directors, to the Comptroller of the Currency. These never materialized. (See letter dated October 24, 1930, Ex. V. 2, pp. 985, 986.)

The inevitable end of the road came in November, 1930. Caldwell's failure, a few days before, did not cause the failure of National Bank of Kentucky. Its stockholders and their agents, the officers and directors, are responsible. Its failure certainly cannot be laid on the doorstep of the depositors.

9. Bank Shareholders Continued to Manage Bank After the Exchange, and Received the Same Dividends

The prospectus provided:

> "It is an essential part of this organization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participation Shareholders, and *that it be managed and operated by the Boards of Directors and the officers of the two banks.*"

The plan was not only conditioned "upon the acquisition by the trustees participation shareholders . . . of at least a majority of the shares of the BancoKentucky Company" but it was "further conditioned upon the acquisition by the BancoKentucky Company of . . . a majority of the trustees participation shares" (Ex. V. 3, p. 1140A). This plan was carried into effect. During Banco's entire exist-

ence its directorate and the unified banks' directorates were identical (R. 2, p. 238). Although Banco acquired other banks, no representative of those banks was admitted to Banco's board. Control over the holding company was vested from the start and continuously in the respondents (Ex. V. 4, pp. 1917 to 1920). On the other hand, Banco placed its representatives on the boards of the various outlying banks which it acquired. Consequently, the respondents continued their control over the National Bank of Kentucky and added to this a control over other banks. Brown was elected director of all the banks which were acquired (Ex. V. 4, p. 1858), a situation which was criticized by the Bank Examiners as being in violation of law (Ex. V. 2, p. 870). Qualifying shares of the stock in the acquired banks were furnished to those of the directors of the acquired banks who, in addition to Brown, were to represent Banco (Ex. V. 3, p. 1099; Ex. V. 4, pp. 1797, 1798, 1822-1825). Dividends on qualifying shares were returned to Banco. Directors so qualified endorsed their qualifying shares and returned them to Banco (Ex. V. 4, pp. 1799, 1801, 1809, 1812-1824).

The original shareholders of the Bank continued their control of the Bank and of the holding company not only through the same Board, but through the holding company's officers. Banco's president and secretary-treasurer were president and cashier, respectively, of National Bank of Kentucky (Ex. V. 3, pp. 1063, 1099). Substantially all of the shareholders of the Bank became shareholders of Banco (Ex. V. 4, p. 1942). Banco, in turn, acquired ninety-five per cent of the Bank stock (R. 2, p. 94). All persons recognized that neither the control nor interest of the Bank shareholders was changing and in order to avoid a taxable gain the plans were made so that those exchanging would merely be accepting "receipt of the same property in another form" (Ex. V. 3, p. 1157).

At the time both the Bank and Banco failed sixty-seven (66.68%) per cent (Ex. V. 5, p. 2152) of all of Banco's outstanding stock was held by individuals who had been shareholders of the National Bank of Kentucky. The original arrangement that a substantial majority of the stock of the holding company "be owned by the trustees participation shareholders" was continued to the end. Actually, at the time of failure almost ninety (88.71%) per cent of Banco's shareholders were persons who had acquired Banco stock by exchange of trustees' participation certificates or interim receipts, which represented trustees' participation certificates, by subscription to the "plan of reorganization" which set out the fact that under the plan trustees' participation shareholders should manage the holding company, or by exchange of shares of the other banks which Banco acquired (R. 2, pp. 127, 128).

Not only did the shareholders of the Bank continue their control, they continued to receive exactly the same dividends which they had received before the exchange. The amount received and the date on which the dividend was received was exactly the same as though the respondents had continued in the original arrangement and had not organized the holding company (Ex. V. 4, pp. 1692, 1917 to 1920).

National Bank of Kentucky paid dividends of $160,000.00 each quarter, equal to $16.00 per share per year on its capital stock, to BancoKentucky which distributed the exact amount to its shareholders on the very same day it was received from the bank (R. 2, p. 101). From its organization until its failure, little more than a year, Banco-Kentucky's only income, except for $3,457.40, was from its controlled banks (Ex. V. 4, p. 1689). During its existence it collected $1,180,858.50 dividends from its bank stocks and paid $1,253,513.00 to its stockholders. The money to pay the deficit was met by overdraft on the National Bank of Kentucky (R. 2, p. 122).

SPECIFICATIONS OF ERROR

1. The Circuit Court of Appeals erred in affirming the decision of the District Court.

2. The Circuit Court of Appeals erred in holding that the respondents could shield themselves behind the corporate entity of BancoKentucky and avoid stock assessment in this matter.

ARGUMENT

Regardless of "Record" Ownership, the "Real" or "Beneficial" Owner Is Liable for Assessment

The idea of a bank-stock holding company originated, or at least assumed serious proportions, in the high finance days of 1911. It was then proposed in New York to form a giant bank-stock holding company to buy up, through exchange of holding company shares for bank shares, a great many banks, national and state, throughout the nation. Had the effort received governmental sanction, and succeeded, a few great holding companies might soon have controlled all the banks in the United States. The President saw the danger and called upon the Solicitor General for an opinion on the matter. In the opinion, Solicitor General Lehmann said:

> "If many enterprises and many banks are brought and bound together in the nexus of a great holding corporation, the failure of one may involve all in a common disaster."

And he concluded that a holding company

> "in its holdings of National Bank stock is in usurpation of Federal authority and in violation of the Federal law." Congressional Record, May 10, 1932, page 10212. 9899-9904.

What the Solicitor General prophesied came true at Louisville with its BancoKentucky; in Michigan with its Detroit Bankers Company and its Guardian Detroit Union Group, Inc. The stockholders of these Detroit bank-stock

holding companies were held liable for the national bank assessments. *Barbour* v. *Thomas,* 86 F. (2d) 510; cert. den. 300 U. S. 670. Fortunately for the nation, it did not happen in the northwest with its Northwest Bank Corporation, or in the far west with its giant Bank America Corporation.

Banco, just like Detroit Bankers and Guardian Detroit Group, was a promotion by the owners of the bank. It was promoted, not to let them go out of the banking business, but to continue and enlarge their investment therein, and increase their opportunity to profit thereby. They "distinctly provided" in the articles of incorporation of Banco and on its certificates of stock that it was "fully paid and non-assessable." What did they intend by this except to escape the assessment liability? The answer to the question will be found in the letter of Bean, President of the Trust Company, to Brown, President of the bank, written July 26, 1929 (Ex. 27, p. 1262), which states:

> "Does the 'double liability' apply to BancoKentucky Company stock as it does to stock in the banks? NO; one of the advantages of transferring your bank stock for BancoKentucky Company stock is that you are relieved of the double liability clause which applies under the Kentucky law."

Title 12 U. S. C. 63 provides:

> "The shareholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares. . . ."

This Court has consistently held that:

> ". . . they (owners of national bank stock) cannot enjoy the benefits accruing to shareholders, and escape liability for the contracts, debts and engagements of

the bank." (Parenthetical addition ours.) *Christopher* v. *Norvell*, 201 U. S. 216, 229 (1906).

The decisions from the earliest cases involving stock assessment liability adhere to and extend the principle that technicalities, subterfuges, record ownerships, and transfers will be disregarded in order to discover the real, true and beneficial owner of the bank shares and hold him liable for the assessment.

> "As to such owners (real owners) the law looks through subterfuges and apparent ownership and fastens the liability upon the shareholder to whom the shares really belong." (Parenthetical addition ours.) *Ohio Valley National Bank* v. *Hulitt, Receiver*, 204 U. S. 162, 168 (1907).

The transferor has been held to be liable as actual owner where transfer of stock was made to a financially irresponsible person for the purpose of evading assessment and where the transferor continued to be the true owner. *National Bank* v. *Case*, 99 U. S. 628 (1878). The same rule was followed in *Bowden* v. *Johnson*, 107 U. S. 251 (1882), and amplified in *Stuart* v. *Hayden*, 169 U. S. 1 (1897); *McDonald* v. *Dewey*, 202 U. S. 510 (1906); *Pauly* v. *State Loan*, 165 U. S. 606 (1897); *Ohio Valley National Bank* v. *Hulitt*, 204 U. S. 162 (1907).

Where the stock was transferred to a minor child who could not respond to assessment, this Court has held the transferor liable. *Early* v. *Richardson*, 280 U. S. 496 (1930).

In cases where the stock was transferred to a trustee for the purpose of taking advantage of the statute which provides that the trustee shall only be liable to the extent of trust assets in his possession, 12 U. S. C. 66, it was held that the beneficial and real owner would be liable. *English* v. *Gamble*, 26 F. (2d) 28 (C. C. A. 8, 1928); *O'Keefe* v.

Pearson, 73 F. (2d) 673 (C. C. A. 1, 1934); *Schlener* v. *Davis*, 75 F. (2d) 371 (C. C. A. 5, 1935).

In more recent cases involving the use of a holding corporation as a bulwark against stock assessment, the courts have constantly held that the shareholders of the holding company are liable for assessment. *Corker* v. *Soper*, 53 F. (2d) 190 (C. C. A. 5, 1931), cert. den. *Corker* v. *Howard*, 285 U. S. 540; *Metropolitan Holding Co.* v. *Snyder*, 79 F. (2d) 263 (C. C. A. 8, 1935). The corporate fiction of the holding company was disregarded. *Durrance* v. *Collier*, 81 F. (2d) 4 (C. C. A. 5, 1936); *Brusselback* v. *Cago Corp.*, 85 F. (2d) 20 (C. C. A. 2, 1936), cert. den., 299 U. S. 586; *Nettles* v. *Rhett*, 94 F. (2d) 42 (C. C. A. 4, 1938); *Fors* v. *Farrell*, 271 Mich. 358, 260 N. W. 886 (1935); *Harris Investment Co.* v. *Hood*, 123 Fla. 598, 167 So. 25 (1936); *Nettles* v. *Sottile*, 184 S. C. 1, 191 S. E. 796 (1937); *Hansen* v. *Agnew*, 195 Wash. 354, 80 P. (2d) 845 (1938).

In every case before this Court since the statute was adopted the rule expressed in *Pauly* v. *State Loan and Trust Co.*, 165 U. S. 606 (1897), has been followed. That rule is:

> "That the real owner of the shares of the capital stock of a national banking association may, in every case, be treated as a shareholder within the meaning of section 5151 (165 U. S. 619).
>
> "The courts will look at the relations of parties as they actually are, or as, by reason of their conduct, they must be assumed to be for the protection of creditors. Congress did not say that those only should be regarded as shareholders, liable for the contracts, debts and engagements of the banking association, whose names appear on the stock list distinctly as shareholders. . . . As already indicated, those may be treated as shareholders, within the meaning of section 5151, who are the real owners of the stock, or who hold

> themselves out, or allow themselves to be held out, as owners in such way and under such circumstances, as, upon principles of fair dealing, will estop them, as against creditors, from claiming that they were not, in fact, owners." (165 U. S. 623.)

In *Ohio Valley National Bank* v. *Hulitt*, 204 U. S. 162 (1907), this Court restated the rule.

> ". . . the law looks through subterfuges and apparent ownerships and fastens the liability upon the shareholder to whom the shares really belong." (204 U. S. 168.)

A corporate entity will be disregarded when necessary to avoid a fraud or to prevent an evasion of a statute. Wormser, "The Disregard of Corporate Fiction," pp. 36, 44, 51, 59.

This rule has been followed by this Court when to give sanctity to the corporate entity would result in circumventing a statute enacted for the protection of the public. *Northern Securities Co.* v. *United States*, 193 U. S. 197 (1904); *United States* v. *Lehigh Valley Railway Co.*, 220 U. S. 257 (1911); *United States* v. *Delaware L. & W. Railway Co.*, 238 U. S. 516 (1915).

In *C. M. & St. P. Ry. Co.* v. *Minneapolis Civic and Commerce Association*, 247 U. S. 490 (1918), this Court said:

> ". . . the courts will not permit themselves to be blinded or deceived by mere forms of law but, regardless of fictions, will deal with the substance of the transaction involved as if the corporate agency did not exist and as the justice of the case may require." (247 U. S. 501.)

"A dominant or controlling stockholder or group of stockholders" has been recognized as a fiduciary for creditors of the corporation. *Pepper* v. *Litton*, 308 U. S. 295, 306 (1939). In that case the Court pointed to the fact that:

> "The relations of a stockholder to a corporation and to the public require good faith and fair dealing in every transaction between the stockholder and the corporation which may injuriously affect the rights of creditors and the general public, and a careful examination will be made into all such transactions in the interests of creditors." 308 U. S. 309 (footnote 19 quoting from *In re Burntside Lodge, Inc.*, 7 F. Supp. 785).

The respondents organized Banco for the purpose of continuing and extending their interest and control in banks. However, they sought to retain this advantage and at the same time escape the concomitant liability imposed by the assessment statutes. The respondents continued to remain the shareholders of National Bank for the purpose of the statute. Banco was nothing more than "a corporate pocket" (308 U. S. 309) of the bank stockholders.

In giving the transaction the special scrutiny necessary to protect the interests of creditors, it would seem that the form should be disregarded and effect should be given to the spirit of the law. This is especially so because Banco was organized at a time when the Bank's condition was precarious.

Respondents refer to Banco's unlimited powers, as set out in its purpose clause, as a defense to the present claim. Banco's actual purpose, however, was reported to the state of its incorporation in its annual report. The nature of Banco's business was there described:

> "TO ACQUIRE, CONTROL AND OPERATE BANKS AND/OR TRUST COMPANIES" (Ex. V. 4, p. 1921-a).

In other public announcements such as the application for stock listing with the Chicago Exchange (Ex. V. 4,

p. 1717); the application for listing on the Louisville Exchange (Ex. V. 4, p. 1695); brokerage circulars (Ex. V. 5, pp. 2087-2090); correspondence (Ex. V. 4, p. 1711) and general publicity it was so described.

In *Central Life Securities Co.* v. *Smith*, 236 Fed. 170, C. C. A. 7 (1916), the Court pointed out:

> "While the Central Life Securities Co. was authorized to conduct various kinds of business, its chief business, as advertised and as actually conducted, was to secure control of the Republic Life Insurance Company, and thereby indirectly engage in the life insurance business."

The Court held that the corporation was acting unlawfully and was not troubled in arriving at that conclusion by the broad purpose clause.

Nor can the fact that Banco was a Delaware corporation affect the situation. The mere fact that there was incorporated in the charter and in the certificates which Banco issued a phrase that its shares should be non-assessable does not leave the Federal Government without remedy when the receiver of a national bank, an officer of the United States, attempts to enforce a Federal law. Such a contention was disapproved by this Court in the *Northern Securities* case. The Court said:

> "Underlying the argument in behalf of the defendants is the idea that as the Northern Securities Company is a state corporation, and as its acquisition of the stock of the Great Northern and Northern Pacific Railway companies is not inconsistent with the powers conferred by its charter, the enforcement of the act of Congress, as against those corporations, will be an unauthorized interference by the national government with the internal commerce of the States creating those corporations. This suggestion does not at all impress us." 193 U. S. 197, 332.

And again:

> "No State can, by merely creating a corporation, or in any other mode, project its authority into other states, and across the continent, so as to prevent Congress from exerting the power it possesses under the Constitution. . . ." Ibid., p. 345.

BANK STOCK HOLDING COMPANY CASES

With respect to the Federal Bank Assessment statute, under consideration here, and with respect to similar statutes as to state banks, the courts have been uniform in holding that the stockholder of the bank stock holding company is in law the real stockholder of the bank. Decisions to this effect are found in the United States Circuit Court of Appeals for the Second, Fourth, Fifth, Sixth and Eighth Circuits, and similar decisions have been handed down by the Supreme Courts of several states.

In *Nettles, Recr.*, v. *Rhett*, 94 Fed. (2) 42 (C. C. A. 4), (1938), the court stated the rule as follows (p. 47):

> "Even in the absence of a prohibitory statute, it has been quite generally held in recent bank cases under varying circumstances that the stockholder in a company, which holds for them the stock of a bank, are the real beneficial owners of the stock, and, as such, are subject to the assessment when the bank fails, notwithstanding the record ownership or title. This is merely an application of the rule which, before the adoption of the holding company device in banking circles, had announced the liability of the real owner of bank stock, although not registered as such on the bank's books. *Pauly* v. *State Loan & Trust Co.*, 165 U. S. 606; *Ohio Valley National Bank* v. *Hulitt*, 204 U. S. 162; and the rule has been recently applied, not only in cases in which an actual intent on the part of the organizers of the holding company to evade an impending statutory liability has been found to exist, as in *Corker* v. *Soper*, 53 F. (2d) 190; *Durrance* v. *Collier*,

81 F. (2d) 4; *Brusselbach* v. *Cago Corp.*, 85 F. (2d) 20; *Harris Investment Co.* v. *Hood*, 123 Fla. 598, 167 So. 25, but also where the holding company was formed for the bona fide purpose of saving the bank or bringing about and controlling an expansion of its business. *Metropolitan Holding Co.* v. *Snyder*, 79 F. (2d) 263; *Barbour* v. *Thomas*, 86 F. (2d) 510; *Fors* v. *Farrell*, 271 Mich. 358, 260 N. W. 886."

• • • •

Banco was organized to "expand" the bank's "facilities." The organizers, however, took care that the former shareholders should control this "expansion of its business."

In setting out the rule of liability of the shareholders of the holding company the Court in the *Nettles* case said:

> "Some of the cases reach this result by resort to the theory that the circumstances justify the ignoring of the corporate entity; *but there seems to be no necessity to adopt this view.* The holding company may be frankly recognized as a convenient instrumentality adopted by the stockholders for legitimate ends (in the absence of a prohibitory statute) without affecting their liability in the case of insolvency to pay again the face value of their stock, just as if it were being held for them by a natural person."

In *Corker* v. *Soper*, 53 Fed. (2d) 190 (C. C. A. 5), cert. denied 285 U. S. 540 (1931), Corker was held liable for stock assessment though he attempted to continue his ownership in the bank by insulating himself from liability by means of placing his stock in Laurens Company. The decision of the District Court, holding Corker liable, was affirmed by the Court of Appeals. That court said (p. 192):

> "Appellant devotes a large portion of his brief to the contention that the Laurens Company was a real corporation, validly organized and validly existing, and that, in view of the frankness with which the pur-

pose to avoid liability was avowed, and the things to accomplish that purpose done, there is no warrant here for disregarding the corporate character of the Laurens Company in order to hold its incorporators liable.

"Appellant's troubles do not arise from the fact that the corporate entity of the Laurens Company has been disregarded. The judgment of the court below fully recognized and gave effect to that entity. It found that, though it did in fact exist, it existed as a mere creature organized and maintained for the purpose of holding, not really, but as agent for appellant, the stock which he caused to be put in its name, that appellant at all times remained the real owner of the shares, and that the law will look through the subterfuge of pretended ownership to fasten liability upon the shareholder to whom, in fact, the shares belong."

The only difference between the *Corker* case and the present suit is the fact that there the holding company only held the stock of one bank and here Banco held the stock of several. This does not serve as a basis for distinction, however. Banco had no substantial assets other than assessable bank stocks. These could not be relied on for the protection of the depositors since failure of one bank would bring and did bring common disaster.

It is true that Banco received $9,800,000.00 in cash ($7,100,000.00 borrowed from bank-trust company) but that cash was used principally to purchase stocks of other banks. Before that cash was received by Banco contracts had been executed to buy two Cincinnati banks.

In *Durrance* v. *Collier*, 81 Fed. (2d) 4 (1936), the Court of Appeals for the same circuit reached the same conclusion.

In *Barbour* v. *Thomas*, 86 Fed. (2d) 510 (1936), cert. denied, 300 U. S. 670 (1937), the Court of Appeals for the Sixth Circuit laid down the rule which we believe should have been adopted in the instant case. The Court said:

> "Since the holding company had no substantial assets except the stock of its units, it was manifest that the creditors and depositors of the component banks were offered no real protection either under the federal statute providing for double liability of shareholders (Section 63, Title 12, U. S. C.), or under a statute of the State of Michigan with similar provisions." [86 F. (2d) 513.]
>
> "The stockholders of the banks had no intention of retiring from the banking business. They organized the holding company for the protection and promotion of their common interests. . . . Their primary purpose was to centralize the control and operation of the five unit banks and from time to time acquire control of additional ones by the exchange of holding company stock for other stocks. They were careful to provide that the holding company should be under the exclusive control of officers and agents of the component banks at least until December 31, 1934." [86 F. (2d) 517.]

In attempting to distinguish the present situation from the *Detroit* case the Court of Appeals commented that in that case

> "The only assets of the holding company upon its organization were the bank stocks transferred to it by constituent units, in exchange for its stock, and '$1200 received from 120 "trustee shares" of no par value' . . ." (R. 319).

This statement only serves as a distinction in the amount of cash held by the two holding companies at the time of their organization. This difference is an illusory one. Banco's cash came from the Bank and the Trust Company as a result of loans made by those two institutions to individuals who were buying Banco stock. That cash when paid into Banco was dedicated to the purpose of acquisition of additional banks. The subscribers for Banco stock.

were not required to pay their subscriptions until October 1, 1929 (Ex. V. 3, p. 1144). Prior to that time, on September 25, 1929, Banco had made a contract to purchase stocks of other banks which would use up practically all of that cash, and plans were under discussion for the purchase of banking institutions in addition to those already contracted for (Ex. V. 3, pp. 1073 to 1075).

It is submitted that there is no distinction between the instant case and the *Detroit* case. Both of the holding companies "possessed no substantial assets, except the stock of its component banks" (R. 320). In such a situation the Court of Appeals recognized that

> "Creditors and depositors . . . were afforded no real protection . . . under the federal statute imposing double liability." (R. 320.)

In attempting to base a distinction between the present case and the *Barbour* case on the amount of cash paid into the holding company "upon its organization," it is submitted that the Court of Appeals overlooked certain factors which were present in the Detroit bank assessment cases. *Deming* v. *Schram*, 7 F. Supp. 271, was a companion suit to *Barbour* v. *Thomas*. There the stockholders of the holding company, held liable for the assessment, paid in cash in excess of $7,500,000 for the purchase of additional shares of the holding company (Ex. V. 5, p. 2181). Paying cash for stock of the holding company did not relieve the stockholders of The Peoples Investment Corporation or other bank holding companies. As the Court of Appeals for the Fourth Circuit said:

> "It is of no moment that some of the preferred stockholders acquired their shares for cash and did not previously own stock of the bank. They became none the less the real parties in interest in the Peoples State Bank. . . ." *Nettles* v. *Rhett*, 94 F. (2d) 42, 49.

It is further submitted that the Court of Appeals overlooked factors involved in the *Barbour* case, itself, in attempting to base a distinction on this ground between the present suit and the *Barbour* case. In the *Barbour* case the Court pointed out that,

> "Ninety-one and three-tenths per cent of appellants were . . . owners of their holding company stock by original exchange, one-half of one per cent obtained their stock in exchange for the stock of others of subsequently acquired institutions. The remainder obtained their certificates in other ways." *Barbour* v. *Thomas*, 86 F. (2d) 510, 516.

The Detroit holding company stock was listed on the stock exchange and some of the 8% above mentioned acquired their stock through the exchange for cash (Ex. 126, record *Barbour* v. *Thomas*, No. 718, October Term, 1936, on file with the Clerk of this Court). This did not prevent them from being held liable as the real and actual shareholders of the First National Bank-Detroit.

The Court of Appeals also points out that the Detroit shareholders "assumed its statutory liability as record holder of the bank stocks" (R. 320). However, the Court itself states that this point "while being worthy of evaluation was not considered controlling." It was laid "to one side" in the decision holding the Detroit shareholders liable. It cannot serve as a distinguishing point. This is particularly so when the condition of the Bank as of the time the clause was written into Banco's charter is borne in mind.

Neither the fact that some of Banco's stock was sold to the general public nor the illusory accumulation of cash, nor the placing of the statement of limitation on liability in the charter can serve to distinguish the present case from the action holding the Detroit shareholders liable. Nor can Banco's purchase of stock in an insurance company

(one-tenth of one per cent of its total assets), nor its belated acquisition of the Murray Rubber and Lewis Humphrey obligations [amounting to one and one-half per cent of its total assets, never brought before its Board of Directors and rescinded by the Court after its collapse—*BancoKentucky's Receiver* v. *National Bank of Kentucky's Receiver*, 281 Ky. 784, 137 S. W. (2d) 357 (1939); nor the unauthorized personal loan to Brown; nor the unconsummated Caldwell transaction, serve to distinguish the present case from that in Detroit. It is submitted that the Court of Appeals should have applied the rule it laid down in the *Barbour* case.

In *Metropolitan Holding Co.* v. *Snyder*, 79 Fed. (2d) 263 (C. C. A. 8, 1935), the Court said (p. 268):

> "The incorporators of the holding company may have acted in good faith according to their standards of right, but under the facts in this case, as disclosed by the record, they must be judged by the legal effect of what they deliberately did. If they were the beneficial owners of the shares in question and the corporation was merely an instrumentality set up for their own convenience in holding the title to the shares, then in equity it matters not what design, good or evil, prompted their actions; from either source, the effects of their actions—the avoidance of a statutory liability—are the same."

The claim was made that the holding company became the actual owner of the bank stock and that the defendants were only its stockholders. The Court said that the provision of the National Bank Act for assessment liability was (page 266):

> ". . . enacted primarily for the benefit of the creditors of national banking associations. The so-called double liability of shares of national bank stock prompts the public to select banks of this character with which to

do business in preference to other institutions which do not have this additional stock liability. If the contentions of the appellants are correct, then the organization of this holding company had the effect of circumventing Section 5151, Rev. St. The ownership of this 720 shares of stock carried with it the responsibility of this additional liability, and to say that the individual appellants by their own initiative could take the title to this block of stock from the Vandeventer Securities Company and practically suspend this statutory liability by placing title in a corporation, the only asset of which, at the time, or ever to be, was this block of stock, would be to render the provisions of this statute a complete nullity for all practical purposes. *To deprive the creditors of a national bank of their statutory protection by such a method is wrong and the courts will not countenance the interposition of a mere corporate shadow to conceal who are the actual and beneficial owners of bank shares. To permit individuals to circumvent the contingent liability under this statute by simply organizing a corporation for the purpose of holding shares would set up a device against which the statute would ever afterwards be ineffective.*"

In *Brusselback* v. *Cago Corporation*, 85 Fed. (2d) 20—cert. denied, 299 U. S. 586 (1936), the Court held (p. 23):

"Appellee Fox is the president of Cago Corporation, Spielberg is one of the incorporators, and Michael J. Devlet is alleged to be among those who caused the incorporation of the Cago Corporation for purposes of evading liability imposed by the Federal Farm Loan Act. The bill pleads that the corporation has never had any substantial assets, and that it 'is the mere agency and instrumentality of the persons aforesaid who caused it to be organized, or of other persons, some of whom are unknown to complainants, who are the real owners of said shares of stock and for whom the said Cago Corporation is a mere sham owner and shield. Such persons aforesaid are in fact the owners

> within the meaning of the aforesaid Act of Congress' of those shares of stock of which the corporation is the record owner. If the appellants are able to establish at the trial that any or all of these three appellees are beneficial owners of any of the stock held in the name of the Cago Corporation, they will be liable for the assessment herein sought to be collected."

District Court rulings arrive at the same conclusion that the shareholders of the holding company are liable for the assessment, *Anderson* v. *Atkinson*, 22 F. Supp. 853 (District Court, Illinois, 1938), involving the same assessment. *Partridge* v. *Ainley*, 28 F. Supp. 472 (District Court, New York, 1939), involved a joint stock land bank. In that case the Court said (p. 475):

> "I find that this was not a case of a bona fide sale of the bank stock but was another instance—whereof there are many in the books—e. g. *Barbour* v. *Thomas*, 6 Cir., 86 F. (2d) 510, 517; *Ullrich* v. *Thomas*, 6 Cir., 86 F. (2d) 678, 679; *Metropolitan Holding Company* v. *Snyder*, 8 Cir., 79 F. (2d) 263, 266-268, 103 A. L. R. 912; *Brusselback* v. *Cago Corporation et al.*, D. C., 24 F. Supp. 524, 529, 530; *Holmberg* v. *Anchell et al.*, D. C., 24 F. Supp. 594, 599, wherein a holding company without double liability on its stockholders was formed to hold bank stock, and possibly also (although that matter not) to unify the control of the bank as much as might be, looking to its reorganization."

Since the original plan in the instant case contemplated that the shareholders of the bank would incur no income tax liability on the exchange and would merely receive "the same property in another form" (Ex. V. 3, p. 1157), it cannot be claimed by the respondents that there was a bona file sale here.

The District Judge in the *Partridge* case held that the holding company did not constitute "a 'nonconductor' of the double liability of the stockholders of the bank." 28

F. Supp. 472, 475. It is submitted Banco cannot be an insulator here.

In state courts where the question has arisen the courts have uniformly held the shareholders of the holding company liable for the assessment. In *Fors* v. *Farrell,* 271 Mich. 358, 260 N. W. 886 (1935), the Court summed up the law as follows:

> "That neither an individual nor a corporation can through a trust arrangement or by other indirect means or circumlocution possess as an owner and enjoy the beneficial interest in bank stock without assuming the contingent liability of a stockholder's assessment imposed by law. To hold otherwise would be to nullify the protection given the bank creditors by the statute imposing double liability" (P. 891).
>
> • • • • • • •
>
> "In a proceeding to enforce stockholders' liability it is of little or no importance as to how many paper ownerships or holdings in trust may intervene between the bank that issued the stock and the ultimate or actual owner thereof. The beneficial owner is liable for the stock assessment. . . .
>
> "Surely it was never intended that this wholesome statutory provision (for double assessment) should be nullified by resort to indirect corporate holdings of such stock."
>
> ". . . its corporate structure cannot be used as a shield behind which an actual and beneficial owner of such stock may escape the statutory liability to insolvent bank's creditors" (Pp. 889, 890).

In *Nettles* v. *Sottile,* 184 S. C. 1, 191 S. E. 796 (1937), the Supreme Court of South Carolina held (p. 803):

> "'Where the corporate form of organization is adopted or a corporate entity is asserted in an endeavor to evade a statute or to modify its intent, courts will disregard the corporation or its entity and look to the substance or reality of the matter.'"

In *Harris Investment Co.* v. *Hood*, 123 Fla. 598, 167 So. 25 (1936), the Supreme Court of Florida held (p. 30):

> "The allegations of the bill of complaint are sufficient to show that the entire transaction was for the purpose of creating a *corporate entity to be controlled entirely by the bank stockholders* who transferred and assigned their bank stock to the corporation, so that, if the bank stock proved a good investment and paid dividends, *their corporation would likewise pay those dividends on to the stockholders in that corporation, while,* if the bank became insolvent and it became necessary to levy a capital stock assessment, there would be no assets available to the bank or the receiver on these particular shares of capital stock. If a transaction of this sort is to be countenanced by the courts, *then designing stockholders may at any time avoid all statutory liability for stock assessments by the very simple practice of organizing a corporation with capital stock equivalent only to that of the bank stock to be transferred to it, assign the bank stock to such corporation, and leave the other stockholders, as well as depositors and other creditors of the bank, without that protection and security which is provided by the statute authorizing stock assessments such as that under consideration here.*"

In *Hansen* v. *Agnew*, 195 Wash. 354, 80 P. (2d) 845 (1938), the Supreme Court of Washington adopted a lower court finding that the plan for the organization of the holding company was entered into in good faith, but reversed the lower court and held that the holding company stockholders were the real and beneficial owners of the stocks of the banks which it had acquired. In so ruling the Court said:

> "In our opinion, the question of motive is entirely immaterial; nor is it necessary, in order to permit a recovery in this case, *to disregard the corporate entity of the holding company, or to invoke the com-*

> *paratively modern concept of alter ego,* or even to fall back upon considerations of public policy; for *the statute contemplates that the superadded liability shall be that of the* real and beneficial owner of the stock." [80 P. (2d) 845, 851.]

Other State Court decisions are *White* v. *Aaronson,* 169 Misc. 593, 7 N. Y. S. (2d) 901 (1938); *Bacon* v. *Barbour,* 110 Vt. 280, 6 A. (2d) 9 (1939); *Flanagan* v. *Madison Square State Bank,* 306 Ill. App. 468, 24 N. E. (2d) 202 (1939); *Galinski* v. *Adler,* 302 Ill. App. 474, 24 N. E. (2d) 205 (1939).

ANALYSIS AND CRITICISM OF OPINIONS BELOW

Anderson v. Abbott, 127 F. (2d) 696, 32 F. Supp. 328

The District Court, in its opinion, *Anderson* v. *Abbott* (32 F. Supp. 328), gave full recognition to the fact that the officers and directors of the "unified" National Bank and Louisville Trust "caused" the organization of Banco, and that "the stockholders of the bank exchanged 95% of the stock of the bank for the stock of Banco." It stated that plaintiff contended that "Banco was organized as a holding company for the stock of the bank," and that Banco stockholders are "in reality" stockholders of the bank and "subject to double liability." It stated the defendants' position as follows (p. 329):

> *"The defendants contend that Banco was not a holding company but an operating corporation organized to engage in extensive business enterprises and that while the buying and holding of bank stock was to be one of its functions that was only incidental."*

The Court then said (p. 329):

> "The proof must establish that Banco was a holding company for the bank stock of the National Bank of Kentucky. Whether it was such a holding company

by reason of a fraudulent design to avoid a stock assessment or was organized with the purest of motives is of no consequence. The question is was it a holding company for this particular bank stock?"

Again at p. 333 the Court said:

"The liability of the defendants is entirely statutory. They must be stockholders in the bank. If they are stockholders in reality, regardless of an intermediate corporation, they are subject to the assessment. *They are not stockholders in the bank if Banco was an operating company and not merely a holding company.*"

In its conclusion that Banco was an "operating" company and not a "holding" company the Court erred, we respectfully submit, because it accepted the broad charter powers of Banco and the matter in the stock selling prospectus of July 19, 1929, copied as an exhibit at the end of this brief, as the "avowed purposes" of Banco, and disregarded entirely the "real" purposes of Banco. To determine in law whether Banco was an "operating" or a "holding" company one must certainly look beyond its corporate purpose clause and the stock selling letter of its promoters. One would want to know, it seems, what it actually did as an "operating" company and what it actually did as a "holding" company.

How it could be an "operating" company without an office or place of business; without an employee; without a telephone and with only three little record books, is difficult to understand. It only engaged in twelve business transactions in the entire year of its existence. These transactions are set forth and discussed at page 29 herein. Every one of these transactions directly or indirectly relate to its real business of a bank stock holding company.

It did acquire and hold substantially all the stock of ten banks, including 95% of the stock of the National

Bank of Kentucky. It held these stocks, collected the dividends on them and paid the dividends out on the same day that they were received. Substantially all of its income came to it as the holder of bank stocks. Everything it did was "incidental" to its business of holding bank stock. Its holding of bank stock was certainly not incidental to its other business because it never had any other business.

The officials of Banco certainly knew whether it was a "holding" or "operating" company. What did they say in this respect? In their application to list the stock with the Louisville Stock Exchange they stated that it was "organized for the purpose of buying and controlling banks" (Ex. V. 5, p. 1695). In its sworn income tax return its business was stated as "holding company" (Ex. V. 5, p. 1846). In its report to the State of Delaware the nature of its business was stated:

> "To acquire control and operate banks and/or trust companies" (Ex. V. 5, p. 1921A).

To the Chicago Stock Exchange in a sworn statement its primary purpose was stated:

> "To acquire control and operate banks and trust companies" (Ex. V. 5, p. 1717).

And it was further stated therein that Banco "has limited its activities to acquiring control of banks and trust companies and the operation of the same" (Ex. V. 5, p. 1713).

The Court finally said that Banco "was not formed as a medium or agency through which to avoid double liability." We have never claimed that the primary purpose of Banco was to avoid this assessment. Our contention has always been that it was organized primarily to hold bank stocks and that while its organizers were getting up

the plans they included as an incident thereto an attempt to make the stock non-assessable.

The Circuit Court of Appeals in *Anderson* v. *Abbott*, 127 F. (2d) 696, did not base its opinion, as did the District Court, on the erroneous conclusion that Banco was an "operating" company and that its bank stock holdings were simply incidental to its other "extensive business enterprises."

The opinion of the Court of Appeals is analyzed in detail in the "Petition for Rehearing" found in the Record, Volume 3, page 327.

The Court of Appeals correctly concluded that the trust certificates, for which the bank stock was exchanged in the so-called "unification" of National Bank of Kentucky and Louisville Trust Company in 1927, was "the equivalent of bank stock" and that the holders thereof were "the real, beneficial shareholders of the National Bank of Kentucky." It based this conclusion upon the fact that the owners of the bank stock "carefully provided" that they should continue to be liable for any assessment. The Court then erroneously concludes that since they made no such careful provision for liability when they made the second exchange for BancoKentucky stock, they had, therefore, successfully evaded the statutory liability, and particularly so because they wrote a non-assessment section in the Articles of Incorporation and carried it on the stock certificates.

It is submitted that a bank stockholder cannot so easily excuse himself from liability. The only transfer of bank stock which releases the shareholder from this statutory liability is an "out and out" transfer, whereby the shareholder completely severs himself from his stock interest in the bank and completely divests himself of his opportunity of having a voice in its control, or the receipt of any of its earnings. This Court long ago said in *National Bank* v. *Case*, 99 U. S. 628 (631, 633):

> "It is not every transfer that releases a stockholder from his responsibility as such. . . . (Liability continues if) the 'privileges and possible benefits of ownership continue.'" (Parenthetical insertion ours.)

Notwithstanding the fact that the Bank Examiners' reports for three full years had indicated that the bank was in financial straits, the appellate court said that "no probability of assessment" appeared when bank shares were exchanged for Banco shares. Liability does not depend upon pending insolvency. It arises by virtue of statute and depends upon ownership. The owner is the one who enjoys the "privileges and possible benefits" of the bank. *National Bank* v. *Case,* supra. What privilege or benefit did the owners of National Bank of Kentucky give up when they exchanged for Banco shares? In the words of their own lawyer, they kept "the same property in another form." Louisville Trust Company said it "was in its essence a mere continuation and retention of the ownership of Trustees' Participation shares," which were conceded to be the equivalent of bank stock (Ex. V. 4, pp. 1886, 1887, 1890, 1896).

Certainly the trading of bank stock for holding company stock simply cannot be a "reorganization" to escape taxes, and at the same time a "sale" to escape assessment.

The Court of Appeals concluded that BancoKentucky was not organized for the primary purpose of escaping double liability. It is not necessary to quarrel with this conclusion. BancoKentucky was promoted by the owners of the bank to enable them to continue in the banking business, not for the purpose of getting out of the banking business. As an incident, they provided as best they could that the Banco shares should not be assessable and by the language of their charter and the words on their stock certificates, as evidenced by Bean's letter to Brown, infra, p. 26, they knew very well that they were attempting to escape this liability.

The Court of Appeals, in its opinion, makes a great deal out of the fact that three million dollars of the cash raised by Banco was not invested in bank stocks. This statement is completely answered by the fact that five million dollars of Banco's cash assets came out of the National Bank of Kentucky upon loans made solely upon the security of Banco stock and that over two million of said amount was lost by the National Bank of Kentucky. And in any event, the three million dollars was not "invested" by Banco. Twenty-five thousand dollars was invested in Union Central Life Insurance Company stock. Brown took two million dollars of the invested three million dollars without asking anybody about it, substituted his note therefor and no one knew that Banco had Brown's note until after the failure (R. 2, pp. 64, 98). The remainder of the "invested" three million dollars went in an attempt to peg the market of its own stock. The Caldwell deal was never consummated. Therefore, it is undisputed in the record that all of BancoKentucky's cash was invested in bank stocks, and in buying its own stock to peg the market, except the twenty-five thousand dollars in Union Central shares (R. 3, p. 322).

The Court of Appeals quoted with approval and adopted the statement from another case involving the bank and Banco:

> "There is nothing in the record to point to it as an instrumentality of the bank."

As to this statement the Court will please note the fact that Banco was created by resolution of the Board of Directors of the National Bank of Kentucky on June 21, 1929 (Ex. V. 2, p. 994), and that the Banco prospectus provided

> *"that it be managed and operated by the Boards of Directors and the officers of the two banks."*

It is therefore submitted that it was a creature of the banks and that for all time it was to "be managed and operated" by the banks.

CONCLUSION

In conclusion, therefore, it is submitted that the record indisputably shows that BancoKentucky Company was organized to support a failing national bank; organized by ex-owners of bank stock in order that they might continue in the banking business on a grander scale; and organized for the purpose of holding double liability bank stocks.

> "The Directors of the National Bank of Kentucky caused to be organized this holding company, to which was given the suggestive name of BancoKentucky Company, which was, indeed, intended to be, and was, in many important respects and in a very real sense, as the record abundantly shows, the National Bank of Kentucky." *Anderson* v. *Akers*, 7 F. Supp. 924, 950 (1934).

Banco's doing business in Kentucky was unlawful because it never qualified to do business there. (Ky. Stat. 571.) Its ownership of all the stock of Louisville Trust Company and several other Kentucky state banks was expressly forbidden by Kentucky law. (Ky. Stat. 581, 609.) Except for a few days in October, 1929, when it first started business, all of its assets were in bank stocks and it never thereafter had any assets with which to pay an assessment upon these bank stocks. It was never anything more than a corporate instrumentality of the shareholders in order that they might continue in the banking business, get all possible benefits therefrom and at the same time escape a statutory assessment in the event that one should be levied.

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel, for Petitioner,
NICHOLS, WOOD, MARX & GINTER.

JOHN F. ANDERSON,
Chief Counsel for Comptroller of the Currency.

APPENDIX A

Louisville, Ky., July 19, 1929.

To the Holders of Trustees' Participation Shares,
National Bank of Kentucky and The Louisville Trust Company:

1. Your Officers and Directors have studied the rapidly changing conditions in the banking business in America, with a view to preparing the two banking institutions under their management, to meet these changed conditions, and to take early advantage of new opportunities presented thereby.

2. *The conclusion unanimously reached, as a result of their deliberations, is that the two banks, and the business conducted by them, should be reorganized by adding to this group a third corporation, which will make the operations of these banking institutions more profitable, expand their facilities, and thus develop for the entire group new and profitable financial opportunities and connections.*

3. Such a reorganization is in line with the trend of business and finance in this country; and the strength and influence of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities, frequently presented in the course of business of the two banks, but not available to them, because of the restrictions upon their powers and activities.

4. The following is the Plan of Reorganization agreed upon by the Officers and Directors of the two banks, and approved by formal Resolutions of the Trustees, under the Trustees' Agreement for the National Bank of Kentucky and The Louisville Trust Company.

5. There has been organized under the laws of the State of Delaware, a corporation known as The BancoKentucky Company, with an authorized capital of 2,000,000 shares, having a par value of Ten ($10.00) Dollars each. The stock will be exchanged or sold, in accordance with this Plan, on the basis of Twenty-five ($25.00) Dollars per share, which will give the Company a capital of Twenty Million ($20,000,000.00) Dollars, and a surplus of Thirty Million ($30,000,000.00) Dollars, or a total capital and surplus of Fifty Million ($50,000,000.00) Dollars. No stock will be sold by the Company at less than twenty-five ($25.00) Dollars per share.

6. The corporation is given broad charter powers, including the right to acquire stocks, bonds and other securities of other corporations, and evidences of indebtedness created or issued by other corporations; the power to underwrite securities and take part in syndicate management, and to charge fees and commissions for its services in connection with the reorganization or refinancing of other corporations; the power to issue bonds and to guarantee the obligations of others and to become surety, guarantor and endorser thereof. The foregoing is merely a brief summary of the broad powers given the corporation; complete details of these powers appear in the Certificate of Incorporation of the Company, copies of which may be examined at the offices of the two banks by any one interested.

7. It is an essential part of this reorganization that the shares of this corporation (or at least a substantial majority thereof) be owned by the Trustees' Participation Shareholders, and that it be managed and operated by the Boards of Directors and the officers of the two banks. The BancoKentucky Company, therefore, offers to the Trustees' Participation Shareholders of the National Bank of Kentucky and The Louisville Trust Company, through the

Trustees as agents in the transaction, its entire capital stock, on the bases and subject to the terms and conditions hereinafter set out:

8. It is an essential part of this plan that:

(a) On or before September 19, 1929, the holders of the Trustees' Participation Shares must deposit their Certificates with the Trustees for exchange into the shares of The BancoKentucky Company; and for each Participation Share thus deposited, the Trustees will cause to be issued to the holder thereof, Two (2) shares of the stock of the new corporation. In addition thereto the depositing shareholder will have the right to subscribe for as many additional shares of the stock of the BancoKentucky Company as he may desire at the price of Twenty-five ($25.00) Dollars per share subject to allotment ratably if over-subscribed. Trustees' Participation Shareholders who fail to deposit their shares on or before September 19, 1929, will be deemed to have waived their rights to thus exchange their shares and subscribe for stock in the new Company, unless the Trustees shall extend the time for deposit and subscription (as they may do in their discretion), in which event the Trustees' Participation Shareholders will be deemed to have waived their rights, unless their shares are deposited within the extended time.

(b) *The entire Plan of Reorganization,* and the deposit and subscription privileges and rights hereinabove set out, are all, and each of them *is, conditioned expressly upon the acquisition by the Trustees' Participation Shareholders, either by deposit for exchange, or by direct subscription as above, of at least a majority of the shares of The BancoKentucky Company; and further conditioned upon the acquisition by The BancoKentucky Company of at least a majority of the Trustees' Participation Shares issued and outstanding as of September 19, 1929.*

9. It is the unanimous recommendation of your Officers, Directors and Trustees of the National Bank of Kentucky and The Louisville Trust Company, that the Trustees' Participation Shareholders immediately deposit their shares under this Reorganization Plan, and that they exercise their right to subscribe to the additional shares of stock of the BancoKentucky Company.

10. There is enclosed herewith a subscription form covering this transaction, which you are asked to sign at your earliest opportunity and deposit with the Trustees, at their office, 421 West Market Street, together with your Certificate or Certificates for Trustees' Participation Shares, endorsed in blank and witnessed. There will be issued to you an Interim Receipt for the shares deposited which, when the Plan has become effective as above set forth, may be presented for exchange for the permanent certificates of the BancoKentucky Company, in accordance with the Plan of Reorganization.

NATIONAL BANK OF KENTUCKY
By JAMES B. BROWN
President

THE LOUISVILLE TRUST CO.
By RICHARD BEAN
President

DIRECTORS

John Stites, Chairman

John S. Akers
Henry J. Angermeier
Richard Bean
William Black
Dr. Oscar E. Bloch
Charles H. Bohmer
George O. Boomer
R. R. Boswell
James B. Brown
R. Lee Callahan
Anthony J. Carroll
George M. Clark
Samuel W. Coons
Allen P. Dodd
Nicholas H. Dosker
Stuart E. Duncan
Joseph H. Durham
C. Oscar Ewing
James Garnett
Walter H. Girdler
Angereau Gray
James J. Hayes
T. Kennedy Helm
Baylor O. Hickman
C. C. Hieatt
Saunders P. Jones
Milburn P. Kelley
Walter I. Kohn
Brainard Lemon
S. Clay Lyons
Charles C. Mengel
Ben J. Metcalfe
J. Wm. Miller
Thomas J. Minary
David C. Morton
Edward J. O'Brien, Jr.
Henry D. Ormsby
John B. Pirtle
Ben Robertson
Arthur M. Rutledge
William Short
William S. Speed
Sam H. Stone
E. Leland Taylor
Horace A. Taylor
Robert F. Vaughan
Henry Vogt
E. Weirstock

TRUSTEES

Charles H. Bohmer
Allen P. Dodd
Stuart E. Duncan
Ben J. Metcalfe
Thomas J. Minary
Henry Vogt

OFFICE OF TRUSTEES

421 West Market Street
The Louisville Trust Company Building
Louisville, Kentucky

APPENDIX B

COPY OF STATUTES INVOLVED—ALL FROM UNITED STATES CODE, TITLE 12, BANKS & BANKING

§ 63. Individual liability of shareholders.

The shareholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares; except that shareholders of any banking association existing on June 22, 1874, under State laws, having not less than $5,000,000 of capital actually paid in, and a surplus of 20 per centum on hand, both to be determined by the Comptroller of the Currency, shall be liable only to the amount invested in their shares; and such surplus of 20 per centum shall be kept undiminished, and be in addition to the surplus provided for in this chapter; and if at any time there is a deficiency in such surplus of 20 per centum, such association shall not pay any dividends to its shareholders until the deficiency is made good; and in case of such deficiency, the Comptroller of the Currency may compel the association to close its business and wind up its affairs under the provisions of this chapter relating to dissolution and receivership. (R. S. § 5151; Dec. 23, 1913, c. 6 § 23, 38 Stat. 273.)

§ 64. Individual liability of shareholders; transfer of shares.

The stockholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, each to the amount of his stock therein, at the par value thereof in addition to the amount invested in such stock. The stockholders in any national banking association who shall have

transferred their shares or registered the transfer thereof within sixty days next before the date of the failure of such association to meet its obligations, or with knowledge of such impending failure, shall be liable to the same extent as if they had made no such transfer, to the extent that the subsequent transferee fails to meet such liability; but this provision shall not be construed to affect in any way any recourse which such shareholders might otherwise have against those in whose names such shares are registered at the time of such failure. (Dec. 23, 1913, c. 6, § 23, 38 Stat. 273.)

§ 191. General grounds for appointment of receiver.

Whenever any national banking association shall be dissolved and its rights, privileges, and franchises declared forfeited, as prescribed in section 93, or whenever any creditor of any national banking association shall have obtained a judgment against it in any court of record, and made application, accompanied by a certificate from the clerk of the court stating that such judgment has been rendered and has remained unpaid for the space of thirty days, or whenever the comptroller shall become satisfied of the insolvency of a national banking association, he may, after due examination of its affairs, in either case, appoint a receiver who shall proceed to close up such association, and enforce the personal liability of the shareholders, as provided in section 192. (June 30, 1876, c. 156, § 1, 19 Stat. 63.)

§ 192. Default in payment of circulating notes.

On becoming satisfied, as specified in sections 131 and 132 of this title, that any association has refused to pay its circulating notes as therein mentioned, and is in default, the Comptroller of the Currency may forthwith appoint a receiver, and require of him such bond and security as he

deems proper. Such receiver, under the direction of the comptroller, shall take possession of the books, records, and assets of every description of such association, collect all debts, dues, and claims belonging to it, and, upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like order, may sell all the real and personal property of such association, on such terms as the court shall direct; and may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders. Such receiver shall pay over all money so made to the Treasurer of the United States, subject to the order of the comptroller, and also make report to the comptroller of all his acts and proceedings.

PROVIDED, That the comptroller may, if he deems proper, deposit any of the money so made in any regular Government depositary, or in any State or national bank either of the city or town in which the insolvent bank was located, or of a city or town as adjacent thereto as practicable; if such deposit is made he shall require the depositary to deposit United States bonds or other satisfactory securities with the Treasurer of the United States for the safe-keeping and prompt payment of the money so deposited:

PROVIDED, That no security in the form of deposit of United States bonds, or otherwise, shall be required in the case of such parts of the deposits as are insured under section 264 of this title. Such depositary shall pay upon such money interest at such rate as the Comptroller may prescribe, not less, however, than 2 per centum per annum upon the average monthly amount of such deposits. (R. S. § 5234; May 15, 1916, c. 121, 39 Stat. 121; Aug. 23, 1935, c. 614, § 339, 49 Stat. 721.)

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1942

No. 497 3

A. M. ANDERSON, Receiver of the National Bank of Kentucky, *Petitioner*,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al., *Respondents*.

REPLY BRIEF FOR PETITIONER.

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel, for Petitioner,
NICHOLS, WOOD, MARX & GINTER.

JOHN F. ANDERSON,
Chief Counsel for
Comptroller of the Currency.

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IN THE

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OCTOBER TERM, 1942

No. 497

A. M. ANDERSON, Receiver of the National Bank of Kentucky, *Petitioner*,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, deceased, et al., *Respondents*.

REPLY BRIEF FOR PETITIONER.

INTRODUCTORY STATEMENT.

Respondents' brief does not challenge, in any respect, the "Preliminary Statement", or the "Facts of the Case", set forth (pp. 2-37) in petitioner's brief. It does not claim that the substance of the Bill of Complaint, at page 6 of our brief, is not fairly and accurately stated. It does not challenge a single fact in our brief with respect to the unhealthy financial condition of the National Bank of Kentucky. It asserts

four technical defenses, severally dealt with later herein, to the Receiver's claim, viz:

(1) Corporate entity of Banco shields respondents.

(2) Respondents did not transfer with knowledge of impending insolvency.

(3) Laurent v. Anderson is conclusive adjudication that Banco, not the respondents, is the real bank stock holder; and that Receiver, by having sued Banco, is barred, under the doctrine of election, from proceeding here against the respondents.

(4) Atherton v. Anderson is conclusive adjudication of the case as to the bank directors.

Respondents' brief, under the caption "The Nature of Receiver's Claim" (pp. 5-10) seeks to make it appear that during the progress of the case petitioner has been inconsistent in the legal theories upon which he bases his right of recovery. This is not fair and is not correct. The statutory liability of national bank shareholders for what became popularly known as the "double assessment" is set forth in Sections 63 and 64 of Title 12, United States Code.

We have never contended that the respondent stockholders of Banco are the *record*, as distinguished from the *real*, owners of the bank shares, or that they are liable because they exchanged bank shares for Banco shares within sixty days of the bank failure. It would have been a simple case indeed had the bank failed within sixty days after Banco started. 12 U. S. C. 64.

The officer and director stockholders of the bank knew, or should have known, at the very time and long before the exchange for Banco shares, that the bank was in trouble and they might well be held liable for the assessment under the "with knowledge of impending failure" provision of Section 64. We do not seek to hold a few of the stockholders on this narrow ground. It would be of little advantage to the

depositors who are the real plaintiffs in this case. We seek to hold every respondent because, as we view the law, the stockholders of a tottering national bank cannot escape liability for double assessment by the exchange of their bank shares for their own holding company shares a few months before it fails, all the while retaining every vestige of control, advantage and opportunity for profit out of the operation of the bank.

We have never been "inconsistent" as to the alternative theories of recovery. They are set forth in the Bill of Complaint (R. 1, p. 56) and summarized at page 6 of our original brief. We have never "indignantly disclaimed" a right of recovery under the "with knowledge of impending failure" clause of Section 64 for the reason that we never made such claim in the first place. It is, and always has been, our claim that the respondents never did part with their interests in the bank. They exchanged a certificate evidencing ownership in the bank for another certificate evidencing the same ownership in the same bank. They never sold their bank stock. They were quite careful not to sell it. They would have been subject to a large income tax liability had they sold it. They called the exchange transaction a "re-organization" (Ex. V, 3, p. 1140). As their lawyer stated, they received back "the same property in another form" (Ex. V. 3, p. 1157) and, as their lawyer further stated, they did not "part with one species of property in exchange for an entirely different species of property". If this be true, and it cannot be questioned, it is submitted that there never was a "transfer" within the meaning of Section 64.

We never "abandoned" what respondents at pages 6, 7, of their brief, referred to as our "fifth ground", for the obvious reason that we never saw or heard of that "ground" until it was printed in their brief in this court. *Our position, before this court, is exactly the same as it has been from the beginning of the case.*

COMMENT ON RESPONDENTS' FACTS.

At page 1 of respondents' brief, BancoKentucky Company is referred to as a "non-banking corporation". This statement, though technically correct, is quite misleading. Banco was not incorporated as a bank. It was, however, created by resolution of the Board of Directors of National Bank of Kentucky. It did not take the significant and similar name "BancoKentucky" in order to disassociate itself from its creator. The very name evidences the fact that the respondents by the exchange were staying in, instead of going out of, the banking business.

At page 2 it is stated that we "alleged" that BancoKentucky "had acquired by purchase" the bank stock. We never made any such allegation. BancoKentucky did not purchase the bank stock. It acquired the certificates under a so-called non-taxable exchange by virtue of which the respondents retained the same interest in the bank and banking business that they had before.

At page 3, it is stated that the District Court "sustained the Receiver's claim" that the holders of the trust certificates were "the actual and real owners of the bank shares" and that the United States Circuit Court of Appeals likewise so held. The Receiver has consistently claimed that the trust certificate holders were the *record* owners of the bank stock and that the stockholders of BancoKentucky were the *real* owners. A detailed statement of what was litigated, and what was decided, in the Keyes, (1 F. Supp. 512) and Laurent (70 F. (2d) 819) cases is made elsewhere in this brief.

At page 5, and elsewhere in respondents' brief, it is stated that the double liability section of the National Bank Act was repealed in 1933. Sections 63 and 64 have not been repealed. An additional section, enacted in 1933, known as Section 64a, provides that the additional liability shall not apply with respect to shares issued after June 16, 1933. It further provides that such additional liability shall cease on July 1, 1937 as to any bank open at that date, providing six

months' published notice be given. The comptroller's records show that there are over fifty national banks in operation today which still have the double liability. Concededly Sections 63 and 64 are in full force and effect with reference to the respondents. A similar double liability still remains on the stockholders of Federal Farm Loan Banks (12 U. S. C. 872).

At page 15 it is stated that the exchange of bank for Banco stock was upon the "*double*" condition that the bank shareholders would acquire a majority of Banco and Banco should acquire a majority of the bank. There was a *third* condition attached to the deal. This provided that Banco "be managed and operated by the Boards of Directors and the officers of the two banks". Respondents did not put the *third* condition in their brief because to do so would seriously, if not conclusively, destroy their claim that Banco was not a bank stock holding company but was a self-sufficient business or operating corporation. If Banco was the type and kind of independent corporation claimed for it by the respondents, why would it surrender its sovereignty to a Board of Directors or the officers of a national bank? And upon what authority, anyway, can a national bank undertake to manage and operate a BancoKentucky?

At pages 15 and 16 an attempt is made to explain why the exchange of bank stock for Banco was a sale for assessment purposes but not a sale for income tax purposes. In reading this explanation we ask this court to consider something that the respondents carefully omitted. Mr. Vaughan, lawyer and counsel for the bank, who handled the deal, testified that when a bank stockholder exchanged bank stock for Banco, he received back "the same property in another form" (R. 3, p. 15). We submit that the exchange of bank stock for Banco stock simply cannot be a "reorganization" to escape taxes and a sale to escape this assessment.

At page 17, it is correctly stated that over five hundred thousand bank shares were exchanged for over a million Banco shares. They say that the bank shares were selling at $47.00 per share and that the interim receipts in the ex-

change sold at $50.00 per share. They calculate therefrom that Banco had an "invested capital" of more than $27,000,000.00. To this they add the cash subscriptions and therefore conclude that Banco had an invested capital of $37,000,000.00. They say nothing about Banco rigging the market on its own shares. They say nothing about the fact that nearly all the cash subscriptions came out of the two banks on loans made on the sole security of Banco stock. The statement referred to here that Banco had an invested capital of nearly $37,000,000.00 read as though it came out of "Brewsters Millions". A mere statement of the fact that it all disappeared in one year is sufficient.

Again it is stated at page 17, that the directors subscribed more for additional Banco shares than their assessment would have been on their original bank shares. This statement is quite true. When a stockholder of a bank, whether he be a director or not, enlarges his investment he increases his contingent liability for assessment. But this is not all. He also gets a larger "interest" in the bank.

At pages 17 and 18, it is pointed out that there were shareholders of Banco who never owned stock in the National Bank of Kentucky. This is perfectly true. Some of this class of shareholders purchased their Banco stock in the open market. Others were stockholders of the small banks in the chain. No distinction as to liability can be made between the two classes. The outsider, who purchased Banco shares, knew that Banco was a bank stock holding company; knew that he was buying an interest in a whole chain of banks, because, as stated in our original brief, Banco was publicized far and wide, listed on the stock markets, and quoted in all the newspapers as bank stock.

At page 18 the stock market crash of October 29, 1929 is inserted. This insertion is made no doubt to lead the court to believe that the stock market crash had something to do with the failure of the National Bank of Kentucky. As pointed out in our original brief, the long-standing loans and overdrafts, criticized by the Bank Examiners, caused

the bank's failure. Loans made on the security of listed stock market shares had nothing to do with it. Neither did the stock market crash. Likewise the loss of 38 per cent of the Bank's deposits came before the market break.

At page 19 the proposed, but never consummated, deal for Banco to acquire a half interest in the insolvent Caldwell & Company is suggested to this court as a cause of the failure of the bank. As we stated in our original brief, this was a frantic last-minute attempt (R. 3, p. 12) of Brown to save Banco by going into partnership with Caldwell and of Caldwell to save Caldwell & Company by going into partnership with Brown. Upon what other theory, using respondents' own words, would Banco, without an appraisement or audit, rely upon Caldwell's guarantee that he had a net worth of $9,000,000.00? The Caldwell assets were never appraised. The whole Caldwell deal was never consummated and consequently the transaction is not pertinent in any way to this case.

At pp. 20, 21, and the top of 22 there is quoted some articles from the Louisville Courier Journal with reference to rumors about Caldwell & Company and the negotiations between Caldwell and Banco. It is claimed that this publicity brought large withdrawals from the National Bank of Kentucky and caused its failure. In our original brief we pointed out that the withdrawals upon the National Bank of Kentucky began prior to April 23, 1927 and that at the time Banco Kentucky was formed, its deposits had already shrunk from fifty-six to thirty-five million, or over 38 per cent.

At various places in their brief respondents suggest that because the National Bank Examiner or the Comptroller of the Currency did, or did not do, something about the rotten condition of National Bank of Kentucky, that therefore, by some mysterious mental process, they as stockholders of the bank should not be held liable for the assessment. At the bottom of p. 11 of respondents' brief is set out the capital, surplus, and undivided profits of the bank represent-

ing a total of $6,442,738.73. At p. 12 they set out the undivided profits at thirteen different quarterly periods from September '27 to September '30. From the statements it is hoped that this court will believe that throughout all this period of time the National Bank of Kentucky was a great big powerful bank. We point out that these figures, as to capital, surplus, and undivided profits, are "book figures", and do not represent actual values.

At various places in their brief respondents say that the Comptroller "approved" a dividend (p. 11); or "congratulated" somebody on the "affiliation" of Louisville Trust with the "splendid" National Bank of Kentucky (p. 11); that dividends were "reported" to the Comptroller of the Currency and that the Bank Examiner "approved the same" (p. 11). They say that such dividends were never "criticized" by the Comptroller (p. 12); that the Comptroller "placed" the bank in receivership (p. 22), omitting any reference to the fact that *the directors closed the bank and asked the Comptroller to take charge of it* (Ex. V. 1, p. 1); they say that the Bank Examiner "approved" the June, 1930 dividend and that he did not "mention" the September, 1930 dividend (p. 23).

All of these sly suggestions are calculated to lead this court to believe that the "book" statements of the bank were the "true" statements of the bank; and that, because the Comptroller or the Bank Examiner did not make them stop paying dividends, he is in some way responsible for the failure of the bank, and that therefore they are not liable for the assessment which the Comptroller of the Currency subsequently found necessary to levy. The court's attention is directed to the fact, as evidenced by the Bank Examiner's report, that the Comptroller and the Bank Examiner continually called attention to the excessive overdrafts, the illegal loans, the large amount of slow and overdue paper. It is only by ignoring these criticisms, and by considering that all of these criticized loans and overdrafts were worth par, instead of being substantially worthless, that they are

able to show that the bank had any surplus or undivided profits at any time throughout the entire period.

Beginning at p. 7 of our original brief, and running through to p. 23 thereof, we have called the attention of the court to the true condition of the bank during this period. Respondents in their brief do not question these facts. They could not do so, because every fact stated therein about the condition of the National Bank of Kentucky rests upon unquestioned written evidence found right in the records of the bank itself. Instead they seek to base their argument on *book* values as shown in published statements. In criticizing the Comptroller of the Currency, and the Bank Examiner, they forget that the legal responsibility for running a national bank rests upon the stockholders and their agents, the directors. In the period in question the Comptroller of the Currency was much more limited than he is today in his power of supervision. Then he could "criticize" and that is about all that he could do, unless he should make a finding of insolvency and close the bank; a very great responsibility which he should not exercise except when he was absolutely sure of his ground. When the officers of the National Bank of Kentucky assured him that these criticized loans were all right; or that they would in the course of reasonable time be taken care of, he had a right to rely upon their good faith; and give them an opportunity to clean up their bank. A bank should not be closed as long as there is reasonable grounds to believe that it can be saved. And it was the management which induced the Examiners to postpone charge-offs on the promise to clean up the losses by various *in futuro* plans never carried out.

Respondents' Creature, Banco, Does Not Shield Them from Liability.

In contending that the "corporate entity of Banco is a "non-conductor" respondents' brief (pp. 38-52) takes the position that because Banco was a corporation, this court cannot look beyond it; that since the bank shares were the

"property" of Banco and since the respondent shareholders do not have "an interest in its property" therefore no liability attached to the property can be "attributed" to them. If this theory were the law, all the bank-stock holding company cases, cited in our main brief (pp. 45-56) were wrongly decided. This would be putting form before substance, wipe away the rule of "fair play", disregard "standards of common decency and honesty" and make the road wide open to evade numerous statutes by the simple "intervention of a corporate entity" between the *real* owner and the liability. (*Pepper* v. *Litton*, 308 U. S. 295.)

Respondents' brief at p. 48 states that there was no "arrangement by which the conduct of the affairs of Banco could be controlled in any degree by any bank whose shares were held by Banco". No record authority is cited for this statement. We challenge the statement because the record does show affirmatively that it was "essential" that Banco be "managed and operated" by the banks (See Prospectus, bottom of p. 64, our original brief).

At p. 49 it is stated that "Banco derived income from other sources than the bank shares held by it." We challenge this statement by saying that Banco's total income was from bank stocks, except $3457.40 which came to it principally as interest on unpaid stock subscription.

On the same page, 49, respondents say "it was only because of Banco's income from other sources that it was able to declare and pay the dividends which it paid to its stockholders". As pointed out at the bottom of p. 37 of our original brief, Banco received $1,180,858.50 in dividends from its bank stocks, paid $1,253,530.00 in dividends to its stockholders, and made up the deficit by an *overdraft on the National Bank of Kentucky*, which remained in the Bank at the time of its failure.

BancoKentucky was not the type and kind of a corporation referred to in *Klein* v. *Tax Supervisors*, 282 U. S. 19, and in *Puerto Rico* v. *Russell*, 288 U. S. 476, or in *Cannon*

v. *Cudahy*, 267 U. S. 333. BancoKentucky was more like the *Northern Securities Company* v. *U. S.* 193 U. S. 197.

Banco was a corporate scheme of Respondents to do indirectly what they could not do directly. National Bank of Kentucky could not lawfully have a branch bank outside of Louisville. 12 U. S. C. 36. It could not even have one in Louisville, without the Comptroller's permission. 12 U. S. C. 36c. It could not lawfully own stock in another bank. 12 U. S. C. 24. Kentucky law absolutely forbids anyone, corporation or individual, from owning more than 50 per cent of the stock of a Kentucky bank or trust company. Ky. St. 581, 609. Both state and Federal laws prohibited consolidations or mergers of banks except under careful statutory supervision. 12 U. S. C. 34a; Ky. St. 555. Loan limits were rigidly fixed. 12 U. S. C. 84; Ky St. 583. Interlocking directors were prohibited. 15 U. S. C. 19, 12 U. S. C. 462. Bank directors were required to own outright and unincumbered stock of the par value of $1,000.00; in a little bank $500.00. 12 U. S. C. 72, 73. Foreign corporations were required to qualify in Kentucky. Ky. St. 571, 4189-1. The Banco scheme was a planned attempt to circumvent at least some of these salutary statutes, in addition to the assessment statute. 12 U. S. C. 63, 64. We so charged in the bill of complaint. (R. 1, p. 66.)

The record shows that it was an "essential part" of the scheme that Banco "be managed and operated" by the banks. (Ex. V. 3, p. 1139.) The scheme also provided that Banco would "exercise many profitable and important functions which neither a bank or trust company has authority to exercise." So, therefore, it was planned from the beginning that the two banks should use Banco as an instrumentality to do indirectly what they could not do directly.

And this is exactly what the banks did, using their creature BancoKentucky as the instrumentality. They bought a chain of banks in Ohio and Kentucky. National Bank of Kentucky through its President directed the operation of each of these banks which were nothing but

branches or links in the chain of banks. The scheme was a direct and immediate violation of the Kentucky Anti-Monopoly Bank Act in that Banco held more than 50 per cent of Louisville Trust, Central Savings, First National of Paducah, Ashland National, Security, and Mechanics. See p. 28, our original brief. Ky St. 581, 609. Brown, President of National Bank of Kentucky, served as a director of every one of the chain of banks, a violation of the interlocking director statute. 15 U. S. C. 19; 12 U. S. C. 462. Banco never did qualify to do business in Kentucky. It never paid its foreign corporation license tax. It never filed its foreign corporation reports. It was an "outlaw" corporation so far as the State of Kentucky was concerned. Ky. St. 571, 4189-1, Ex. 69b.

In the light of the above we submit that BancoKentucky Company, instead of being as they claim a "nonconductor", is exactly the type of corporation that a court of equity will look through or disregard in order to protect the innocent depositors of the bank. Certainly a court of equity will not permit the respondents, creators of Banco, to use it as a shield to protect them from the statutory individual liability.

In March, 1927 a letter was addressed to the Comptroller of the Currency (Ex. 11-1, p. 154, V. 1) advising that it was in contemplation to consolidate the National Bank of Kentucky and the Louisville Trust Company. The Comptroller of the Currency wrote back promptly on March 22, 1927 (Ex. 11-2, p. 155, V. 1) in which he stated:

> "If the Louisville Trust Company desires to consolidate with the National Bank of Kentucky of Louisville as proposed the consolidation can be effected under the Act of February 25, 1927. You are advised, however, that under the rules of this office it will be necessary for an examination to be made of the trust company prior to approval of the proposed consolidation."

The respondent bank stockholders did not want the Louisville Trust Company examined by the National Banking

Department. They were already having too much trouble with the examinations of the National Bank of Kentucky. When they found out, as they did by this letter, that they could not consolidate Louisville Trust and the National Bank of Kentucky without a Comptroller's examination they undertook to do indirectly what they could not do directly. They "unified" the two banks by putting the stocks of both in the hands of trustees and issued to the stockholders the so-called Trustees Participation Certificates, which were nothing but bank stock.

Two years later, when it became obvious that the unification of the two banks did not restore them to public confidence they started BancoKentucky. By this time a 38 per cent deposit withdrawal, plus continued and more persistent criticism of overdrafts, excessive and slow loans, made it obvious that the National Bank of Kentucky was in a precarious condition; that its ultimate failure was in the offing, unless something substantial was immediately done. So Banco was proposed to escape the charge-offs which the Bank Examiner demanded and which, if made, would have wiped out surplus and undivided and part, if not all, of the capital.

Just about this time somebody thought of the double liability. So when they fixed up the papers they cleverly, so they thought, undertook to do two inconsistent things. They wanted to keep the exchange from being a legal sale so that they would not have to pay income tax. At the same time they wanted to call it a sale so that they could escape the assessment liability.

They were very careful and deliberate as to both schemes. It all appears crystal clear upon an examination of the testimony of their lawyer-witness, Robert F. Vaughn. He said at R. 3, p. 14, that every stockholder of the National Bank of Kentucky who purchased his bank stock at par would have had a taxable gain of $700.00 per share "if it was an outright sale." He said at p. 15 that if they would carry out the transaction as he proposed "it would be a

mere receipt of the same property in another form". He said at p. 16 that "it was just an exchange of one kind of paper for another kind of paper". He said, at the top of p. 17:

> **"The same identical people were in control of both the bank stock and the new corporation before Banco and after Banco."**

He said at the middle of p. 18 that "this thing was not done hurriedly", and that "it was done deliberately". He said at p. 22 that the National Bank of Kentucky "was at the very outset under criticism of the National Bank Examiner" and at p. 28, "of course, everybody knew the Wagon Works was a sore spot in all of the banks". He said, at p. 32, that the objective of BancoKentucky was "the acquisition of a large group of banks". At p. 33 he said that he subscribed for some Banco stock himself and "I borrowed the money to pay for these subscriptions from the National Bank of Kentucky". He said, at p. 35, "*for all practical purposes the owners of the Trustees Participation Certificates were the owners of the bank stock. And the owners of the bank stock, these two banks, had legal control of the BancoKentucky Company*".

In the Detroit Bankers case the distinguished Detroit lawyer who wrote the papers in that matter, said that the holding company stock was "bank stock pure and simple". It is submitted that Mr. Vaughn's testimony makes it equally clear that BancoKentucky stock was also "bank stock pure and simple".

BARBOUR v. THOMAS.

86 F. (2d) 510.

Respondents' brief at p. 8 refers to the fact that we failed to convince the lower court of the "similarity" between the case at bar and the decision in the Detroit Bank stock holding company case, *Barbour* v. *Thomas*. Beginning at p. 43 of their brief they undertake to distinguish between

the Detroit case and the case at bar. We adhere to our contention that the facts in the two cases are substantially identical. We invite careful comparison of the two cases. We respectfully submit that the asserted difference in the facts is immaterial; and that the decision in the Detroit case should have controlled the Louisville case.

Respondents' brief at p. 45 refers to Judge Hicks' "careful and detailed analysis of the extraordinary nature" of one of the Detroit Bank stock holding companies, namely: Detroit Bankers. They say: "It was, indeed, a *bankers company*". What was BancoKentucky but a *"bankers"* company? The name "BancoKentucky" indicates of itself that it *was* a "bankers" company. It is not a coincidence that holding company names such as Bank America Company, Northwest Bancorporation, BancOhio, Detroit Bankers, and Guardian Detroit Union Group, Inc., indicate that the corporations are primarily engaged in holding the shares of banks. Is it not more than a coincidence that such holding companies in adopting a name selected one practically synonomous not only with the banking business but quite similar to the principal bank in the chain? Guardian Detroit Union Group, Inc. took its name from the Guardian Detroit Bank and the Union Guardian Trust Company, the two big links in its chain. Bank America Corporation carries the name of its cornerstone bank. BancOhio is built around the Ohio National. Northwest Bancorporation takes its name from the territory in which it operates. The name "Detroit Bankers Company" was less closely associated with the name of its principal bank, First National Bank-Detroit, than any of the group mentioned. BancoKentucky was directly named after the National Bank of Kentucky, which was always known as Bank of Kentucky. As stated in our original brief, BancoKentucky was listed and sold on the stock markets and publicized in the newspaper quotations as a bank stock. Therefore we submit that the argument fails in its attempt to show that Detroit Bankers was and that Banco was not "a bankers company".

On the same page of respondents' brief it is stated with reference to Detroit Bankers that

> "It was, essentially and exclusively, an instrumentality of the five constituent banks, by which it was conceived, organized, financed, dominated and ultimately dissolved."

This statement quoted above is correct as to Detroit Bankers but it is equally correct as to BancoKentucky. The only distinction is that in the Detroit Bankers there were five banks at the time of its organization and in BancoKentucky there were only two banks, National Bank and Louisville Trust. BancoKentucky was "essentially and exclusively an instrumentality" of the two banks. In fact the Banco prospectus used the very word "essential," viz.:

> "It is an *essential* part of this organization that the shares of this corporation (or at least a substantial majority thereof) be owned by the trustees participation shareholders, and that it *be managed and operated by the Board of Directors and the officers of the two banks.*"

BancoKentucky was "*conceived*" by the two banks. The conception took place in meetings of the Board of Directors of National Bank of Kentucky held on June 7 and June 21, 1929, a record of which appears on the bank minutes (See minutes and resolutions printed in full at p. 23 of our original brief). Banco was "organized" by the two banks. See the prospectus printed as Appendix A, p. 63 of our original brief. Note at p. 66 the signatures of the two banks and at p. 67 the signatures of the directors. And bear in mind that the directors of the two banks were identical and that after Banco was formed the same directors also became the directors of Banco.

Banco was "*financed*" by the two banks because over $7,000,000 out of the $9,000,000 new money put into Banco came out of the two banks by way of loans upon the security of Banco stock (Ex. V. 4, p. 1934).

Banco was "*dominated*" by the two banks because it was "an essential part" of the scheme "that it be managed and operated by the Boards of Directors and the officers of the two banks."

And finally Banco was "*ultimately dissolved*" by the two banks because when the Banco Board, which was identical with the Board of Directors of the National Bank and Louisville Trust Company voted to suspend they brought the whole structure down like a house of cards, including Banco and the whole chain of constituent banks. This is exactly what took place at Detroit with the Detroit Bankers and the Guardian Group chains; exactly what Solicitor General Lehmann prophesied would happen so far back as forty years ago.[1]

Respondents also, at p. 45, say that Detroit Bankers was in "absolute control" of the constituent banks for five years. BancoKentucky, according to the "essential" plans, was always to be "managed and operated" by the two banks. At p. 46 it is pointed out that Detroit Bankers operated through "service charges" on the constituent banks. BancoKentucky operated on overdrafts at the National Bank of Kentucky and by *using, without remuneration, the facilities and clerical force of the National Bank.* It did this because it had no facilities or clerical force of its own. At p. 46 respondents suggest that Detroit Bankers was controlled through "puppets" of the banks. National Bank of Kentucky and Louisville Trust Company controlled Banco directly without the aid of "puppets"; a distinction without difference.

There is but one significant and pertinent distinction between the two cases on the record. The stockholders of the Detroit Banks honorably obligated themselves by contract to respond for any assessment levied upon any of the constituent banks. The Louisville stockholders by seeking to make their stock "non-assessable" and by writing into their Articles of Incorporation that their private prop-

[1] Congressional Record, Vol. 75, Part 9, pp. 9899-9904.

erty should be exempt from liability, were seeking to escape the very responsibility which the Detroit stockholders honorably assumed.

To permit the respondent stockholders of a tottering bank, without knowledge or sanction of the depositors to interpose their own corporate creature, Banco, between themselves and the double liability would be a direct violation of the "rules of fair play" pointed out in *Pepper* v. *Litton*, 308 U. S. 295, at p. 311. Certainly the stockholders of a failing national bank cannot "avail" themselves of their own "corporate device" to the "detriment" of the innocent depositors; and this must be particularly true when they seek the evasion or circumvention of a statute passed for the security of the depositors. The "rules of fair play" do not permit them to do "indirectly through the corporation" what they could not do "directly" as individuals. No matter how "meticulous" they may be in following legal forms or "technical requirements" in such cases, equity will "intervene" to keep them from getting away with it, because it is not "fair play."

It is claimed as a distinction between the Barbour v. Thomas and the case at bar that no "new money" went into Detroit Bankers but that over $9,000,000 "new money" went into BancoKentucky. We challenge the statement that "new money" went into BancoKentucky. Over $7,000,000 of it came out of the two banks on loans made on the security of Banco stock. We don't think this was "new money." In any event in the companion Detroit case to Barbour v. Thomas, *Deming* v. *Schram* (7 F. Supp. 271), $7,500,000 of really new money went into that bank stock holding company and the court made no distinction in its judgment. In *Nettles* v. *Rhett* (94 F. (2d) 42), new money was put in the holding company and its stockholders were held liable.

It is claimed, and the Court of Appeals opinion (*Anderson* v. *Abbott*, 127 F. (2d) 696, p. 700) also points this out as a distinction between Detroit Bankers and BancoKentucky, that none of the stock of Detroit Bankers was

sold to the public. This statement is not exactly correct. Detroit Bankers stock was listed and actively dealt in on the Detroit Exchange and many of the defendants in that case purchased their stock in the open market. It is true, however, that none of the stock of Detroit Bankers was originally offered to the public whereas in Banco the public buyers were to some extent original subscribers. But what difference does all this make anyway? If Banco-Kentucky stock represents bank stock, and we submit that it does under the facts of this case, the holder of Banco stock becomes, for the purpose of the statute in question here, liable for the assessment regardless of whether he acquired it by exchange or by purchase in the market. The district court so found (R. 1, p. 155). See also *Ullrich* v. *Thomas* (86 F. (2d) 678). (Cert. den. 301 U. S. 692.) When the investor bought Banco stock he knew he was buying bank stock; not stock in one bank but stock in every one of the whole BancoKentucky chain of banks. He must have known this because Banco was listed on the exchanges and quoted in the newspapers always as bank stock. Even if the contention was sound it would still result in holding the original bank shareholders. Certainly *they* could not escape liability because a few people on the outside bought Banco stock.

The lower court in its attempt to distinguish the *Barbour* v. *Thomas* case, p. 700, recites that the only assets of Detroit Bankers was bank stock and that the expense of Detroit Bankers was borne by the levy of a service charge on the various banks, and it is pointed out that therefore there was no substantial assets for the protection of the bank depositors with reference to the assessment statute and then intimates that Banco had substantial assets other than bank stocks. In answer to this statement we refer the court to our original brief, pp. 27 to 31 inclusive, where it is definitely shown that all the assets that Banco ever had were bank shares except a few shares in the Union Central Life Insurance Company and where it is shown that all the business that Banco ever transacted was connected with its

business of holding bank stocks. It never had investments in anything except bank stock.

Another distinction that the lower court pointed out between the two cases was that in the Detroit case the stockholders assumed double liability by their Article 9 whereas in Banco they not only made no such assumption but also affirmatively sought to negative liability by making their shares "non-assessable." It is submitted that an attempt to evade the statute violates the rule of fair play which estops the one who makes the attempt from taking advantage of it. Again the lower court at p. 701 attempts to distinguish the two cases by saying that Banco operated on a broader scope, both territorially and in corporate financing than did the holding company involved in Barbour v. Thomas. As to this suggested difference we point out that the only territorial difference was that Detroit Bankers operated only in Michigan while BancoKentucky operated in Kentucky and Ohio. The only difference "in corporate financing" outside of the holding of bank stocks was that Banco owned a few shares of life insurance company stock. The "loan" to Brown and the other "operations" are all set forth at pp. 30 and 31 of our original brief. Examination of these will show that except for the fact that it owned banks in two States Banco operated on a much narrower field than Detroit Bankers because Detroit Bankers owned controlling stock in many more banks than did BancoKentucky.

In our original brief, pp. 56 to 61, inclusive, we have analyzed and criticized in detail both the District Court and Court of Appeals opinions in the instant case. A further analysis of the Court of Appeals opinion is found in the petition for rehearing (R. 3, p. 327).

NO DEFENSE CAN BE BASED ON PRIOR CASES.

Less than twenty-four pages of the "argument" for respondents is devoted to the merits (pp. 33-57). More than half of respondents' 109-page brief is devoted to the claim that two prior cases enable the shareholders of this bank to

escape the payment of their statutory liability on the ground that such cases represent "an election of remedies", or are "res judicata". The first of these two cases was a suit by the Receiver to recover judgment against the holding company as the *record owner* of the bank stock. This case is known as "*Laurent* (Receiver of Banco) v. *Anderson*" (Receiver of the Bank), 70 F. (2d) 819. The second case was a suit by the Receiver to impose liability upon the directors of the Bank for losses resulting from violation of their statutory duty and from negligence in the management of the Bank. This case is known as "*Atherton* v. *Anderson*", 86 F. (2d) 518; 99 F. (2d) 883. These defenses were held to be without merit in fact and unsound in law by the District Court in his opinion overruling defendants' motion to dismiss, reported in 23 F. Supp. 265 (R. 1, p. 144). A similar conclusion was reached by Judge Sullivan in overruling a motion to dismiss the bill of complaint filed in the Northern District of Illinois. *Anderson* v. *Atkinson* (22 F. Supp. 853). Upon the conclusion of the trial on the merits the District Judge adhered to his opinion that these technical defenses based on these two cases were devoid of merit (R. 1, p. 268)[1] and denied respondents' request for findings and conclusions of law upholding these defenses (R. 1, p. 283).

The respondents did not appeal from the decision of the District Court overruling the defenses based upon these two cases. Although these defenses were asserted in the Court of Appeals by way of argument, they were not considered meritorious by that court. We do not believe they are deserving of consideration here. However, in order that this court may have the benefit of a clear and correct statement of the issues involved, we discuss each separately.

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[1] Conclusion of Law No. 13: "The judgment in *Atherton* v. *Anderson*, 86 F. 2nd 518, is not res judicata of the case and the defendant's pleas of res judicata, election, estoppel and estoppel by judgment should be overruled.

LAURENT v. ANDERSON.

70 F. (2d) 819.

As set forth in our main brief (p. 3), substantially all the stock of the National Bank of Kentucky at the time of its failure was held of record in the name of Banco. The failure of Banco and the banks held by it followed immediately the failure of the Bank. This was inevitable since a chain is no stronger than its weakest link and this is particularly true of bank chains—which rest on public confidence.

As soon as the assessment was levied upon the stock of the National Bank of Kentucky the Receiver was confronted with the duty to proceed to collect the assessment against both the record owner of the bank stock and against the real shareholders of the Bank insofar as he was unable to make the assessment against the record holders. Respondents argue that Banco was not a record holder of bank stock because the stock register listed the shareholders as the directors and the six trustees. The argument is fallacious. The exact language on the stock ledger recorded that the stock of the Bank stood in the names of the six trustees,

> "*under trust agreement dated April 22, 1927.*" (R. 2, p. 77)

This trust agreement, thus incorporated by reference in the stock ledger, was actually filed with the Bank as provided in the participation certificates issued by the trustees (Ex. V(1, p. 28).

Furthermore, the trustees were required by the trust agreement to keep,

> "• • • *a register of trustees participation certificates issued by them similar to the ordinary stock certificate book,* showing the name and mailing address of each certificate holder, and *shall certify a copy thereof to each institution* (National Bank of Kentucky and Louisville Trust Company) issuing stock to them." (Trust Agreement paragraph VI.) (Ex. 7, Vol. 1, p. 25.)

The above provision under which a register of the holders of trustees participation certificates was certified to and made part of the records of the Bank was in compliance with R. S. § 5210, 12 U. S. C. § 62.

It is thus clear that the stock *records* of the National Bank of Kentucky showed, first, that all of its stock was issued to the trustees under the trust agreement of April 22, 1927 and, second, that BancoKentucky Company was the record holder of 95 per cent of the trust certificates which represented the shares of the Bank. Disregarding mechanics, the Bank records showed clearly that the BancoKentucky Company held 95 per cent of the stock of the Bank.

However, since BancoKentucky Company was a holding company, conceived and organized by the Bank shareholders to hold their bank stock, the Receiver served by registered mail two separate and different notices of assessment and demand for payment—one on BancoKentucky Company as the *record* holder of bank stock, and the other on the shareholders of Banco as the true, real and beneficial holders of the bank stock. These two notices show that the position taken by the Comptroller of the Currency and the Receiver of the Bank has been continuously consistent from the day the assessment was levied to the present time. The first notice was directed to Mr. Joseph S. Laurent as Receiver of BancoKentucky Company and was dated March 20, 1931. After reciting that the Comptroller had levied an assessment upon the stockholders of the Bank for the par value of each share, the notice continued:

> You are *holder of record* of 540,484 trustees' participation certificates issued under the terms of a certain trust agreement of April 22, 1927, which said trustees' participation certificates represent the ownership of 37,721,624 shares of stock of The National Bank of Kentucky. You are, therefore, required to pay the assessment upon 37,721,624 shares of stock of The National Bank of Kentucky, represented by the aforesaid trustees' participation certificates in accordance with the foregoing order and this notice. Your prompt compliance will be a great benefit to creditors of this trust and will advance materially its early liquidation.

Notice to Banco

A second notice was sent out on the same day, also by registered mail, to each stockholder of BancoKentucky Company advising him of the levy of the assessment and then reciting:

> "A notice of such assessment and a demand for payment of the same has been served upon the Receiver of The BancoKentucky Company as the holder of 540,484 trustees' participation certificates, issued under a certain trust agreement of April 22, 1927, which trustees' participation certificates represent the ownership of 37,721,624 shares of stock in The National Bank of Kentucky. *You will, therefore, take notice that it is the intention of the undersigned*, as Receiver of The National Bank of Kentucky, *to proceed against you for the collection of the aforesaid assessment liability represented by the said trustees' participation certificates held by said BancoKentucky Company, to the extent that the undersigned, as Receiver of The National Bank of Kentucky, is unable to collect said assessment from The BancoKentucky Company or its Receiver.*" (Ex. 1, p. 7; R. 1, pp. 69, 70.)

No objection was made by any shareholder of Banco to the above clearly defined course of procedure. Since the attempt to collect as much as possible from the holding company before resorting to the individual liability of shareholders was for their benefit, there was no reason the shareholders of Banco should not acquiesce in the course followed by the Receiver.

Pursuant to the foregoing notices and reservation of his right to collect any deficiency from the individual shareholders of Banco the Receiver commenced the action known as *Laurent* v. *Anderson* to collect the stock assessment from Banco as the record holder. This clearly appears from an examination of the petition filed October 31, 1931. After describing the plaintiff, defendant and the nature of the suit, the petition recites:

> The Banco Kentucky Company was at the time of the closing of The National Bank of Kentucky, and the appointment of the plaintiff as Receiver, *the holder of*

> *record* of five hundred forty thousand four hundred eighty-four (540,484) Trustees Participation Certificates, having a par value of $10.00, which Trustees Participation Certificates were issued under the terms of a certain Trust Agreement of April 22, 1927, and *which Trustees Participation Certificates represent the ownership of 37,721.624 shares of stock of The National Bank of Kentucky of Louisville*, as hereinafter more fully set forth.
>
> (Deft. Ex. 23 Transcript of Record *Laurent* v. *Anderson*, p. 3)

Other language of the petition clearly shows that two issues were raised by the petition. First, that trustees' participation certificates represented the ownership of bank stock under the trust agreement and, second, that Banco was the record owner of such stock and hence liable as record owner and on its contract (Art. IX of the Trust Agreement) to pay the assessment. These claims were challenged by a general demurrer and answer filed by the Receiver of Banco. The answer contains a denial that,

> "* * * the said BancoKentucky Company owned any stock of the National Bank of Kentucky at any time, or that any trustees' participation certificates owned by BancoKentucky Company at any time represented National Bank of Kentucky stock."
>
> (Deft. Ex. 23 p. 10)

Banco further asserted in paragraph two of its Answer that the *record shareholders were the trustees* and that they alone were liable to the extent of the trust estate under 12 U. S. C. 66 of the federal banking law.

Thus, the main issue presented to the court for decision under the pleadings in *Laurent* v. *Anderson* was whether Banco or the trustees were the *record* owner of the bank stock. The respondents, stockholders of Banco, were not parties to that case. No facts were offered in evidence as to respondents. *The court did not decide that respondents were, or were not, bank stockholders, record, or real.* Such an issue was not before the court to decide. So when the

court, in its opinion, speaks of the "real and beneficial" ownership theory of liability it was only with reference to the rights and responsibilities as between Banco and the trustees. Banco, in that case, as between it and the trustees, was both the real and the record owner of the bank stock. It was, so far as the record was concerned, the *real* stockholder because it was the beneficiary under the trust indenture. It was the *record* stockholder because its name was filed of record with the bank by the trustees under the provisions of the Bank Act. 12 U. S. C. 62.

An incidental question which arose under 12 U. S. C. § 66, was whether liability rested solely on the trustee to the extent of the trust estate or whether the beneficiaries of the bank stock trust were liable. The court held that the stock assessment liability rested upon the BancoKentucky Company as the beneficiary of the trust and the record holder of the bank stock.

Of the judgment thus obtained against Banco, as the record owner of the stock, a little more than ninety thousand dollars was collected, leaving a deficiency of nearly four million dollars. Acting pursuant to the notice previously given to shareholders of BancoKentucky Company (supra, p. 24), the Receiver then brought the present suit to recover from each his proportion of the deficiency amounting to approximately $2.30 per share. It is now claimed that the abortive attempt to realize the assessment from the defunct holding company was an election of remedies by the Receiver which bars the right of the depositors to pursue the real shareholders in the present case.

It is further claimed that the decision constitutes an adjudication that the corporate entity of Banco was the real shareholder of the National Bank of Kentucky. Neither claim is well founded in law.

Both the Record and Beneficial Holders of Bank Stock Are Liable.

From the outset the Comptroller of the Currency and the receiver considered both the holding company and its shareholders liable for the assessment. In this they are amply supported by the authorities. In the cases which have considered the liability of a holding company and its shareholders for the statutory assessment upon the stock of banks owned by the holding company, *both* have been held answerable. E. g., *Metropolitan Holding Company* v. *Snyder*, 79 F. (2d) 263 (C. C. A. 8, 1935); *Corker* v. *Soper*, 53 F. (2d) 190 (C. C. A. 5, 1931), cert. denied, 285 U. S. 540 (1932); *Harris Investment Co.* v. *Hood*, 123 Fla. 598, 167 So. 25 (1936); *Nettles* v. *Sottile*, 184 S. C. 1, 191 S. E. 796 (1937); *Nettles* v. *Rhett*, 94 F. (2d) 42 (C. C. A. 4, 1938); *Flanagan* v. *Madison Square State Bank*, 302 Ill. App. 468, 24 N. E. (2d) 202 (1939); *Galinski* v. *Adler*, 302 Ill. App. 474, 24 N. E. (2d) 205 (1939).

Respondents' argument is predicated on their failure to recognize that both the holding company and its shareholders are liable and that the liability is not in the alternative. Where both are liable suit and judgment against one, in the absence of satisfaction, does not affect the right to proceed against the other. Respondents' whole contention is well answered in *Ericson* v. *Slomer*, 94 Fed. (2d) 437 (C. C. A. 7, 1938):

> "It is our conclusion that the receiver of a national bank has a right to proceed against both the record and actual owner of the shares of stock in an attempt to collect the liability thereupon imposed. It seems both logical and reasonable that such procedure should be permissible. Under well-established law, both are liable. As to who shall carry the burden as between them is a matter with which we are not here concerned. Why should the receiver, at his peril, be required to select the one against whom he is to proceed and why should a proceeding against one be a bar to a proceeding against the other? He should not be so

> required and neither should either of the parties whom the law makes liable be permitted to shield himself from such liability by asserting an unsatisfied judgment has been obtained against the other. To hold otherwise is to lay down the bars so that fraud may be committed upon the creditors of the bank. There can be required only one satisfaction of the stock liability. A judgment against either and a satisfaction, of course, would constitute a bar to a judgment against the other. A partial satisfaction would constitute a bar pro tanto." [94 Fed. (2d) 437, 441.]

Another case directly in point is *Nettles* v. *Sottile*, 184 S. C. 1, 191 S. E. 796 (1937). The receiver of the Peoples State Bank of South Carolina brought an action to collect the stock assessment against the Palmetto Brokerage Company, a holding company which appeared as the holder of 900 shares of the bank stock. After obtaining judgment against the holding company the bank receiver brought suit against its stockholders. The stockholders defended on the ground that the receiver had obtained judgment against the holding company and that such action constituted a recognition of the corporation as the true owner of the shares involved; and that:

> "(2) The right of action to enforce the liability attaching to the shares involved is single and cannot be split into separate suits against the corporation and its stockholders; (3) In the *Biltrite* case the depositor-plaintiffs had the option of asserting the liability against the corporation or its stockholders, and elected to seek and recover judgment against the corporation."

The court rejected these defenses, which are identical to those urged by the Respondents here, saying:

> "The judgment was against the corporation as the apparent owner of the shares herein involved. The purpose of the instant suit is to discover the true owners of these shares and to collect the liability thereto attaching. . . .

"Equity, in good conscience, will not countenance the use of the equitable defense of estoppel to further a wrong or work an injustice.

"The principle of equitable estoppel is based solely on the prejudice or injury to the one in whose behalf it is allowed because of the conduct of another. Defendants can show no prejudice to their rights nor injury to themselves in this case which would warrant the application of this principle.

"What has been said above applies with equal force to the defendants' claim of election of remedies. *There has been no election. None was necessary.* The primary right of the depositor-plaintiffs in the *Biltrite* case to enforce and collect the liability attaching to these 900 shares of stock is only being furthered by this proceeding under the authority of the court in the main action, to which this suit, as above shown, is supplementary or auxiliary.

"The depositors are the creditors and the true holders of these shares, the debtors. *As creditors, the depositors have a right to pursue one or more remedies until the obligation is satisfied.*

"The courts favor creditors and the payment of obligations, and they will not loosely interpose barriers in the way of collection of just debts. *The pursuit of several remedies is fully recognized, though, of course there can be but one satisfaction.*" (191 S. E. 796, 798-9.)

The Supreme Court of South Carolina affirmed the lower court on this point:

". . . the court is satisfied with the conclusion that the plaintiff had the right to bring this action, and that he is not debarred from maintaining it by reason of having made an election of remedies." (191 S. E. 796, 808.)

In *Nettles* v. *Rhett*, 94 F. (2d) 42, 44, the stockholders of The Peoples Investment Corporation, a bank stock holding company, argued that a prior judgment for stock assessment obtained against the holding company constituted an election of remedies and barred a subsequent action

against them. The Court of Appeals rejected the argument, expressly approved the decision of the Supreme Court of South Carolina in *Nettles* v. *Sottile, supra,* and said:

> "This ruling in our opinion should be followed in the pending case. There was no election of an inconsistent remedy in the earlier suit."

A similar conclusion was reached in *Continental National Bank* v. *O'Neil,* 82 F. (2d) 650 (C. C. A.-7, 1936). In that case the court said that they could well understand the receiver's perplexity and that his course in suing both the record owner and the beneficial owner was "reconciliably consistent."

> "In both actions the true facts were stated, and the complexity arose because of the legal conception of division of ownership into legal and equitable."

Recently this court denied certiorari in the case of *Reconstruction Finance Corp.* v. *Pelts,* 123 F. (2d) 503 (C. C. A. 7, 1941) cert. den. 315 U. S. 812, where the court of appeals arrived at the conclusion that judgment against the record owner of bank stock did not prevent the receiver from proceeding against the real owner.

In another recent decision the Seventh Circuit Court of Appeals has reaffirmed the doctrine that a judgment recovered against the record holder of bank stock for assessment liability does not bar a subsequent action to determine the real shareholder. *Reconstruction Finance Corp.* v. *Barrett,* 131 F. (2d) 745 (1942). In that case judgment was obtained against the record holder (Sundeen) who paid a small part of the judgment by way of compromise. It was claimed that this constituted a complete bar to recovery against one Barrett whom the court found to be the real owner of the shares registered in the name of Sundeen. In overruling this plea Judge Minton, speaking for the Court, said:

"We held in Ericson v. Slomer, 7 Cir., 94 F. 2d. 437, and in Reconstruction Finance Corporation v. Pelts, 7 Cir., 123 F. 2d. 503, that judgment for the added stockholders' liability could be had against both the owner of record and the actual owner, but that there could be only one satisfaction. By that we meant there could be only one satisfaction of the liability evidenced by the amount in judgment. * * *

The satisfaction in the case at bar was only a pro tanto satisfaction.

The owner of record is liable because he is the owner of record and he will not be heard to deny his liability. The actual owner, though not of record, is liable because of the voluntary relationship he has assumed towards the stock as owner in fact. * * *

When the obligation to pay has been fully met, that is all the judgment creditor is entitled to, and until it has received that full satisfaction, it may pursue either or both of its judgment debtors. In seeking to collect the double liability of the stockholders, the plaintiff is trying to collect the whole of the established liability. *It is not engaged in a mere game of recovering judgments. It is engaged in collecting money, not judgments.*"

To the same effect is *Broderick* v. *Aaron*, 151 Misc. 516; 272 N. Y. S. 219; aff. 242 App. Div. 604, 272 N. Y. S. 244, and 277 N. Y. S. 499:

"Nor is it necessary in an action of this character for plaintiff to elect between the liability of the agent or principal. This doctrine applies only where the decision to pursue the principal is inconsistent with a concurrent cause of action against the agent and usually operates where contractual obligations are involved. *Georgi* v. *Texas Co.*, 225 N. Y. 410, 122 N. E. 238. Compare *Phelps* v. *Wait*, 30 N. Y. 78. The assessment liability is not contractual in the accepted legal sense of the term [*Rogers* v. *Jarden* (D. C.), 3 F. Supp. 211], but it is of statutory origin (*Christopher* v. *Norvell*, 201 U. S. 216, 26 S. Ct. 502, 50 L. ed. 732; 5 Ann. Cas. 740; *McClaine* v. *Rankin*, 197 U. S. 154, 25 S. Ct. 410, 49 L. Ed. 702, 3 Ann. Cas. 500). A fixed and absolute liability is imposed by statute upon designated

classes and categories of persons." [272 N. Y. S. 219, 236-7.]

See also *Irvine* v. *Blackburn*, 205 Fed. 217 (C. C. A. 3, 1913), certiorari denied 229 U. S. 622 (1913).

Respondents cite cases dealing with the general principle of election of remedies. These cases do not consider the situation of the receiver of an insolvent national bank seeking to recover an assessment for the benefit of depositors from a bank stock holding company and its shareholders. There is no inconsistency in his proceedings against both. All of respondents' cases have to do with situations where one or the other of two could be sued, but not both. The inapplicability of such decisions is evident. The only case involving stock assessment cited by respondents is *Pottorff* v. *Dean*, 77 F. (2d) 893 (C. C. A. 1, 1935). This case does not involve the liability of a holding company and its shareholders.

There the defendant Dean owned bank shares. She transferred the bank shares to trustees and divested herself of all interest therein. The receiver attempted to collect the assessment from the trustees. Subsequently he brought suit against defendant Dean. The court held that Dean had not been a stockholder in the bank for more than five years and that the receiver's suit against Dean was inconsistent with his prior action against the trustees. In the suit against the trustees the receiver recognized that Dean retained no interest in the assets transferred to the trust.

How different is the situation here. At the outset the Receiver served notice on the stockholders of Banco that he considered them the real shareholders of the Bank within the meaning of the assessment statutes, and he has never receded from that position. Unlike the situation in the Dean case, both Banco, as the record holder, and the stockholders of the holding company, as the real shareholders, must answer for the assessment. In all the Bank Stock holding company cases both the company and its shareholders have

been held liable for the assessment. In none has it been held that an unsatisfied and uncollectible judgment against the holding company bars the receiver from enforcing the assessment against the individual shareholders.

Laurent v. Anderson Is Not Res Judicata of the Issues Here Nor Was There an Election.

Respondents argue that the Laurent case decided that the real owner of the stock was the corporate entity, BancoKentucky Company. They further argue that this negatives ownership by the stockholders because the holders of stock of a bona fide corporation are not the owners of the assets thereof. Respondents further say that, *although they were not parties to Laurent* v. *Anderson*, they were in privity with the corporation.

There are many difficulties with defendants' argument. Primarily, it starts with a false premise. In determining whether the doctrine of estoppel by judgment or res judicata is applicable, the courts have held that the issues of law and fact and the parties must be the same. The pleadings control the issues. We have previously pointed out that the pleadings in the Laurent case raised entirely different issues from those involved in the present suit, and the parties were entirely different. The transcript of the record in the Laurent case, including all the formal appeal papers, consists of *less than fifty printed pages.* The case was largely determined by a construction of the trust agreement and the principal question was whether the trustees' participation certificates were bank stock, a matter which is no longer questioned. In the Court of Appeals the respondents in their brief, at page 40, said:

> "The trustees' participation certificates are admittedly bank stock for the purpose of this case."

Defendants refer to certain language in the opinion and findings in *Laurent* v. *Anderson* and in the argument contained in some of the briefs to the effect that Banco was the

real and beneficial owner of the trustees' participation certificates, which were held to be bank stock, but, as this court has warned:

> "The nature and extent of the former decree is not to be determined by seizing upon isolated parts of it or passages in the opinion considering the rights of the parties, but upon an examination of the issues made and intended to be submitted and what the decree was really designed to accomplish. . . ." *Vicksburg* v. *Henson*, 231 U. S. 259, 273 (1913).

Here, as in *United Shoe Mach. Co.* v. *United States*, 258 U. S. 451, 460 (1922), "the defendants in their argument seize upon isolated passages in the opinion of the court in the former case, and contend that they are decisive here." But here, as in that case "the effect of the former judgment as an estoppel is not to be thus determined" (ibid.).[1] Judge Hahn's language cannot be considered apart from the other language in the opinion above referred to, nor apart from the pleadings and the issue presented in the case, i.e., whether T. P. C.'s were Bank stock. *The court had for determination whether beneficial interest in the trust evidenced by the T. P. C.'s enabled Banco to shift liability as record owner of the T. P. C.'s to the trust estate under the provisions of R. S. § 5152, 12 U. S. C. § 66. None of the defendants was a party to that case and the court did not decide or purport to decide whether the stockholders of Banco are the real and beneficial owners of the Bank's stock.*

That a reading of Judge Hahn's entire opinion leaves no question about what was decided in the *Laurent* case is demonstrated by what Judge Sullivan said when he rejectd similar pleas of estoppel by judgment, *res judicata* and *stare decisis* in the action brought by the receiver in the Il-

[1] Again in *Oklahoma* v. *Texas*, 272 U. S. 21, 42 (1926), the Supreme Court admonished: "The effect of a decree as an adjudication conclusive upon the parties, *is not to be determined by isolated passages in the opinion* considering the rights of the parties, *but upon an examination of the issues made and intended to be submitted, and which it was intended to decide.*"

linois district court. As to these defenses, Judge Sullivan said in part:

> "Defendants urge that because the receiver of the bank originally brought a suit against the Banco-Kentucky Company, the holding company, for double assessment, on the ground that it was the *record owner* of the bank stock (*Laurent* v. *Anderson, Receiver*, 6 Cir., 70 F. 2d 819, 823), recovered judgment against the holding company, and collected approximately $90,000, he is now estopped from seeking to disregard the corporate entity of the holding company and enforcing the assessment against the present defendants as the actual and beneficial owners of the stock.
>
> "I agree, however, with plaintiff's contention that the issue in the present case on the liability of the individual stockholders of the holding company was not raised or considered in the *Laurent* case, supra. The question there before the court was the liability of the Banco-Kentucky Company; and the court held that it, the Banco-Kentucky Company, was liable, first, because of its agreement to pay the double assessment; and, secondly, because it was the record owner of the bank stock.
>
> "In my opinion the judgment against the Banco-Kentucky Company does not constitute *res adjudicata*, neither does it constitute estoppel against the plaintiff in the instant case, so as to prevent him from maintaining a suit against the real and beneficial owners of the bank stock." *Anderson* v. *Atkinson*, 22 F. Supp. 853, 860 (D. C. Ill., 1938).

On motions to dismiss, Judge Swinford also rejected these defenses stating: "In the case of *Laurent* v. *Anderson*, supra, the same matters were not directly in question. * * * I am of the opinion that res judicata is not a good defense. * * * The receiver is not compelled to make a choice, but has the right to pursue either or both ways of collecting the assessment." (R. I, pp. 151-3; 23 F. Supp. 265, 269-270.) Defendants again urged the same matters in their motion for additional findings of fact (R. I, pp. 268, 281-3). The motion was overruled (R. I, p. 283).

We submit that respondents' argument is not supported by the facts and is not sustained in principle or by the authorities. The unsatisfied and uncollectible judgment against Banco, as the record owner of 95 per cent of the trust certificates representing bank stock, ought not in justice and equity prevent the depositors from recovering from the defendants, as the real and actual shareholders of the Bank, the additional liability imposed by federal statutes.

ATHERTON v. ANDERSON.

86 F. (2d) 518.

The Above Case Is Not a Bar to the Present Action and Cannot Be Used as a Special Defense for 18 Director Defendants.

Atherton v. *Anderson* was an action commenced by the receiver of the bank against the directors of the National Bank of Kentucky (including officer and non-officer directors) to recover damages for losses sustained by the bank. The receiver alleges that these losses were due (1) to a violation by the directors of certain specific federal statutes governing national banks, and (2) to the negligence of the directors in the performance of their duties. The District Court found (1) that the officer directors were guilty of violation of the statutes and negligence, and (2) that the non-officer directors had violated certain of these statutes. The District Court did not pass on the common law negligence of the non-officer directors (7 F. Supp. 924; 9 F. Supp. 151; 11 F. Supp. 9). A large sum was found due from both officer and non-officer directors. The officer directors did not appeal. The non-officer directors appealed. The receiver did not file a cross-appeal. The Court of Appeals reversed the District Court except as to one relatively small item and refused to consider the alleged negligence of the directors on the ground that the receiver had not filed a cross-appeal. (86 Fed. (2d) 518.) This court granted certiorari (300 U. S. 652). After argument this court reversed

the decision of the Court of Appeals and remanded the case, with directions to hear and determine the claim that the non-officer directors were liable on the ground of common law negligence (302 U. S. 643). The exact language used by this court was: "Per Curiam: The Court is of opinion that the Circuit Court of Appeals was in error in ruling that, in the absence of a cross-appeal, the question whether common law liability for negligence would support the decree was not before the court for review. *The decree of the Circuit Court of Appeals is reversed and the cause is remanded to that court for the determination of that question.*"

After reversal of the decree, and upon reconsideration, the Court of Appeals held the non-officer directors liable for negligence with respect to large losses suffered by the bank, but found that there was no negligence or statutory violation with respect to an undue concentration of loans collateralled by Banco stock (99 Fed. (2d) 895). Following this decision the amounts involved were compromised. A decree was placed of record in the District Court, and upon payment to the receiver of $2,500,000, the receiver "acknowledged satisfaction in full of all claims asserted by him" (Case No. 649 Equity, District Court, Western District of Kentucky). As a result of the settlement the receiver gave up his right to have this court consider and decide questions as to which certiorari had previously been granted. Eighteen of the 2985 defendants in the assessment suit were defendants in the directors' suit.

These 18 former non-officer directors now assert that the reversed decree rendered as a result of the first Atherton opinion (86 Fed. (2d) 518) is *res judicata* of some of the facts with respect to such directors. (Respondents' Br. pp. 91, 101.) It is not claimed that this decree is res judicata with respect to the remaining 2967 defendants who were not parties to the Atherton case. (Respondents' Brief 91, 101.) It would seem obvious without further argument that no plea of *res judicata* can be based upon a reversed decree.

It would also seem obvious that the decree finally entered by agreement of the parties, or as a result of a compromise settlement, cannot be availed of as an authoritative determination of the issues of fact.

Regardless of the reversal and subsequent settlement of this case, both the parties and the issues involved therein were quite different from those involved in the present case. Nothing contained in the Atherton case bars the right of the Receiver in the present case to recover of these eighteen directors the assessment due on the stock owned by them. Both the cause of action and the capacity of the parties involved in the Atherton case was and is entirely different from the present case.

We shall first examine the difference in the cause of action and then the difference in the capacity of the respective parties. The cause of action against the directors was to recover for losses sustained by the bank due to loans made in violation of specific federal statutes and for common law negligence in the management of the bank. The claim of res judicata is based upon the decision that the directors in making loans on the security of BancoKentucky stock did not violate the specific provisions of Section 5201, R. S., 12 U. S. C. 83. This section provides that "no association shall make any loan or discount on the security of the shares of *its own stock*, nor be the purchaser or holder of any such shares unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith." The court of appeals (86 F. (2d) 518, 535) construed this section strictly and held that while it prohibited loans on the security of shares of National Bank of Kentucky stock that it did not prohibit loans on shares of stock of a holding company which held the stock of many other banks in addition to the stock of the National Bank and therefore that the directors were not chargeable with a violation of the statute so construed. Subsequently the court held that there was no negligence based upon an undue concentration of loans on Banco stock (99 F. (2d) 883).

The above statute is not involved in the present case. Liability in the present case is predicated upon an entirely different section of the National Banking Act, to-wit, the assessment statutes which have been construed to impose assessment liability upon the beneficial owners of bank stock even though the same is held of record by others than the beneficial owners and even though the record owner may be a corporation which holds the stock of several banks. In the directors' suit the court said that the BancoKentucky Company was not a holding company solely for the stock of the National Bank of Kentucky and therefore the statute with respect to loans on the bank's own capital stock was not violated. In the present case the Receiver does not claim that Banco was a holding company solely for the stock of the National Bank of Kentucky. Its congenital characteristic was that it should hold both the stock of the National Bank and also that of the Louisville Trust Company and it was intended to and did hold the stock of a group of banks in Ohio and Kentucky. It is axiomatic that the principle of res judicata cannot be applied unless there is an identity between the causes of action in the first and second case. This is recognized in the decisions cited by respondents—*Southern Pacific R. R.* v. *U. S.*, 168 U. S. 1, 48; *Tait* v. *Western Md. Ry. Co.*, 289 U. S. 620, 623.

The capacity of the parties in the present suit is different from the capacity in which the parties were aligned in the Atherton case. Obviously the defendants are sued in the present case in their capacity as the beneficial owners of bank stock and not for their actions as directors. Although the Atherton case was also a suit by the Receiver of the bank, the Receiver in that case brought suit against the directors in a different capacity. In the action against the directors the Receiver was suing on an asset of the bank. He sought to enforce the right of action which the corporation itself had against the directors. *Falvey* v. *Foreman State Natl. Bank*, 101 F. (2d) 409 (C. C. A. 7, 1939) cert. den. 307 U. S. 632 (1939); *Wittnebel* v. *Loughman*, 80

F. (2d) 222 (C. C. A. 2, 1935), cert. den. 297 U. S. 716 (1936); *Michelsen* v. *Penney*, 10 F. Supp. 537 (D. C. N. Y. 1934) and cases collected in Anno. 116 A. L. R. 783, 794.

The liability of stockholders under the assessment statutes is a fund created exclusively for the benefit of creditors. Hence in the present action the receiver appears as a statutory trustee for the exclusive benefit of creditors to enforce the liability of shareholders which "attaches and exists for the exclusive purpose of paying the creditors of the bank equally and ratably." *Van Dyke* v. *Evans*, 20 F. Supp. 640, 642 (D. C. Pa. 1937), aff'd. 97 F. (2d) 18; *Robbins* v. *Mitchell*, 107 F. (2d) 56, 57 (C. C. A. 9, 1939); *Frank* v. *Giesy*, 117 F. (2d) 122, 126 (C. C. A. 9, 1941); *Lally* v. *Anderson*, 194 Wash. 536, 78 P. (2d) 603, 604 (938); *Nieman* v. *Bethlehem Natl. Bank*, 113 F. (2d) 717, 718 (C. C. A. 3, 1940).

When the relationship and capacity of the parties is properly considered it appears that the Atherton suit, while conducted between some of the same individuals who appear in the present case, was not a suit between the same parties because such parties appear in an entirely different representative capacity. In such case the prior decision is not res judicata. *Troxell, Admx.* v. *Del. Lack. R. R. Co.* (1913), 327 U. S. 434.

THE ANOMALOUS POSITION OF RESPONDENTS, SUSIE E. TELLMAN, EMMA BISCHOFF, ET AL.

Several of the defendants in the District Court filed a peculiar pleading designated "Separate Answer, Counter-Claim and Cross Action of Henry M. Johnson, et al." (R. 1, p. 158) and later another paper styled "Amended Answer, Counter Claim and Cross Petition of Susie E. Tellman, et al" (R. 1, p. 168). It is somewhat difficult to determine what is intended by these papers. In the first separate answer of Henry M. Johnson, Susie E. Tellman, Frieda Gudex, Admr. etc., Paragraph 1 admits "that they acquired their stock solely *by original subscription*," but not in ex-

change for National Bank stock (R. 1, p. 158). Thus, it is admitted that these stockholders subscribed to the prospectus and plan of reorganization, and are original subscribers. This pleading answers the facts pleaded in the Bill by saying "that they do not know whether they are true or false, that one or the other is a fact, viz, that they are either true or they are false" (R. 1, p. 159). Then follows a so-called alternative pleading, that *if* the averments are *not* true then these defendants adopt a defense set forth by another defendant, Thomas Trammel, and *if* the allegations of the bill *are* true then these defendants say they may have been defrauded and would in such event wish to rescind their subscription of stock to the BancoKentucky Company and establish some kind of a set off claim against the Receiver.

The second pleading asks that the court treat "the procedure now in process in this action in the nature of a pretrial procedure" (R. 1, p. 168), and move the court for a summary judgment in favor of all those similarly situated against the bank Receiver, adjudging that defendants who subscribed for stock of the BancoKentucky Company and did not acquire the same by the exchange of bank stock have a claim against the assets of the bank for the amount paid for their stock and interest, from the date of payment (R. 1, p. 170).

No allegations of fact are alleged either in the so-called separate answer filed September 8, 1938, or the amended answer filed November 1, 1938. It is not admitted that the facts set forth by the Receiver are true nor are the facts denied. The pleadings are in the nature of an "if" argument; i.e., if certain facts are proved by somebody else, then, these defendants wish to rescind their purchase of stock in BancoKentucky Company and also recover not from that company but from the Receiver of the bank, the price of their stock.

To this alleged counterclaim and cross-action the receiver filed a reply alleging (1) that the so-called pleadings failed to allege any right or claim upon which relief can be

granted; 2. A denial; 3. A denial of jurisdiction to entertain this type of pleading (R. 1, p. 171). Plaintiff prayed that the so-called counterclaim and cross-action be dismissed and that judgment be entered against these respondents as original shareholders of the BancoKentucky Company. No evidence was offered by these respondents in support of their so-called cross-action. Furthermore said respondents stated they did not wish to prosecute the same unless the court decided in favor of the receiver in the principal case. The District Court ordered that said counterclaims and cross-actions be dismissed (R. 1, p. 284).

Notwithstanding the disclaimer of any desire to prosecute said cross-action if the court decided against the receiver, these respondents filed a so-called cross-appeal from the order of dismissal, but in the statement of points (R. 1, p. 297) the cross-appellants again stated that the cross-appeal was only prosecuted *if* and in the event the Court of Appeals should reverse the lower court. The Court of Appeals affirmed the judgment below dismissing the counterclaim and cross-action of Tellman, et al. No further effort was made to review this portion of the order below. This court has not been asked to grant certiorari by the cross-appellants below.

The Alleged Counterclaim of Respondents Tellman, Bischoff, Et Al., Is Not Properly Before This Court.

A brief has been filed styled "Brief for the Appellees and Cross-Appellants Susie E. Tellman, Emma Bischoff and Other Class B Defendants Similarly Situated". The so-called counterclaim was dismissed by the District Court. On cross-appeal this order was affirmed by the Court of Appeals. No effort has been made to review, reverse or modify this part of the order below, which is now final. Certiorari was not asked by said cross-appellants. Under these circumstances, we submit the matters urged in the brief in their behalf are not properly before the court. This

has recently been decided in *LeTulle* v. *Scofield*, 308 U. S. 415, 421 (1940):

> "A respondent or an appellee may urge any matter appearing in the record in support of a judgment, but he may not attack it even on grounds asserted in the court below, in an effort to have this court reverse it, when he himself has not sought review of the whole judgment, or of that portion which is adverse to him."

The pleading styled a counter claim is an anomalous proceeding without basis of fact or law. It is not supported by any evidence nor by the proffer of any evidence. It was only asserted contingently. The contingency was that the lower court make a finding which that court did not make. It is asserted only "if" the court hold Banco to be a fraudulent corporation. This is unique and unprecedented. Respondents make no positive claim and allege no facts. They present no record. No prejudice resulted from the dismissal of the alleged counter claim. There was in fact nothing from which a cross appeal could properly lie. Respondents make no complaint as to the decree entered in the lower court. We submit that under these circumstances there is no justiciable issue to be considered here.

Purchasers of Banco Stock Who Did Not Previously Own Bank Stock Are Liable for Their Proportionate Part of the Assessment.

The claim is made in the Tellman brief that the small percentage of stock owned by persons who had not previously owned bank stock should be considered in a separate category as "Class B" and that these shareholders should not be held liable for their proportionate part of the assessment because they were innocent of the "fraud", if any, of the bank in organizing Banco. It is further argued that if they are held liable for the assessment they should be granted a counterclaim against the Receiver of the bank.

The record shows that Tellman borrowed money from the

bank and used it to pay for Banco stock (Ex. V. 5, p. 2147). No Banco stock was sold by the bank to Tellman or other stockholders. Tellman et al. contend that they should be considered "purchasers for cash of Banco stock made up of the outside public who had nothing to do with the organization of Banco" (Tellman brief, p. 5). This is not true with respect to Tellman. She was an original subscriber for Banco stock (Ex. 148). She signed the original subscription agreement (Ex. V. 3, p. 1142) for stock in accordance with the reorganization plan outlined in the letter of the trustees dated July 19, 1929. Other respondents aligned with Tellman had no dealing with the bank and even the imaginary basis for the hypothetical claim of Tellman is missing with respect to the others.

All purchasers of Banco knew of its purpose to acquire and hold a chain of banks. The record shows that this was widely advertised. Tellman and the other respondents whom she purports to represent participated in the published plan and will not be heard to say that they defrauded themselves. Tellman got exactly what she subscribed for—bank holding company stock.

Neither Tellman nor any of the respondents have ever rescinded their purchase of bank holding company stock nor tendered back the dividends which they collected thereon.

Only one subscriber who had not previously owned bank stock testified. He said that he knew Banco held bank stocks—"We were getting dividends. Certainly I was aware that they were interested in banks; everybody knew it. It was the general opinion * * * I would have to acknowledge I did learn that they owned practically all of it (stock of the National Bank of Kentucky) * * *" (R. 2, p. 214). He said he knew that at the time he was getting dividends and decided to keep his stock with that knowledge. (R. 2, p. 215.)

The same contention was made in one of the appeals growing out of *Barbour* v. *Thomas*. In the Detroit case it appeared that over eight per cent of the stock was

acquired otherwise than by exchanging bank stock for holding company stock. (86 F. (2d) 510, 516.) It was claimed that this "otherwise acquired" group were not liable for assessment because they bought bank holding company stock after its organization. This claim was specifically overruled and the "otherwise acquired" group were held equally liable. In *Ullrich* v. *Thomas*, 86 F. (2d) 678, (C. C. A. 6, 1936), cert. den. 301 U. S. 692, (1937) the court said that they "in common with other stockholders of the holding company received dividends from it through this holding company" and could not escape the burdens which followed their beneficial ownership. (86 F. 2d. 678, 679.)

In the present case approximately ninety per cent of the shares of Banco were held by individuals who had previously held bank stock or subscribed to the original plan of reorganization. Approximately ten per cent was otherwise acquired. (R. 2, pp. 126-129.) None of the "otherwise acquired" group testified at the trial. None of them disclaimed knowledge that Banco's primary purpose was to acquire a chain of banks. The language of the Court of Appeals in *Nettles* v. *Rhett*, 94 Fed. (2d) 42, 48, is highly appropriate. "Given the fact that the holding company invested in nothing but bank stock and finally held nothing but stock of the bank created by the mergers, we cannot assume that the preferred stockholders had no knowledge of the condition of their investment."

In the instant case the testimony is that this knowledge was "public property." "Everybody knew what was going on all the time." (R. 2, p. 228.)

As Judge Sullivan said in the case pending in the Northern District of Illinois (22 F. Supp. 853): "Everyone dealing in the stock of Banco was bound to know what its assets consisted of, and knowing that such assets were the Trustees Participation Certificates which represented the stock of the bank, they were then bound to know that a statutory liability was imposed on such stock by statute."

Tellman and those aligned with her can not defeat the assessment liability by interposing this contingent "if" pleading. They have no claim against the bank and could not maintain one without first paying their assessment. *Oppenheimer* v. *Harriman National Bank and Trust Company*, 301 U. S. 206 (1937).

CONCLUSION.

We respectfully submit that the judgment below should be reversed.

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel, for Petitioner,
NICHOLS, WOOD, MARX & GINTER.

JOHN F. ANDERSON,
Chief Counsel for
Comptroller of the Currency.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1943

No. 3

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v.

KATHERINE KIRKPATRICK ABBOTT, Administrator, et al., *Respondents*.

PETITIONER'S REPLY TO SUPPLEMENTAL BRIEF FILED ON BEHALF OF RESPONDENTS.

ROBERT S. MARX,
FRANK E. WOOD,
HARRY KASFIR,
EDWARD M. BROWN,
WM. C. KELLY.
Attorneys for Petitioner.

Of Counsel:
JOHN F. ANDERSON,
General Counsel for Comptroller of the Currency.

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PETITIONER'S REPLY TO RESPONDENTS' SUPPLEMENTAL BRIEF.

The excuse given by respondents for the recent filing of a supplemental brief is that the petitioner did not file his reply brief until the day of the previous argument on February 8, 1943; and that consequently they did not have an opportunity to respond. Respondents' original brief was not filed until February 1, 1943; Cross-Appellants brief was filed February 3, 1943, so that our printed reply thereto, filed five days later, was both prompt and timely.

Respondents state (p. 1) that the "ultimate question" presented here is whether or not "the ends of justice require" that the "corporate personality" of Banco "be ignored." This is not a fair statement of the question presented to this court. The question presented, as stated in

our petition for certiorari (p. 9) and re-stated in our original brief (p. 5) is as follows:

> "Are the owners of an insolvent National Bank relieved from individual liability or 'double assessment' under the applicable Federal statute, because shortly before the bank's failure, they organized a holding company and exchanged their bank shares for holding company shares?"

No claim has ever been made by the respondents until now that the question so presented was not fairly stated. Respondents, even now, do not challenge a single fact in our statement of the facts of the case as set forth in our original brief (pp. 7-37). Nor do they challenge any of the additional facts of the case set forth in our reply brief.

Beginning on page 2 of the supplemental brief respondents erroneously assert that the long list of cases cited in our previous briefs, holding that the "real" stockholder of an insolvent bank is liable for the assessment without regard to whether or not he is the "record" holder, were "decided subsequent to 1931" to clear away the wreckage left by the financial storm of 1929, 1935. This assertion is absolutely incorrect. The principle was first announced shortly after the National Banking Act was adopted in *National Bank* v. *Case* (1878), 99 U. S. 628. The subsequent decisions are set forth fully in our original brief beginning on page 40 and again referred to in our reply brief beginning page 27.

Respondents, in an effort to narrow the principle laid down in the cases referred to, admit that they would be liable

> "where the stockholders of a failing institution have attempted to use the corporate device to evade threatened liability, and where the corporation so used has no other substantial assets than the assets transferred to it and no other function than to act as a receptacle for those shares."

If we were to accept respondents own restricted rule they would still be liable in this case. The National Bank of

Kentucky was undoubtedly in a failing condition. We have set forth in great detail in our original brief, pages 7-29 the condition of this bank showing step by step its progress towards insolvency. The facts stated therein are taken directly from the written records of the bank reproduced in the record of this case. These facts as set forth therein have never been challenged by the respondents in any brief filed before this court.

There is no question but that these respondents organized Banco Kentucky. They tried "to evade threatened liability" by writing into Banco's articles of incorporation that its stock would not be assessable and by printing on the stock certificates "fully paid and nonassessable." Banco had "no other substantial assets" than the bank's shares and it transacted no business except "to act as a receptacle for those shares." This is pointed out in detail in our original brief, (pp. 27-33). It is submitted that respondents are liable in this case even under the narrow rule as stated by them in their supplemental brief.

However, the rule is far broader. The Federal decisions uniformly hold that the shareholders of bank stock holding companies are the real true and beneficial owners of bank stock and as such are liable for assessment although the banks prior to failure were considered sound and there was no intent to escape assessment. Nor is there any necessity to disregard the corporate entity where, as here, the corporation is created by the Bank's shareholders as their corporate agency or instrumentality.

At page 6 of the supplemental brief it is urged that respondents are not liable unless it was shown that Banco "was organized for the purpose of evading the statutory liability." We have never claimed that the only purpose for which Banco was organized was to escape the National bank stock assessment. The facts on this point are set forth in our original brief beginning at the bottom of page 26 where statements taken from the officers of the bank in letters written prior to the organization of Banco plainly indicate that one of the things contemplated was to escape double liability.

However, liability depends on statute—not intent—it is immaterial whether there was an honorable intent to pay or a dishonorable attempt to avoid assessment.

At page 49 of our original brief, and again at page 18 of our reply brief, we called this Court's attention to the case of *Deming* v. *Schram*, 7 F. Supp. 271, a companion case to the *Barbour* v. *Thomas case*, 86 F. (2d) 510, and stated that $7,500,000 of new money was put into the holding company in that case, but that it did not protect the holding company stockholders from the bank assessment. At page 4 of respondents' supplemental brief it is admitted that the $7,500,000 was paid into the bank stock holding company, but respondents assert that it was paid into a different holding company. The facts as to that situation are quite clear. The Guardian Detroit Union Group, Inc., which was the holding company in the *Deming* v. *Schram* case, was a successor in title through merger of two other bank stock holding companies, Union Commerce Corporation and Guardian Detroit Group. Guardian Detroit Union Group, Inc. was a consolidation of the two prior bank stock holding companies and the $7,500,000 was paid into the Union Commerce Corporation shortly before its consolidation into Guardian Detroit Union Group, Inc.

In the supplemental brief, recently filed, it is again urged (p. 6, 7) that because the petitioner first proceeded against BancoKentucky, he is in some manner now precluded from proceeding against the stockholders of BancoKentucky. An isolated quotation is printed (p. 6) from the District Court's opinion and another isolated quotation (p. 7) is taken from the Court of Appeals decision. Under the heading "NO DEFENSE CAN BE BASED ON PRIOR CASES", we have covered this matter fully, on pages 20 and 21 of our reply brief. We have also reviewed these prior cases in detail under the heading "*LAURENT* v. *ANDERSON*, 70 F. (2d) 819", beginning on page 22 of our reply brief. The prior suit in the District Court was known as *Keyes* v. *American Life & Accident Co.*, and in the Circuit Court of Appeals as *Laurent* v. *Anderson*.

In the supplemental brief, beginning on page 8, it is for the first time claimed that certain "findings of fact" of the District Court stand as a bar to a reversal of this case. In order to meet this assertion, we want to call the Court's attention first to the fact that substantially the whole record of this case is documentary; documents, books, letters and other papers taken from the records of the bank. We want also to call the Court's attention to the fact that, prior to the trial and pursuant to Rule 36, these documents were presented to counsel for respondents, with a request that they admit the genuineness of the same, and that, after due consideration, respondents admitted the genuineness of said documents and stipulated certain facts to be true (R. 2, pp. 74-116). Therefore, substantially all the facts in this case appear in accredited documents or in stipulation of facts, about which there is no dispute. It is because of this that respondents have not, to this date, challenged a single fact set forth in either our original or supplemental brief. Therefore, without challenging any of these facts, they now say that this Court cannot look at these undisputed documentary facts, because of certain findings of the District Court.

The findings of the District Court referred to are copied on page 8 of respondents' supplemental brief.

We invite the Court to examine these so-called findings of fact. We submit that they are, in reality, not findings of fact, but were conclusions of law. So-called findings of fact 64, and 65, also appear as number 7 in the conclusions of law. Finding number 66 is copied verbatim as conclusion of law number 8. Respondents must necessarily concede that this Court may review conclusions of law number 7 and number 8. Therefore, if this Court should consider that conclusions of law numbers 7 and 8 are erroneous, it would be rather strange to say that this Court would be barred in ordering a reversal simply because the erroneous conclusions of law were also copied verbatim as findings of fact.

'So-called finding of fact number 19 states that Banco was established for its "avowed purposes". What its "avowed purposes" were is not stated by the Court but it was a congenital condition "avowed" in the prospectus that it hold the stocks of the National Bank of Kentucky and Louisville Trust Co., and its officers and director "avowed" that its primary purpose was to hold back stocks (See our main brief pp. 32-43). The finding also states that there was no "thought on the part of any of its organizers of avoiding double liability". It is difficult to tell who the Court had in mind in this finding when it used the word "organizers". The written records plainly show that somebody had a "thought" about double liability when they "distinctly provided" in the Banco's charter and on its certificates of stock that it was "nonassessable". The President of Louisville Trust Company "thought" about double liability when he wrote to the President of National Bank of Kentucky immediately prior to the organization of Banco and stated: "One of the advantages of transferring your bank stock for BancoKentucky Company stock is that you are relieved of the double liability clause" (Ex. V 3, pp. 1262, 1264). And the President of National Bank of Kentucky must have had some "thought" about the matter when he read the letter. Hayes, the Vice President of the National Bank of Kentucky, had some "thought" on the subject when he said: "The new stock will be in just as safe a position, as I see it, as the old, and without double liability". (Ex. V 3, p. 1398).

It is submitted that what the District Court had in mind, in finding number 19, was that the stockholders of the bank, at the time they organized Banco, did not think that the bank was going to fail. They "thought" that the new money going into Banco would be used, to clear the deadwood out of the National Bank of Kentucky. However, instead of doing what they promised the bank examiner they would do, they immediately proceeded to invest the new money in a lot of other assessable bank stock: neither reserving funds with which to pay assessments or cleaning

the deadwood out of the National Bank of Kentucky. But prior to the receipt of any money, it had contracted to spend over $7,600,000 for other assessable bank stock (R. 2, p. 280) and, subsequently it invested substantially all of this new money in assessable bank stock. It must not be forgotten that the whole thing collapsed, the banks as well as Banco, in just about one year. If the officers, directors and stockholders of the bank, who were the organizers of Banco, did not know of the precarious condition of the bank, it was their duty to have known it. They have no right to assert their own neglect as a defense to this law suit, brought for the benefit of the depositors of the bank.

So-called findings of fact numbers 61, 62, and 63 certainly do not prevent this court from reversing this case. We hardly know what is meant by finding number 61 that "Banco was organized in good faith". There is no dispute but that it was a legally organized corporation under the laws of Delaware. We do not quarrel with finding number 62 that it was "not a sham". These are nothing but general conclusions anyway, and we cannot tell what basic facts the court had in mind in making such findings. The same observation applies to finding number 63.

So-called findings numbered 64, 65 and 66, as we have previously stated, are nothing but conclusions of law and in identical language, appear as conclusions of law in Conclusions of Law numbered 7 and 8.

The supplemental brief attempts, beginning at page 11 under the caption "Banco's Origin and History" to make a partial statement of the facts of this case. In this so-called history of Banco, they have taken an isolated fact here and there, from the record, without attempting to give the court a full and complete statement of all the facts, and without in any way challenging any fact we have set forth in any of the briefs we have filed. It is not quite fair to ask this court to judge this case on some of the facts. It should be judged on all the facts, and respondents have never undertaken fully to state the facts of this case. They

shy far away from the terrible condition of National Bank of Kentucky immediately prior to the organization of Banco. This condition is set forth in our original brief, pages 7 to 27, inclusive, and the correctness or fairness of our statement has never been challenged. In their supplemental brief they seek to avoid the facts as to the condition of the bank by the sly statement on page 17, "the directors of the bank knew that some of the bank's assets had been criticized by the bank examiner although the president of the bank followed the practice of concealing from them the more serious criticisms."

They seek under the title "Banco's Origin and History" to make it appear that Banco had untold millions in cash in addition to assessable bank stock. This is not correct. In the very beginning Banco sold some stock in addition to that exchanged for bank shares. All of it was preempted for the Bank's shareholders. Most of this additional stock was sold to the bank stockholders and paid for with money borrowed from the Banks ($7,000,000, Ex. V 4, p. 1934). A part of it only was subscribed by others. As a result of selling this additional stock, Banco when it started business had in cash and subscriptions approximately ten million dollars, and almost immediately invested substantially all of this new money in other assessable bank stocks pursuant to commitments made before the money was received. Thereafter it had substantially nothing but assessable bank stock.

From the beginning it functioned only as a holding company, transmitting to its stockholders on the same date received the dividends which it received from bank stocks. Banco never had an office or an employee,—it never even had a telephone. See pages 29 to 33, inclusive, of our original brief where the facts are set forth in detail with record references.

The overwhelming proportion of Banco (88.71%) was held by persons who were original bank shareholders and original subscribers who participated in the formation of Banco Kentucky. Those who acquired stock otherwise

(11.29%) by gift, inheritance or purchase on the stock market knew that they were acquiring stock in a bank stockholding company, whose only assets were bank stocks (shown by its statement). None took the stand to deny this obvious fact. They enjoyed the dividends and benefits derived from the bank stocks and must under federal statutes and the decided cases bear their proportion of the statutory burden.

It is respectfully submitted that the judgment below should be reversed.

Respectfully submitted,

ROBERT S. MARX,
FRANK E. WOOD,
HARRY KASFIR,
EDWARD M. BROWN,
WM. C. KELLY.
Attorneys for Petitioner.

Of Counsel:
JOHN F. ANDERSON,
General Counsel for
Comptroller of the Currency.

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SUPPLEMENTAL RECORD REFERENCES RE CALDWELL.

ROBERT S. MARX,
FRANK E. WOOD,
WILLIAM C. KELLY,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel for Petitioner:

NICHOLS, WOOD, MARX & GINTER,
JOHN F. ANDERSON, *Chief Counsel,*
for the Comptroller of the Currency.

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SUPPLEMENTAL RECORD REFERENCES RE CALDWELL.

Upon reargument, respondents devoted considerable time to the unconsummated negotiations between Banco Kentucky Company and Caldwell & Company. It was stated that this abortive deal was evidence of Banco's original purpose to engage primarily in the investment banking field. From this premise respondents argued that Banco's double assessment bank stock holding was only incidental to its original and main purpose of investment banking. The record in this case completely destroys any such argument.

1. Consolidation or partnership between Banco and Caldwell was never even thought of when Banco was organized. The agreement was made May 28, 1930, a few months before the collapse (R. 1, p. 258). Consequently it could not have been one of the original or "avowed purposes" of Banco.

2. The "Caldwell deal" was not a good faith effort of Banco to engage in investment banking. It was, as the court found, never "consummated". (R. 1, p. 262). As one of the directors testified, it was nothing but an attempt to "swap" four hundred thousand shares of "worthless" Banco for ten thousand shares of "worthless" Caldwell stock (R. 3, p. 103).

3. The "Caldwell deal" was merely another one of a series of unconsummated proposals to which publicity was given in an effort to avert inevitable failure.

The formation of the BancoKentucky holding company was proposed to the bank examiner to induce him to waive the charge-off of losses (Exhibit V-2, p. 612). Subscriptions to the stock of BancoKentucky were payable October 1, 1929. On that very day, Mr. Vaughn, an attorney, was employed to denationalize the National Bank of Kentucky and change it over to a state bank (R. 3, p. 25). This proposal was publicized and used to induce the bank examiner to again waive charge-offs. After it had served the purpose, the proposal to denationalize, which was continued as a pending proposal from October 1929 to March 1930, was abandoned (Ex. V2, p. 1024).

Another publicity move to bolster failing public confidence was the announcement that the National Bank of Kentucky would move into a beautiful new bank building at 421 Market Street. (Ex. V3, p. 1197) This was printed with a picture of the building, in the newspapers (Ex. V3 p. 1225). The Bank of Kentucky never moved into the bank building at 421 Market Street. See *National Bank of Kentucky* v. *Louisville Trust Co.*, 67 F.(2d) 97; *Louisville Trust Co.* v. *National Bank of Kentucky*, 102 F.(2d) 137.

Another proposal, never consummated, was a physical merger of the National Bank of Kentucky and the Louisville Trust Company. (R. 3, p. 172)

The deal with Caldwell was in character with the above proposals. It was immediately publicized (June 2, 1930) by President Brown of Banco as "by far the largest and most important financial structure ever built in the midwestern or southern states and one that will undoubtedly stand out in the future as one of America's greatest financial institutions." (See brief for respondents, p. 20)

Having been publicized as above, no further effort was made to complete any appraisal of Caldwell's assets on which the deal was entirely contingent (R. 3, p. 273) and, on November 6, 1930, President Brown could therefore truthfully announce that "negotiations * * * have never been consummated. The BancoKentucky Company is, therefore, *not connected in any way with the affairs of Caldwell and Company.*" (See brief for respondents, p. 21).

The unconsummated contract between Caldwell and Company and BancoKentucky (R. p. 258) shows that it was merely a paper deal. No money was invested by either party. BancoKentucky had previously increased its authorized capital stock from two million shares to five million shares (Ex. V3, p. 1086). Under paragraph 1 of the contract, the bankrupt Caldwell Company agreed to increase its authorized capital stock from ten thousand shares to twenty thousand shares; then Banco agreed to exchange nine hundred thousand shares of its "presently authorized, but unissued stock" for ten thousand shares of Caldwell.

Although the contract says nine hundred thousand shares, it was four hundred thousand, because four hundred thousand Banco shares were placed in escrow with the Trust Company "pending such examinations and investigations as the first party (Banco) may desire to make under Sections 7 and 8 of this agreement." By side agreement, one hundred thousand shares were supposed to be used to wash out the worthless paper of the Kentucky Wagon Works held by

the National Bank of Kentucky (R. 3, pp. 27, 100). Banco covenanted that it was a bank stock holding company and that its assets were the banks set forth in Section 6 (R. 1, p. 260). Caldwell falsely represented that it had a net worth of $9,000,000 but Banco was to have one year from May 28, 1930, to "satisfy itself as to the valuation". (R. 1, p. 261).

The making of the contract one year after the organization of Banco and a few months before BancoKentucky's failure and the exchange of some "worthless paper", was all that was ever done. No steps were ever taken to carry out the terms of the agreement. No valuation of Caldwell's assets, upon which the whole agreement was contingent, was ever made or even attempted. (R. 2, p. 295; R. 3, p. 274). The most convincing proof that the deal was a mere paper transaction, intended for publicity purposes on the part of both Caldwell and Brown, is that not one dollar of dividends was ever paid to Caldwell on the Banco stock supposedly issued to Caldwell. From May 28, when the contract was made, until the failure of BancoKentucky and Caldwell a few months later, two dividends were declared and paid by the BancoKentucky Company. Although BancoKentucky stock stood in the name of Caldwell and Company, the dividends paid to all other stockholders were not paid to Caldwell—because there was in fact no *bona fide* deal and it was not intended to part with any money.* (R. 1, p. 303; Stipulation of Facts, R. 2, p. 105).

Mr. Allen Dodd, counsel for respondents, and director, testified:

> "Q. In your experience as a lawyer and director of a bank, would you say that the Caldwell & Co. contract was consummated?

* Donovan, secretary of Caldwell, testified that they were not entitled to dividends because no examination of the assets of Caldwell had been completed. The first dividend check was endorsed back to Banco and "the next quarterly dividend came in September, 1930. I don't recall that a check was issued to us for that dividend. My recollection is that a check was not issued. We received no part of the September, 1930, dividend." (R.1, p. 303)

"A. Of course, the contract was not consummated on its terms as written, but let me be plain on the proposition. When I left the Board of Directors' meeting on May 26, it was thoroughly understood that the only contract to be made with Caldwell & Co. was to be a scale contract *and nothing was to be done until after the securities were valued. I did not think a contract would ever be drawn. When I got back to Louisville, I understood nothing had been delivered.* • • •

"It was my understanding that the purchase price would be held by BancoKentucky until after its own appraisement so that if the assets proved to be of no value it would not have to be delivered. • • • BancoKentucky never made any appraisement or audit of the assets of Caldwell & Co., and never paid any dividends on the stock allocated to Caldwell in the deal, that I know of. I think I have checked the records and found that to be true." (R. 2, pp. 293, 295.)

Mr. T. Kennedy Helm, counsel for defendants and a director, testified:

"That deal with Caldwell was completed without our Board or myself having any other knowledge of what Caldwell's assets were than what Mr. Brown told us Caldwell had told him. (R. 3, p. 99)

• • •

"According to Mr. Brown, Caldwell had refused to have an audit made until the trade was agreed upon because he did not wish to submit his private papers to outsiders until the trade was consummated. And the trade would not be consummated in full until there was an audit. Th stock was held in escrow pending adjustment from the audit. (R. 3, p. 100)

• • •

"My recollection is that 400,000 shares of the 800,000 shares were taken back. As to the 400,000 shares Caldwell held, dividends were not to be paid on them until it was sold and there was an audit." (R. 3, p. 101)

Respondent E. Leland Taylor, a director, testified:

"I was one of the men who voted to make this deal with Caldwell. I was for him, I guess I voted for him. *It*

was my understanding that that contract had a year in which we were to evaluate the assets of Caldwell. I did not figure in my mind that the contract was binding until the appraisal was made. If Caldwell & Co.'s assets proved to be nothing, there was to be no payment and no contract consummated. In other words, the contract was a contract to buy rather than having bought. Caldwell's assets were to be so much, but if it was less we would pay less, and if it proved to be more, we would pay more. If it were nothing, we would pay nothing.

"The appraisal of Caldwell's assets was never made. He had a year, and during that year he was to specify when he was ready to have the appraisal made and before that year ended, things blew up and it never was made. Some stock was turned over to Caldwell. No dividends were paid on it. We did not know it was going to be turned over and I suppose it was." (R. 3, pp. 273, 274)

4. Any argument that investment banking was an original or primary purpose of Banco is precluded by sworn statements of its officers, duly authorized by its directors (V. 3, pp. 1072, 1075, 1103), filed with the State of Delaware (Ex. V. 4, p. 1921a), and with the stock exchanges in Chicago (Ex. V. 4, pp. 1711, 1723) and Louisville (Ex. V. 4, p. 1695) (quoted in Receiver's main brief pp. 37, 43), which state that its sole purpose was to hold, operate and control banks and trust companies; and by the positive and very truthful written statement of its secretary that it did not intend to go in the investment banking business.

"This company has not engaged in the business of investing and reinvesting in a diversified list of securities of other corporations for revenue and profit but has limited its activities to acquiring control of banks and trust companies and the operation of same." (Ex. V. 4, p. 1713)

5. That the sole purpose of Banco was holding assessable bank stock is made crystal clear by the sworn testimony of respondents who were directors of the bank and Banco and

attorneys for themselves and other respondents. Director Dodd, a member of the common board of the bank and trust company and trustee under the April 22 trust agreement and a director of Banco, testified:

> "The primary purpose of the organization of Banco-Kentucky Company was to acquire a group of banks in the Ohio Valley." (R. 2, p. 261)

Director Carroll, who prepared the articles, testified:

> "Q. What was the purpose of the organization of the BancoKentucky Company?
> "A. Just as stated in that charter, to acquire stock in these other institutions as a holding company.
> "Q. As a holding company its primary purpose was to own and control a chain of banks?
> "A. Yes. I think that was the reason." (R. 3, p. 153)

Director Speed testified that:

> "The main object of the formation of the Banco-Kentucky Company (was) to acquire a chain of banks." (R. 3, p. 188)

Director Hiatt testified that the,

> "* * * purpose of the organization of BancoKentucky Company * * * was for control of the banking situation in the Middle West." (R. 3, pp. 202-203)

Director Boomer considered the organization of Banco as a means of

> "* * * extension of our interest in the other banks, such as the Covington bank and Cincinnati banks and Paducah, etc., that we afterwards purchased." (R. 3, p. 245)

Director Horace Taylor testified:

> "It was well known to me and to my fellow directors that the primary purpose of this institution was to first secure a majority of the National Bank of Kentucky stock and the Louisville Trust Company stock as a

nucleus for a group of banks in the Ohio Valley." (R. 3, p. 252)

6. What Banco's intentions were can best be gleaned by what it actually did in the short period of its existence. The only thing it ever did was to hold assessable bank stocks.

7. The only thing in the whole record even hinting that Banco had a purpose or intention beyond holding assessable bank stocks is the self-serving testimony of some of its directors, in a feeble effort to conjure up a defense to this case, to the effect that there was a vague intention, some time in the future, to engage in investment banking. Such testimony contradicts the written, sworn statements of its officers filed with the Secretary of State of Delaware and with the stock exchanges, and is contradicted by the testimony of the same directors as to what Banco actually did. Compare Dodd R. 2, p. 227 with R. 2, p. 261. Compare Helm R. 3, p. 53 with R. 3, pp. 79, 81.

8. Even if some of the respondents had investment banking in mind, we submit that such intention (never carried out) is of no avail to relieve shareholders of a company, primarily designed and intended to own banks and bank stocks, from assessment liability imposed by federal statute. The bank holding companies in Detroit and elsewhere actually engaged in investment banking through First National Detroit Company, The Detroit Company and The Assets Realization Company in *Barbour* v. *Thomas*, 86 F. (2d) 510,* and through Keane Higbee Company in *Deming* v. *Schram*, 7 F. Supp. 271.** Such activity, it was held, did not relieve the shareholders from assessment liability, since the main purpose was to control the banks and to pass

* See transcript record on file with clerk this court, No. 718, October Term 1936, V. 3, Ex. 97, pp. 1097, 1121; Ex. 99A p. 1193; Ex. 99B, p. 1210; Ex. 101A, p. 1267; Ex. 101B, p. 1272.

** See Ex. V. 5, p. 2171, 2181-2.

on the dividends received from bank stocks to the shareholders of the holding company.

9. Banco was incorporated July 1929 but it did no business until September 25, 1929. It then made a contract to buy the stock of two Cincinnati banks, both assessable under Ohio statutes, for Seven Million Dollars (R. 2, pp. 262, 280). Subscriptions to Banco were not payable until October 1, 1929. It would require substantially all of this subscription money to pay for the Cincinnati bank stocks. So from the beginning to the end Banco never had any substantial assets with which to pay an assessment on a bank stock except other assessable bank stock.

10. The above statements would be true even if we were to consider the belated and unconsummated Caldwell deal as an accomplished fact. There is a stipulation in the record that Caldwell was insolvent as of May 31, 1930 (the contract was dated May 28, 1930) to the tune of $1,111,170.30 (R. 2, p. 105). Creditors of Caldwell only received a dividend of one-tenth of one per cent (R. 2, p. 106); an infinitesimal amount with which to pay bank stock assessments. Besides, Caldwell was quite a bank stock holding company in its own right. It controlled directly, and through its controlled insurance companies, the assessable stock of sixty-six other banks and trust companies.***

11. Finally, BancoKentucky Company was a Delaware Company and was legally incapacitated by the Kentucky Constitution and statutes then in effect from transacting investment banking, title insurance or making mortgage loans in Kentucky. It never qualified to do any business in that state (Ex. V. 4, p. 1693), (Kentucky Stat. § 571). Nor did it file a report or pay the license tax required by Kentucky Statute 4189-2 (Ex. V. 4, p. 1694).

*** See table compiled from Federal Reserve data by Cartinhour —Branch, Group and Chain Banking, p. 66; Caldwell's original suggestion for the consolidation: "I have been wondering lately whether it would be feasible to consider a consolidation between the Banco Kentucky Corporation and the banks in which we are interested." (Ex. V. 4, p. 1840); Ex. V. 3, p. 1207.

The Kentucky Constitution, §202, contains the following prohibition:

> "No corporation organized outside the limits of this state shall be allowed to transact business within the state on more favorable conditions than are prescribed by law to similar corporations organized under the laws of this commonwealth."

BancoKentucky was not subject to the supervision of the Banking and Securities Department of Kentucky. §165a-1 of Kentucky statutes makes this mandatory with respect to "banks, trust companies, savings banks, combined banks, real estate mortgage companies."

The nine lawyers, members of Banco's board, knew that the provision that Banco shares should be "non-assessable" made it legally impossible for BancoKentucky Company to engage in investment banking or title insurance in the State of Kentucky. §547 Kentucky Statutes provides:

> "Stockholder in guaranty companies, investment companies and insurance companies shall be liable equally and ratably, and not one for the other, for all contracts and liabilities of such corporation to the extent of the amount of their stock at par value, in addition to the amount of such stock."

Respondents can hardly be heard in a court of equity to say that they had an original purpose to violate the laws of Kentucky or to do business prohibited there to foreign and domestic corporations.

Respectfully submitted,

ROBERT S. MARX,
FRANK E. WOOD,
WILLIAM C. KELLY,
EDWARD M. BROWN,
HARRY KASFIR,

Attorneys for Petitioner.

Of Counsel for Petitioner:

NICHOLS, WOOD, MARX & GINTER,
JOHN F. ANDERSON, *Chief Counsel,*
for the Comptroller of the Currency.

IN THE

Supreme Court of the United States

October Term, 1942.

No. 497.

A. M. ANDERSON, Receiver of the National Bank of Kentucky, of Louisville, - - - - - Petitioner,

versus.

KATHERINE KIRKPATRICK ABBOTT, Administratrix, Et Al., - - - - - - - - Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

WILLIAM W. CRAWFORD,
RICHARD P. DIETZMAN,
ALLEN P. DODD,
JAMES W. STITES,
HENRY E. McELWAIN,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Counsel for Respondents.

Louisville, Kentucky,
November 17, 1942.

WESTERFIELD-BONTE CO., INCORPORATED, LOUISVILLE, KY.

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IN THE

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October Term, 1942.

No. 497.

A. M. ANDERSON, RECEIVER OF THE NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, - *Petitioner,*

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX, ET AL., - - - - - *Respondents.*

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

The Respondents respectfully submit that the prayer of the Petitioner for the issuance of a writ of certiorari should not be granted.

SUMMARY STATEMENT OF FACTS.

In the year 1927, the National Bank of Kentucky, which as a State institution had begun business in 1834 and had had a long and honorable career, was doing business in the City of Louisville as a national banking

institution. The Louisville Trust Company, a Kentucky corporation organized in 1884, was likewise doing business in that city. Believing that an affiliation of the two institutions would result in better banking and trust service to the community, stockholders of the two institutions, in April, 1927, brought about that affiliation by trusteeing most of the stock of the two institutions, excepting necessary qualifying shares for directors. The shares of the two institufions were transferred to trustees, who thus became the legal owners of those shares and stockholders of record of each of the two institutions. The trustees issued to the former stockholders certificates of interest in the trust estate, which are known in this record as "Trustees' Participation Certificates."

In July, 1929, the BancoKentucky Company, a non-banking corporation, was organized under the laws of Delaware. Its declared purposes included the buying and selling of corporate securities, the financing, management or operation of commercial manufacturing, financial or other enterprises, the underwriting of security issues for compensation, the acquisition of corporate securities by purchase, the guarantee of obligations of other persons, firms or corporations and, generally, all the powers conferred upon such corporations by the General Corporation Law of the State of Delaware. The articles of incorporation provided that "private property of the stockholders [should] not be subject to the payment of corporate debts to any extent whatever" and each stock certificate issued by the BancoKentucky Company described the shares

represented by it as being "full-paid and non-assessable."

The BancoKentucky Company acquired various assets, among which were the Trustees' Participation Certificates, which were transferred to it by the owners in exchange for stock of the BancoKentucky Company. In addition to these exchanges, the former holders of Trustees' Certificates subscribed for 178,878 shares of the BancoKentucky Company, for which they paid in cash $4,471,950. The directors of the Bank and the directors of the Trust Company, whose combined maximum liability upon their surrendered Trustees' Certificates in the event of the failure of both the Bank and the Trust Company would have been $761,150, subscribed for 47,188 additional BancoKentucky shares for which they paid $1,179,750 in cash.

In addition to the exchanges and cash sales to former Certificate holders mentioned above, approximately 3,500 outsiders who had not been holders of Bank or Trust Company shares or of Trustees' Certificates, purchased 215,908 shares of the BancoKentucky Company for which they paid in cash $5,397,700. It thus appears that at the opening stage of the activities of the BancoKentucky Company $9,869,650 in cash had been realized from the sale of its shares.*

The Trustees, of course, remained the record holders of the stock of The Louisville Trust Company and the stock of the National Bank of Kentucky and the BancoKentucky Company became the owner of the Participation Certificates.

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*Rec. Vol. I, p. 256; Findings 25-31.

The break in the stock market occurred in October, 1929, followed by the depression. In the summer of 1930 the BancoKentucky Company entered into a transaction with Caldwell and Company, of Nashville, which, upon the failure of Caldwell and Company in November, 1930, led to some unfavorable newspaper publicity with reference to that transaction. This occasioned large withdrawals of deposits from the Bank and on November 17, 1930, it closed its doors and was put in the hands of a receiver. Shortly thereafter, BancoKentucky was likewise put in the hands of a receiver.

The following February, the Comptroller of the Currency made an assessment against the stockholders of the National Bank of Kentucky under the double liability statute. On October 31, 1931, almost a year after the Bank had closed and after the Receiver had had full opportunity to know all the facts surrounding the connection of the BancoKentucky Company with the Bank, the Receiver, after first securing the necessary court permission, sued the BancoKentucky Company for the amount of the assessment upon the Bank shares represented by the Trustees' Certificates held by it, alleging that by reason of its holding of those Certificates it was the real and beneficial owner of Bank shares. This suit was first styled, "Keyes v. Laurent," but is generally referred to in this record as "Laurent v. Anderson." It was resisted by the Receiver of the BancoKentucky Company but resulted in a judgment, first in the District Court* and later by

*Keyes v. American Life & Accident Ins. Co., and Four Other Cases, 1 F. Supp. 512.

affirmance in the Circuit Court of Appeals,* against the BancoKentucky Company, both Courts holding that the BancoKentucky Company was the real and beneficial owner of the Bank stock in question.

THE QUESTION PRESENTED.

Within a day or two of five years after the Comptroller's assessment against the stockholders of the National Bank of Kentucky, the instant suit was brought by the Receiver of that Bank against the stockholders of the BancoKentucky Company, upon the same cause of action which had been asserted against the BancoKentucky Company itself in his former action. Having obtained in the former action a judgment for $3,772,162.40 against the BancoKentucky Company as the real and beneficial owner of the Bank shares represented by the Trustees' Certificates owned by it, the Receiver now shifted his ground and asserted that the holders of BancoKentucky shares were the real and beneficial owners of the Bank shares represented by the Trustees' Certificates held by the BancoKentucky Company. Being founded upon that section of the Bank Act which then imposed a double liability upon the stockholders of national banks, his suit could only be based upon one or more of the following grounds: (1) that the stockholders of the Bank had transferred their shares within sixty days before the failure of the Bank, (2) that they had transferred their shares with knowledge of impending insolvency of the

Laurent v. *Anderson*, 70 F. (2d) 819.

Bank and with intent to escape liability, or (3) that the BancoKentucky Company was not organized in good faith but solely for the purpose of shielding its stockholders against the double liability imposed by the Bank Act.

The Receiver has never asserted the first basis of liability mentioned above. In the District Court, after the evidence was all in, he disclaimed any intention to rely upon the second basis of liabifity mentioned above. It is obvious, therefore, that the only issue in this case was and is one purely of fact, to-wit, whether the BancoKentucky Company was organized and carried on in good faith for the purposes declared in its charter and was not a mere holding company nor organized as an agency of its stockholders or for the purpose of shielding its stockholders from the double liability imposed by the Bank Act.

The District Court heard the evidence introduced, listened to arguments and took the case under submission upon briefs for both sides. After a careful consideration of the record and briefs, it handed down an opinion (Rec. I, p. 228), with full findings of fact (Rec. II, p. 243),* and concluded that the BancoKentucky Company had been organized and carried on in good faith for definite, legitimate purposes and that consequently that Company, and not its stockholders, was the real and beneficial owner of the Trustees' Participation Certificates and the National Bank of Kentucky stock here involved.

*These should not be confused with "Plaintiff's Request" for Findings of Fact, beginning Rec. I, p. 176.

After hearing arguments and considering the briefs and the record, the Circuit Court of Appeals also handed down a full opinion and concluded, exactly as did the District Court, that the BancoKentucky Company was a bona-fide corporation, not created to circumvent any law, but to do the business its charter provided, and was the real and benficial owner of the Trustees' Certificates and the National Bank of Kentucky shares here involved.

CONCURRENT FINDINGS OF FACT BY BOTH COURTS BELOW CONCLUSIVE.

Applying the rule announced many times by this Court in this state of case, the writ should be denied.

In *General Pictures Co.* v. *Electric Co.*, 304 U. S. 175, this Court said (p. 178):

> "There is nothing in the lower court's decision on either of the added questions to warrant review here. Whether respondents acquiesced in the infringement and are estopped depends upon the facts. Granting of the writ would not be warranted merely to review the evidence or inferences drawn from it. Southern Power Co. v. N. C. Public Service Co., 263 U. S. 508. United States v. Johnston, 268 U. S. 220, 227. Moreover, the decision on that point rests on concurrent findings. They are not to be disturbed unless plainly without support." (Citing cases.)

Again, the rule was announced in *Harris* v. *Brundage Co.*, 205 U. S. 160, at page 163:

> "Here, both courts below found that Harris and Odell were agents of the debtor (the Association) and had custody of the Escrow Fund as such agents at the time the petition in Bankruptcy was filed and thereafter. We accept this finding, and proceed to a consideration of the jurisdictional question."

In the still later case of *Just* v. *Chambers*, 312 U. S. 383, the Court again said (p. 385):

> "In support of the judgment of the Circuit Court of Appeals, respondent asks us to review the evidence with respect to the cause of the claimants' injuries and the breach of duty by the shipowner, contending that the evidence was insufficient to support the findings. Applying the well-established rule, we accept the concurrent findings of the courts below upon these matters (Texas & New Orleans R. Co. v. Railway Clerks, 281 U. S. 548, 558) and we confine our attention to the question of the survival of the causes of action."

ON TWO OTHER OCCASIONS THE PETITIONER OBTAINED AN ADJUDICATION THAT THE BANCOKENTUCKY COMPANY WAS THE REAL AND BENEFICIAL OWNER OF THE STOCK OF THE NATIONAL BANK OF KENTUCKY.

As heretofore stated, the exact question here involved, namely, who was the real and beneficial owner of the Bank shares represented by the Trustees' Participation Certificates held by the BancoKentucky Company, was directly put in issue by the Petitioner here—by the same counsel asking for the writ here—in the suit referred to above, known as *Laurent* v. *Anderson,* which was filed in the United States District Court for the Western District of Kentucky and in which he secured from the District Court and from the Circuit Court of Appeals a finding that the real and beneficial owner of the Trustees' Participation Certificates and the shares of the National Bank of Kentucky here involved was the BancoKentucky Company.

In seeking permission from the State court, having jurisdiction of the BancoKentucky receivership to sue the BancoKentucky Company, the Petitioner here asked leave to sue on the ground that the BancoKentucky Company was the real, true and beneficial owner of the National Bank of Kentucky stock here involved by reason of its ownership of the Trustees' Participation Certificates.

Leave being granted in the terms of the request, a suit was accordingly brought and resisted by the Re-

ceiver of the BancoKentucky Company. In deciding the case, Judge Cochran held as a fact—

> "That the BancoKentucky Company, and the defendant, Joseph S. Laurent, its Receiver, was the actual and real owner of 37,721.624 shares of stock of the National Bank of Kentucky, having a par value of $100.00 per share on November 17, 1930,"*

and gave judgment against the BancoKentucky Company for $3,772,162.40, saying:†

> "Nor is it of any consequence that the BancoKentucky Company never owned in any way any stock in the National Bank of Kentucky and that it acquired its equitable interest therein by purchase of trustees' participation certificates from those who had been such owners and taken them in substitution for their stock. Upon the acquisition of such stock, that company became the beneficial and hence the actual and real owner thereof, and hence subject to assessment."

On appeal to the Circuit Court of Appeals for the Sixth Circuit, that Court affirmed the decision below and in doing so said (p. 822):‡

> "The sole question for determination is whether Banco is liable to respond as a stockholder in the National Bank of Kentucky as the real and beneficial owner of the stock under Title 12, U. S. C. A.,

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*Defendants' Exhibit No. 23.
†1 F. Supp. 512, at 513.
‡70 Fed. (2d) 819.

> Sec. 64, or whether it is exempt from liability under Title 12, U. S. C. A., Sec. 66,"

and answered that question with these statements (p. 824):

> "The evidence establishes that Banco was in every sense the true and beneficial owner of the National Bank stock involved."

Again (p. 824):

> "The petition and especially the evidence sustain recovery against Banco as the real and beneficial owner under section 64 of the National Banking Act (12 U. S. C. A.)."

The *Laurent case*, decided by the Circuit Court of Appeals on May 7, 1934, was cited in *Atherton* v. *Anderson*, which came before the Circuit Court of Appeals in November, 1936. In that case there was presented the question whether loans made by the National Bank of Kentucky, collateraled by Banco-Kentucky stock, were loans on the Bank's own stock and therefore unlawful. The Circuit Court of Appeals, in a very elaborate opinion, set out the formation and history of BancoKentucky Company and reached the conclusion that the BancoKentucky Company was a bona fide corporation, established for a lawful purpose, acting independently of the Bank, and that its stock and the Bank stock were not the same. In the course of its opinion, it called attention to *Laurent* v. *Anderson*, saying:*

*86 Fed. (2d) 518, at 536.

"While in the very beginning the bank stock may, as found by the court [District Court], have been its principal asset, any may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and it was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See *Laurent* v. *Anderson, supra.* ITS SEPARATE CORPORATE EXISTENCE WAS RECOGNIZED BY THE VERY RECEIVER ON WHOSE BEHALF WE ARE NOW ASKED TO IGNORE IT." (Emphasis ours.)

Although *Atherton* v. *Anderson,* came to this Court and was sent back to the Circuit Court of Appeals for a ruling on another issue in that case, on its return the Circuit Court of Appeals adhered to its ruling theretofore made upon the character of BancoKentucky Company. *Atherton* v. *Anderson,* 99 Fed. (2d) 883, p. 895.

No appeal has ever been prosecuted from the latter ruling, made November 16, 1938, nor was any recovery adjudged or settlement made on account of alleged illegal loans by the Bank on the security of Banco-Kentucky stock.

THERE IS NO CONFLICT BETWEEN THE DECISION OF THE CIRCUIT COURT OF APPEALS HERE AND ITS DECISION IN BARBOUR v. THOMAS.

The petition for the writ here sought seems to suggest conflict between the decision of the Circuit Court of Appeals for the Sixth Circuit in *Barbour* v. *Thomas,* 86 Fed. (2d) 510, and its decision in the case at bar. *Barbour* v. *Thomas* was decided the same day that *Atherton* v. *Anderson, supra,* was decided and in the *Atherton case* the Court made an elaborate finding of fact regarding the status of Banco as an independent, bona-fide corporation. A complete answer to the suggestion of conflict between the decision in *Barbour* v. *Thomas,* and the decision in the case at bar will be found in the opinion of the Circuit Court of Appeals in the instant case. It points out with meticulous care the wide differences in the factual situation presented to it in the *Barbour case* and that presented here, which resulted in different, but not inconsistent, conclusions in the two cases.

THERE IS NO CONFLICT BETWEEN THE DECISION OF THE CIRCUIT COURT OF APPEALS OF THE SIXTH CIRCUIT IN THE INSTANT CASE AND ANY DECISION OF ANOTHER CIRCUIT COURT OF APPEALS.

The expression on this point found in Rule 38(b) is, "where a circuit court of appeals has rendered a decision in conflict with the decision of another circuit court of appeals *on the same matter.*" (Emphasis ours.)

There is no such conflict between the decision of the Circuit Court of Appeals for the Sixth Circuit and a decision of another circuit court of appeals. The numerous cases cited by Petitioner (Petition, p. 10) are not "on the same matter." All of these double-liability cases have been decided upon the differing, factual situations involved therein and, as is explained in the opinion of the Circuit Court of Appeals in the instant case, any difference in the conclusion reached does not indicate a difference in the legal principles applied.

The suggestion is also thrown out by the Petitioner that conflicts may arise between the decision of the Circuit Court of Appeals in the instant case and future decisions in other cases which are awaiting the decision of this case.

While quite a few similar suits have been filed by the Receiver in district courts in other circuits against stockholders of the BancoKentucky Company residing in those districts, they involve a relatively small part of the total stock issued by the BancoKentucky Company and, although all of them were filed six or more years ago, all of them, so far as we are advised, are lying dormant, awaiting the decision in this case. In any event, should the petition for a writ of certiorari be denied in the instant case, there is no reason to anticipate that, in cases pending in other circuits, the Circuit Courts of Appeals will not follow the decision of the Circuit Court of Appeals for the Sixth Circuit, which has had the underlying question under consideration so many times. If the mere possibility

that a conflicting decision might be made in the future were adopted as a ground for granting certiorari, almost every case could come to this Court.

NO IMPORTANT RULE OF LAW NOT HERTOFORE DECIDED BY THIS COURT IS INVOLVED HERE.

Respondents have never contested the rule of law frequently announced by this Court, that the real owner of national bank stock, as well as the record holder, can be held liable for an assessment.

Respondent have never contested the proposition that, where a transfer of stock is made to a dummy, with the real ownership still remaining in the transferor, such transfer must be ignored.

Respondents have never contested the proposition that transfers made to an insolvent, with knowledge of the failing condition of the bank at the time of such transfer or transfers within sixty days prior to the failure of the bank, must be ignored.

The Circuit Court of Appeals for the Sixth Circuit has ignored none of these rules.

In the *Laurent case,* in obedience to the first rule above stated, it had affirmed a judgment against the BancoKentucky Company as the real and beneficial owner of the Bank stock in question.

In the instant case, again in obedience to that rule, it has re-examined the question who was the real and beneficial owner of the Bank stock in question and, consistently with its former decision, it has found that the real and beneficial owner was the BancoKentucky

Company, and not its stockholders. In reaching that conclusion, it said:*

> "From our study of the record in this case, we are in accord with the conclusions of the district court that the BancoKentucky Company was not a mere holding company, a sham corporation, or an empty shell; but was a very real and live corporate entity, actively acquiring capital assets; that the corporation was organized for the purposes set out in its prospectus of July 19, 1929, and for no other; that it was conceived in no planned avoidance of double liability assessment upon stock of the National Bank of Kentucky; that the BancoKentucky Company was the true, legal and beneficial owner of the national bank stock; and that its stockholders were not stockholders of the national bank within the meaning of the federal assessment statutes. 38 Stat. 273, 12 U. S. C. A. 64."

THERE IS NO MATTER OF GENERAL PUBLIC INTEREST INVOLVED IN THIS CASE WHICH NEEDS ELUCIDATION BY THIS COURT.

Only the stockholders of BancoKentucky and the creditors of the National Bank of Kentucky are involved. The fact that a considerable sum of money is sought to be recovered certainly does not make the case one of general public interest.

The claim that many defendants, a majority of whom never owned any Bank stock, should be required to pay a sum, in addition to the heavy losses heretofore

*127 Fed. (2d) 696, at 701.

incurred by them, certainly does not present a question of public interest within the meaning of Rule 38.

Certainly, the repeal in 1933 (effective July 1, 1937) of Section 64 of the Bank Act, imposing double liability upon the stockholders of national banks, deprives any case arising under that repealed section of any general, public importance.

The suggestion is made in Petitioner's brief (p. 12) that the failure to repeal the similar section relative to Joint Stock Land Banks leaves the question a live one as to stockholders in such banks. However, a Congressional Act of the same session (12 U. S. C., §810) has forced all Joint Stock Land Banks to liquidate by denying them the right to do new business other than is necessary to liquidate their loans on hand as of May 12, 1933.

NO OTHER REASON COMING WITHIN THE GENERAL PURVIEW OF RULE 38 IS SUGGESTED BY PETITIONER.

Petitioner's "Summary Statement" (Petition, p. 1) attempts to create an atmosphere, which suggests fraud on the part of the organizers of the BancoKentucky Company. In his statement, Petitioner now claims that the Bank was in a failing condition at the time of the organization of the BancoKentucky Company. He made this claim in the District Court and introduced a great mass of documentary evidence relative to the internal condition of the Bank. But when the evidence was all in and he came to write his reply

brief in that Court, he made the following statement (Plaintiff's Reply Brief, p. 84):

> "Although it is affirmed with monotonous regularity, plaintiff has never claimed that the National Bank of Kentucky was insolvent, in any sense of the word, when Banco was organized, and much less that the organizers knew it."

He did not withdraw this disclaimer in the Circuit Court of Appeals.

Having disclaimed in the District Court any intention to charge that the Bank was insolvent at the time of the organization of the BancoKentucky Company and having stood by his disclaimer in the Circuit Court of Appeals, is not the Petitioner precluded from asserting at this time a claim which was not presented to the Circuit Court of Appeals?

In any event, the District Court found in regard to the condition of the Bank at the time of the organization of Banco the following fact:

> "There were irregularities in the handling of some of the credit accounts of the Bank, but the soundness of the Bank and its ability to meet its obligations could not be questioned, until long after the formation of Banco." (Rec., Vol. I, p. 267; Finding 67.)

As a further evidence of this, there was the District Court's finding on the question of the dividends paid by the Bank. The Bank had paid dividends of $160,000 quarterly and its last dividend was paid in

October, less than a month before it closed. In regard to these dividends, the Court found:

> "Not one of the dividends declared and paid by the Bank during the period from April, 1927, to September, 1930, was criticized by the Comptroller of the Currency, either in the letters of the Comptroller to the Bank or in the reports of the Examiner." (Rec., Vol. I, p. 264; Finding 45.)

This finding was never questioned on appeal.

CONCLUSION.

This Court has said that a writ of certiorari will not be allowed simply to give the defeated party in the Circuit Court of Appeals "another hearing."*

It is hard to imagine a case which would come more directly within the terms of this statement than the one we are considering.

A year after the Bank closed and when the Petitioner, with full knowledge of all essential facts, came to enforce the statutory liability against National Bank of Kentucky stockholders, he brought a suit against the BancoKentucky Company alleging that, as the owner of Trustees' Certificates, it was liable to him in the sum of $3,772,162.40.

BancoKentucky not being the record holder of Bank stock, the Petitioner succeeded in satisfying the District Court that the BancoKentucky Company was the "real and beneficial owner" of such stock and

*Magnum Import Co., Inc. v. Coty, 262 U. S. 159, at p. 163.

consequently secured a judgment against that Company for the amount of the assessment.

Later, upon appeal, it convinced the Circuit Court of Appeals for the Sixth Circuit that the BancoKentucky Company was "the real and beneficial owner of its Trustees' Certificates" and of the Bank stock represented by them.

Later, in his suit against the directors of the Bank, the Petitioner raised the question of BancoKentucky stock being the same as Bank stock, for the purpose of attempting to hold the directors liable for loans made in part upon the security of BancoKentucky stock.

The ruling in that case was in accord with the previous ruling which the Petitioner had obtained in the *Laurent case* but contrary to his desires. The Circuit Court of Appeals there held* that BancoKentucky stock was not Bank stock because the BancoKentucky Company was not one of those corporations whose corporate veil would be looked through.

Still later the Petitioner brought a new suit, the one at bar, making a claim exactly contrary to the claim he had made in the *Laurent case*. This time the BancoKentucky Company is not the true owner of Bank stock, but its stockholders are the true owners.

Thus the Petitioner, in three separate suits brought by him, has required the courts to decide the question of the true ownership of the shares of the National Bank of Kentucky. In all of them the courts have answered that the BancoKentucky Company was the true owner, in the first case (the *Laurent case*) in accord

*Atherton v. Anderson, 86 Fed. (2d) 518.

with Petitioner's contention, and in the other two cases (the *Atherton case* and the instant case) against his contention.

Meanwhile, the liquidation of the affairs of the National Bank of Kentucky by the Petitioner has dragged on for twelve years, during all of which time the depositors of the Bank, for whom he professes so much concern, have been deprived of part of the money to which they are entitled.

We suggest that the Receiver of the National Bank of Kentucky is not entitled to still "another hearing."

Respectfully submitted,

WILLIAM W. CRAWFORD,
RICHARD P. DIETZMAN,
ALLEN P. DODD,
JAMES W. STITES,
HENRY E. MCELWAIN,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Counsel for Respondents.

Louisville, Kentucky,
November 17, 1942.

FILED OCT 1
FEB 1 1943
CHARLES ELMORE CROPLEY

IN THE

Supreme Court of the United States

OCTOBER TERM, 1942.

No. 497.

A. M. ANDERSON, Receiver of the National Bank of Kentucky, of Louisville, - - Petitioner,

vs.

KATHERINE KIRKPATRICK ABBOTT, Administratrix, Et Al., - - - - Respondents.

BRIEF FOR RESPONDENTS.

HENRY E. McELWAIN, JR.,
WILLIAM W. CRAWFORD,
RICHARD P. DIETZMAN,
ALLEN P. DODD,
JAMES W. STITES,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Attorneys for Respondents.

Louisville, Kentucky,
January 30, 1943.

WESTERFIELD-BONTE CO., INCORPORATED, LOUISVILLE, KY.

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IN THE

Supreme Court of the United States

October Term, 1942.

No. 497.

A. M. ANDERSON, RECEIVER OF THE NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, - *Petitioner,*

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX, ET AL., - - - - *Respondents.*

BRIEF FOR RESPONDENTS.

STATEMENT.

This is a proceeding by A. M. Anderson, Receiver of the National Bank of Kentucky, to recover for the benefit of the creditors of the Bank an assessment by the Comptroller of the Currency against the stockholders of the Bank.

The three thousand or more persons named as defendants in the Receiver's bill were those residents of the Western Judicial District of Kentucky who were stockholders of the BancoKentucky Company, a Delaware, non-banking corporation. They were sued solely because they held shares in that corporation, with-

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Throughout the brief, emphasis is ours unless otherwise indicated.

out discrimination as to the manner in which they had acquired those shares. At the time of the closing of the Bank, November 17, 1930, none of them (except those who were Bank directors holding qualifying shares) were record holders of Bank shares and the great majority of them had never owned any such shares.

It was alleged, however, that they were the real owners of Bank shares because the BancoKentucky Company, in which they held stock, had acquired by purchase and retained among its assets at the time of the closing of the Bank certain "Participation Certificates" issued by the trustees in a stock-pooling agreement entered into in April, 1927, by stockholders of the National Bank of Kentucky and stockholders of The Louisville Trust Company. Seventy per cent (70%) of the value of each share in the "indivisible trust estate" created by the pooling agreement was based upon the Trustees' holdings of Bank stock and the total value of the Bank stock included in the Participation Certificates owned by the BancoKentucky Company was less than twenty-nine per cent (29%) of the value of all of the assets of that Company, as shown by its balance sheet as of September 18, 1930.*

Two years before the filing of the Receiver's bill in the instant case, the legal consequence of the holding of Participation Certificates had been judicially determined in suits brought by the Receiver of the Bank against holders of Participation Certificates, including the BancoKentucky Company, to recover from them the Comptroller's assessment against stockholders of

*Bill, Par. VIII; Defendants' Exhibit 7; Finding of Fact No. 41, I R. 262.

the Bank upon the ground that those Certificates represented Bank shares, in part, and that the holders of Certificates, though not record holders of Bank shares, were the real owners of the Bank shares represented by their Participation Certificates and were consequently liable, *pro tanto,* for the assessment.

The United States District Court for the Western District of Kentucky sustained the Receiver's claim, declaring that the holders of Participation Certificates were "the actual and real owners" of the Bank shares represented by their Certificates (*Keyes* v. *American Life & Accident Ins. Co.* and Four Other Cases, 1 F. Supp. 512, decided Aug. 17, 1932). Upon appeal by the BancoKentucky Company, the defendant in one of those cases, the United States Circuit Court of Appeals for the Sixth Circuit affirmed the judgment (for $3,772,162.40) against the BancoKentucky Company, declaring that because of its ownership of Participation Certificates, it was "in every sense the true and beneficial owner" of the Bank shares represented by those Certificates (*Laurent* v. *Anderson,* 70 Fed. (2d) 819, decided May 7, 1934).

Almost two years later (February 17, 1936) the Receiver of the Bank commenced the instant proceeding, alleging that the real owners of the Bank shares in question were—not the Trustees, who were the record holders, not the holders of Trustees' Certificates, who had been held to be the real owners in the *Laurent* case, *supra*—but were the stockholders of the BancoKentucky Company. Four years later (June 29, 1940), the United States District Court for the

Western District of Kentucky, after a trial upon the merits, dismissed the Receiver's bill in the instant case, upon the ground that none of the defendants had been shown to be the real owner of the Bank shares in question (*Anderson* v. *Abbott*, 32 F. Supp. 328). Upon appeal by the Receiver, the United States Circuit Court of Appeals for the Sixth Circuit affirmed the judgment of the District Court. It closed its opinion with the following statement (*Anderson* v. *Abbott*, 127 Fed. (2d) 703):

> "The BancoKentucky Company was a legal entity, separate and distinct from its shareholders. The record reveals no underlying purpose of those who organized it or invested in its shares to afford asylum to stockholders of a national bank, seeking escape from the rigidity of individual liability for double assessment. Banco was not a mere sham corporation, nor was it exclusively a holding company. It existed vitally as an independent corporation and not as a mere conduit for the flow of national bank stock dividends to individuals. The corporation had been held liable as the real and beneficial owner of a large majority of the capital stock of a defunct national bank.
>
> "In our judgment, the reach of double liability assessment within the true meaning of the National Banking Act does not extend beyond the BancoKentucky Company to its stockholders."

THE NATURE OF THE RECEIVER'S CLAIM.

The provision of the National Bank Act, imposing double liability upon the stockholders of national banks (U. S. C., Title 12, §63) was first adopted by the Congress in 1864 and continued in force until its repeal in 1933 (U. S. C., Title 12, §64a). During that period of seven decades, numberless cases involving the construction of that section of the Bank Act were decided by the courts of the United States and the decisions in many of these cases were brought to this Court for review. The principles governing such cases have long since been conclusively settled.

The effect of these decisions has been to establish certain categories of persons to whom this provision of the Act is applicable. They are,

(1) Record holders of national bank shares who, though not the real owners, are estopped to say that they are not;

(2) Former holders of national bank shares, who have transferred their shares within sixty days next before the date of the failure of the bank (U. S. C., Title 12, §64);

(3) Former holders who have transferred their shares with knowledge of the impending failure of the bank and with intent to evade liability (*idem*);

(4) Trustee-holders, who are liable only to the extent of the trust estates in their hands (U. S. C., Title 12, §66);

(5) Real owners who, although not registered as the holders of the bank shares in question, may be held liable upon a showing that the record holders of those shares have received them merely as the nominees or agents of the real owners, or, in the case of a holding by a corporation, that the corporation is a mere instrumentality of the real owners who have transferred their shares or caused them to be issued to the corporation, without surrendering their control of and proprietary interest in the shares.

The Receiver has never claimed that the defendants or any of them fall within categories (1), (2) or (4) above. The Receiver has never consistently claimed that the defendants fall within categories (3) or (5), but has continuously shifted from one to the other as the exigencies of his case demanded.

While ground (3) has from time to time been presented (as it is here), the averments of the bill were never sufficient to sustain that ground. The greater part of the voluminous evidence introduced by the Receiver seemed to have no other purpose than to sustain this theory. However, after the proof was all in, the Receiver, in his reply brief in the District Court, indignantly disclaimed any intention to charge that any of the defendants had transferred their Participation Certificates to the BancoKentucky Company with knowledge of the impending failure of the Bank and with intent to evade liability. Thus, in his reply brief in the District Court he said:

> "Plaintiff has not claimed that any defendant is liable for having transferred T.P.C.'s with

knowledge of the impending failure of the National Bank of Kentucky. Plaintiff has not claimed the T.P.C.-holders actually knew the condition of the Bank in 1929" (Br., p. 59).

* * * * *

"Although it is affirmed with monotonous regularity, plaintiff has never claimed that the National Bank of Kentucky was insolvent, in any sense of the word, when Banco was organized, and much less that the organizers knew it" (Br., p. 86).

Doubtless the Receiver made this disclaimer the more willingly because of the fact that the claim, even if sustained, was sufficient to support his case only as against a part of the defendants and would have failed as against all who acquired Banco stock on the outside and never owned any Bank stock.

And so, following this disclaimer, the Receiver for a time relied upon the fifth ground above stated and so presented his case to the Circuit Court of Appeals. His brief in that court commences with the following statement:

"The essence of the case is this: It is firmly embedded in our jurisprudence that the owners of national bank stock cannot organize a commercial corporation to hold their bank stock, channel the dividends on the bank stock to themselves through the holding company, and then interpose the corporate entity as a shield against the assessment liability imposed upon 'the actual owners of the capital of a national bank, that is, those who have their money invested therein.'"

When the case was affirmed in the Circuit Court of Appeals the Receiver apparently became alarmed at the weakness of the contentions there made and at his failure to convince the Court of the similarity between this case and the case of *Barbour* v. *Thomas,* 86 Fed. (2d) 510, upon which he so confidently relied. In any event, the Receiver was unwilling to apply for Certiorari to this Court upon that ground. And thus we find the Receiver returning to his original contention —one which had been expressly disclaimed and abandoned. In his Petition for Certiorari to this Court he states the issue involved—the *only* issue—as follows (p. 9):

> "The legal question presented here is: Are the owners of an insolvent national bank relieved from individual liability, or 'double assessment,' under the then existing Federal statute because, shortly before the bank's failure, they organized a holding company and exchanged their bank shares for holding company shares?"

Doubtless the Receiver was confident that such a statement of the issue, made to this Court, would more readily induce this Court to believe that both of the courts below had committed serious error in this case. While we can understand the circumstances which forced the Receiver into this position, we wonder how he can reconcile the statement of the issue now made with his equally solemn statements of abandonment and disclaimer made to the District Judge.

The Receiver would now have this Court believe that this appeal presents the case of a bank in a dis-

tressed condition, abandoned by its stockholders who were seeking by fraudulent means to escape their obligations to its creditors. But he failed so utterly to prove this case in the District Court that he threw up his hands in despair and abandoned it clearly and finally, until revived here.

The underlying and controlling question decided by the courts below is a question of fact, that is, the question who were the real owners of the Bank shares in question. It is exactly the same question that was presented in the *Laurent* case, *supra*. In that case, the decision was that the BancoKentucky Company was the real owner of the Bank shares here in question. Upon that ground the defendants in the instant case interposed pleas of *res judicata* and election, which we shall have occasion to discuss in a later part of this brief. But the District Court decided to try *de novo* the question of real ownership and, since the Circuit Court of Appeals devoted its attention exclusively to that question, we shall open our argument with a discussion of that subject.

It presents a question of fact. In *Rankin, Receiver* v. *Fidelity Insurance Trust & Safe Deposit Co.*, 189 U. S. 242, a national bank assessment case, this Court, by Mr. Justice Brown, said (p. 252):

> "The case then really turned upon the actual ownership of the shares, and this question was properly left to the jury as one of fact."

Since petitioner's statement is very incomplete and purely argumentative, and is not in accord with the findings of fact of both courts below, we feel compelled

to give, in the following "Narrative," a chronological account of the origin and rise, the decline and fall of the BancoKentucky Company.

NARRATIVE.

Petitioner, A. M. Anderson, is Receiver of the National Bank of Kentucky, in succession to the original receiver, Paul C. Keyes, who was appointed November 17, 1930, and resigned December 15, 1932.

Respondents are stockholders of the BancoKentucky Company.

The National Bank of Kentucky was originally a State bank, organized in 1834. It became a national bank in 1900.

The Louisville Trust Company is a Kentucky corporation, organized in 1884.

The BancoKentucky Company is a Delaware corporation, organized July 16, 1929.

April, 1927 Under an agreement of April 22, 1927, the stockholders of the National Bank of Kentucky and the stockholders of the Louisville Trust Company "trusteed" their shares, that is to say, they transferred their shares in those institutions to six trustees and received from the trustees certificates of shares in the "indivisible trust estate" thus created. These certificates were called "Trustees' Participation Certificates" and are familiarly referred to, in the record, as "T.P.C.'s". Each trust share was originally of the par value of $100 but the shares were subsequently

"split," ten for one, and thereafter had a par value of $10 each.

By the terms of the agreement, the certificate-holders acknowledged their proportionate responsibility for any assessment lawfully levied against the Trustees as stockholders.

In preparation for the carrying out of this pooling agreement, the National Bank of Kentucky declared a stock dividend of 60 per cent. The Comptroller of the Currency not only approved this dividend, but congratulated the President of The Louisville Trust Company, Mr. John Stites, upon "its affiliation with this splendid bank, the National Bank of Kentucky" (R. II, pp. 49 and 218; *Atherton* v. *Anderson,* 86 Fed. (2d) 530).

In *Laurent* v. *Anderson,* 70 F. (2d) 819, the Circuit Court of Appeals for the Sixth Circuit had under consideration the effect of this trust agreement and held that, while the Trustees were the record owners of the Bank shares, the T.P.C.-owners were the real owners and consequently were liable for the assessment made by the Comptroller against Bank stockholders.

June, 1927 — On June 10, 1927, the Bank declared its customary quarterly dividend of 4 per cent ($160,000) and made a report thereof to the Comptroller of the Currency (subsequently approved by the National Bank Examiner in charge), which showed,

Capital	$4,000,000.00
Surplus	2,000,000.00
Undivided profits after payment of dividend	442,738.78

1927 to 1930 Thereafter and to its closing three and a half years later, the Bank declared and paid quarterly dividends of 4 per cent ($160,000) and made reports thereof to the Comptroller (never criticized by him), showing on each of the dividend dates given below a capital of $4,000,000, a surplus of $2,000,000 and undivided profits, after deducting required charge-offs and payment of dividend, in the following amounts (Defendants' Exhibit No. 2):

September 2, 1927:	Undivided profits:		$287,343.59
December 9, 1927:	"	"	321,307.09
March 16, 1928:	"	"	318,505.85
June 15, 1928:	"	"	261,476.64
September 14, 1928:	"	"	234,903.36
December 14, 1928:	"	"	213,384.72
March 16, 1929:	"	"	250,915.51
June 14, 1929:	"	"	188,815.34
August 2, 1929:	"	"	82,766.18
December 13, 1929:	"	"	134,787.53
March 14, 1930:	"	"	198,613.16
June 30, 1930:	"	"	166,835.00
September 19, 1930:	"	"	117,616.80

During this time each director of the Bank held his qualifying shares by purchase for value but subject to an agreement to transfer them to the Trustees in exchange for T.P.C.'s in the event of his death, retirement or insolvency. He received for his own use all dividends on those shares (Findings of Fact Nos. 5 and 8, R. I, pp. 244-5).

July, 1929 On July 16, 1929, the BancoKentucky Company, a non-banking corporation, was incorporated in

Delaware. It is known in the record as "Banco" and we shall use that convenient abbreviation.

The purposes for which this corporation was organized, as stated in its certificate of incorporation, were very numerous and the powers granted to it were correspondingly wide in their scope. They included the buying and selling of corporate securities, the financing, management or operation of commercial, manufacturing, financial or other enterprises, the underwriting of security issues for compensation, the acquisition of corporate securities by purchase, the issuance of its own securities, the guarantee of obligations of other persons, firms or corporations and, generally, all the powers conferred upon such corporations by the General Corporation Law of the State of Delaware. Of course, the company was not authorized to engage in banking and never attempted to do so.

The certificate of incorporation ("Eighth" article) provided that "the private property of the stockholders [should] not be subject to the payment of corporate debts to any extent whatever."*

Each stock certificate issued by Banco described the shares represented by it as being "full-paid and non-assessable."

For some months prior to the incorporation of Banco the organization of such a corporation had been under consideration by a group of T. P. C.-holders, many of whom were also officers or directors of the

*In Delaware the "official form" of a certificate of incorporation provides ("Seventh" article) that "the private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever." See Fletcher, Corporation Forms Annotated (third edition), Vol. 1, §215, p. 301.

Bank or of the Trust Company. On July 19, 1929, at the first meeting of the Board of Directors of Banco,
July, 1929 the publication of an announcement of its organization and purposes was authorized. The announcement is copied in full, not only in the minutes of that meeting (Plaintiff's Exhibit 23), but also in the findings of fact made by Judge Swinford of the District Court (R. I, pp. 251-5). It is frequently referred to in the Record as the "Prospectus."

After stating generally the advantages to the Bank and the Trust Company of an alliance with an institution of large resources, which could

> "take advantage of many sound and profitable financial opportunities frequently presented in the course of business of the two banks, but not available to them because of the restrictions upon their power and activities,"

the Prospectus explained the part which stockholders of the Bank and of the Trust Company (that is, T.P.C.-holders) were invited to take in financing the new company. Its charter authorized the issue of 2,000,000 shares, of the par value of $10 each, which, it was announced, were to be sold or exchanged on the basis of $25 per share. An offer was made on behalf of the new company, good until September 19, 1929, to exchange two of its shares for each Trustees' Participation share offered for exchange within that time and, in addition, to give the person making such an exchange the right to subscribe for additional shares of Banco at the price of $25 per share. If all of the au-

thorized shares were disposed of in this manner, the new company would have a capital of $20,000,000 and a surplus of $30,000,000.

The offer was made upon the double condition that, as the result of such exchanges and subscriptions, T.P.C.-holders should acquire at least a majority of Banco shares and Banco should acquire at least a majority of T.P.C. shares, outstanding as of September 19, 1929. The Prospectus closed with a recommendation that the holders of T.P.C.'s avail themselves of the offer thus made, both as to the exchange of their trust shares for Banco shares and the exercise of their right to subscribe to additional Banco shares.

Before this announcement was put out, Robert F. Vaughan, a Louisville lawyer of high standing and a director of the Louisville Trust Company, was asked for an opinion on the question whether or not any taxable gain would result from the exchange of T.P.C. shares for Banco shares. Mr. Vaughan, on behalf of the Trustees, conferred with his associates, Messrs. Miller and Chevalier, well-known tax consultants of Washington, D. C., and on July 6, 1929, advised that, if the organization set up by the Trust Agreement of April 22, 1927, could be treated "as an association or corporation for income tax purposes," and if the pending plan required that, as a result of the exchanges of the shares of that "association" (*i. e.*, T.P.C. shares) for Banco shares, Banco should acquire at least a majority of T.P.C. shares, then the transaction would be

July, 1929

treated as a "reorganization," in the sense in which that word is used in the Revenue Act, and any gain apparently involved in those exchanges would not be "recognized" for income tax purposes until actually realized by a sale of the Banco shares thus acquired.

Through Miller and Chevalier, an "information ruling" (Plaintiff's Exhibit 134-1) was obtained from the Treasury Department to the effect that the organization created by the Trust Agreement of April 22, 1927, was "in a *quasi* corporate form" and was "an association within the meaning of the several Revenue Acts."

The original draft of the Prospectus had said nothing about a "reorganization" or about the necessity of securing a majority of T.P.C. shares in exchange for Banco shares (R. III, p. 5). It was as a result of Mr. Vaughan's advice, based upon the ruling of the Treasury Department, that the Prospectus was revised so as to describe the plan as a "reorganization" and to provide that it should become effective only if a majority of T.P.C. shares were acquired by Banco (*idem*).

Following the sending out of the Prospectus, the exchanges were so prompt and so numerous that the number of Banco shares left for sale was thought to be too small to produce the cash resources which had been anticipated and which were thought necessary to the accomplishment of the purposes for which the new company had been organized. Consequently, the charter of Banco was later amended so as to authorize the issuance of 3,000,000 additional shares.

In the end, substantially all outstanding T.P.C. shares (540,484 out of 570,550) were exchanged for 1,080,968 Banco shares (R. I, p. 256; II, p. 94). In July, August and September, 1929, T.P.C. shares were selling on the Louisville Stock Exchange at prices ranging from 44½ to 47 per share (par $10). On October 2, 1929, interim receipts for T.P.C.'s deposited for exchange sold at 50¼ per share (Defts.' Exh. 1). At the latter figure, the actual exchanges of T.P.C. shares for Banco shares gave the new company an invested capital of more than $27,000,000 from this source alone.

July-October, 1929

In addition, $9,869,650 in cash was realized from the sale of 394,786 Banco shares at $25 per share (R. I, p. 256). Included in these cash sales were 178,878 shares purchased for $4,471,950 by T.P.C.-holders, whose maximum double liability upon the T.P.C. shares surrendered by them for exchange had been $1,437,620 (*id.*). The directors of the Bank and of the Trust Company, whose combined, maximum liability upon their surrendered T.P.C. shares in the event of the failure of both the Bank and the Trust Company, would have been $761,150, subscribed for 47,188 additional Banco shares, for which they paid $1,179,750 in cash (*id.*).

Within six months after the closing date for the exchange of shares (September 19, 1929), Banco acquired a major stockholding interest in each of four Kentucky banks and two Cincinnati banks, and a holding of 32 per cent of the outstanding shares of the Peoples-Liberty Bank and Trust Company, of Covington, Kentucky (R. II, p. 96), at

October, 1929, to April, 1930

a total price of $11,500,020 of which $6,561,545 was paid in cash and $4,938,475 by the issue of 197,539 Banco shares at $25 per share (R. II, pp. 95-96). It thus appears that, during this period, in addition to the exchanges and cash purchases made by T.P.C.-holders, 413,447 Banco shares had been acquired, at the price of $10,336,175 by outsiders who had not been holders of Bank or Trust Company stock. Whereas there had been 2,225 T.P.C.-holders, there were now (April 1, 1930), 5,717 holders of Banco shares.*

The sale of Banco shares was not confined to sales to T.P.C.-holders. Subscription to its shares was open to the public. In fact, little more than 45 per cent. of the cash sales were made to T.P.C.-holders. Of the $9,869,650 in cash realized from such sales, $5,397,700 was contributed by outsiders. Of the cash so realized, $3,308,150 was never invested in bank shares.

It was in this early stage of Banco's life that the collapse of the stock market occurred (October 29, 1929). As to the effect of this collapse of the market, this Court has said:[1]

> "Judicial notice must be taken of the fact that late in 1929 there occurred a great collapse of values of all classes of property—railroads, other utilities, commodities and securities, and that the depression then commenced progressively became greater."

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*The foregoing calculations are based upon facts, found by the District Court (R. I, pp. 255-257), as to which there has been no dispute, and upon admissions made by defendants at plaintiff's request (R. II, pp. 94-96, Para. 92, 94 and 96 to 100, inclusive).

[1] *Great Northern Ry.* v. *Weeks*, 297 U. S. 135, at p. 149.

Banco, however, went ahead with the increase
Spring, 1930 of its authorized capital stock (January, 1930) and, with the partial recovery of the market in the spring of 1930, thought the time opportune for a larger participation in the "many sound and profitable financial opportunities" mentioned in the Prospectus, which "were not available to [the two banks] because of the restrictions upon their power and activities."

April, 1930 Caldwell and Company, of Nashville, Tennessee, had for some years been engaged in "a general investment banking business" and, as the District Court found, was generally regarded as the largest and strongest investment house in the South:

> "In 1926 Caldwell and Company had sold and distributed about $30,000,000 in securities, and from then on, to and including 1929, its distribution had increased to where it sold and distributed $75,000,000 in securities in 1929, and for the first five months of 1930 its sales and distributions were around $37,000,000" (Findings of Fact, R. I, p. 258).

On April 15, 1930, the Board of Directors of Banco, relying upon Caldwell's guarantee that the net worth of the Caldwell Company was not less than $9,000,000, authorized the acquisition by Banco of half of the capital stock of Caldwell and Company. On May 29th a contract for the exchange of 900,000 shares of Banco for one-half of Caldwell and Company's 20,000 shares, having a book value of $450 per share, was approved. It was, however, provided that 200,000 of the 900,000 Banco shares to be received by Caldwell and Company

should be held in escrow until Caldwell's assets were appraised.

June, 1930 On June 2, 1930, President Brown, of Banco, gave to the press a statement as to this transaction, saying that the "consummation" of these negotiations created

> "what is by far the largest and most important financial structure ever built in the middle western or southern States and one that will undoubtedly stand out in the future as one of America's greatest financial institutions."

At the time when this deal was closed, bank stocks held by Caldwell and Company were less than ten per cent of its total investment in securities (R. II, p. 301; Donovan).

Of the 900,000 Banco shares issued to Caldwell and Company, 700,000 were actually delivered, 200,000 shares being held in escrow, as explained above. The 10,000 shares of Caldwell and Company were delivered to Banco and appeared upon the balance sheet of that Company. The appraisal of the Caldwell assets, upon which the exact number of escrowed Banco shares to be delivered to Caldwell was to depend, was postponed at the request of Caldwell and, in the end, was not made at all.

The 10,000 Caldwell shares thus acquired by Banco were carried on its books as an asset of the Company (R. I, pp. 256-262).

November, 1930 On November 5, 1930, the *Courier-Journal* of Louisville carried a Nashville dispatch to the following effect:

"A committee of the Nashville Clearing House, after an investigation of the affairs of Caldwell and Company, investment bankers, issued the following statement today:

"'Rumors have become current regarding the affairs of Caldwell and Company. On account of the size and standing of Caldwell and Company, the company met with officers of the banks of Nashville who are members of the Clearing House. From statements made, we believe that Caldwell and Company is solvent and with co-operation its affairs will be worked out so that the interests of all will be conserved and protected. Its books show a large net worth; but on account of the very unusual financial condition of the entire country, its securities are difficult to dispose of at this time at a fair price.

"'The affairs of Caldwell and Company have been placed in our hands as a committee for the purpose of conserving and protecting the interest of that institution and all concerned and we ask and invite the co-operation of all interested and believe that with same none will suffer.'"

On November 6, 1930, there was published in the *Courier-Journal* of Louisville the following statement from President Brown, of Banco:

"Negotiations which have been in progress for several months between the BancoKentucky Company and Caldwell and Company have never been consummated. The BancoKentucky Company is, therefore, not connected in any way with the affairs of Caldwell and Company."

In the same issue of that paper, on the same page and in the same column (Plaintiff's Ex. No. 26, pp. 1214-23), President Brown's conflicting statement of June 2, 1930 (*supra*, p. 20), was reproduced. In the interval between this simultaneous publication of these two inconsistent statements from President Brown and the closing of the Bank on Monday, November 17, 1930 (a period of nine business days), the Bank lost $12,000,000 in deposits (R. I, p. 264).

On November 17, 1930, the Comptroller of the Currency placed the Bank in the hands of Paul C. Keyes, as Receiver.

On the same day (November 17, 1930), the Louisville Trust Company failed to open its doors and the Fidelity and Columbia Trust Company, of Louisville, was appointed receiver by the Jefferson Circuit Court.

At the closing of the Bank, stockholders of Banco had net deposits in the Bank of $1,254,783.27 and deposits in the Trust Company of $858,093.71, or a total in both of $2,112,876.98 (R. I, p. 266; Finding 60).

On November 24, 1930, Banco was placed in the hands of Joseph S. Laurent, as Receiver, by the Jefferson Circuit Court.

On September 19, 1930, the Bank had declared the last of its quarterly dividends mentioned above (payable October 1st), leaving intact its capital and surplus of $6,000,000 and undivided profits, after payment of the dividend, of $117,616.80.

September-October, 1930

On September 17, 1930, Chief National Bank Examiner Neill had commenced an examination of the Bank and on October 24, 1930, had made

a report, covering the half-year in which the June and September dividends of that year were declared and paid. In his report (Ex. 20, pp. 875-991), as well as in prior conferences with the officers of the Bank (R. I, pp. 142, *et seq.*), he had severely criticized some of the larger loans and investments of the Bank and had pointed out certain items, described as "estimated losses" and amounting to $1,357,654.74, as to which, if not otherwise eliminated, he thought a charge-off "would be in order," thus necessitating "reduction in the surplus account of the Bank" (Ex. 20, p. 979). He had not only approved the June dividend (*idem*, p. 972) but had made no mention whatever of the September dividend, although he had learned on September 25th of its declaration, which was six days before it was payable and thirty days before the closing of his examination on October 24th (R. II, p. 154). The inconsistency between his failure to criticize this dividend at the time of its declaration and his subsequent testimony in the instant case that "from [his] point of view the [September] dividend was paid with known losses and was illegal" (R. II, p. 158) he has attempted to explain as follows:

> "I did not approve this dividend payment. I made no mention in the report of examination of this particular report of earnings but I did not formally criticise it. I did criticize the dividend policy in my report at page 11-6 where I said: '* * * As a matter of conserving earnings to provide for losses, a reduction of the present dividend rate of 16 per cent per annum should be given serious consideration by the board of directors.'"

February, 1931 — On February 20, 1931, the Comptroller of the Currency levied a one hundred per cent assessment against the stockholders of the Bank.

March, 1931 — On March 20, 1931, Keyes, as the Receiver of the Bank, mailed to the stockholders of Banco a letter, informing them that he had made a demand upon Banco for the payment of the assessment, upon the ground that the T.P.C.'s held by Banco really represented Bank shares, and advising the addressees that, if he did not succeed in collecting from Banco, he intended

> "to proceed against [them] for the collection of the aforesaid assessment liability represented by the said trustees' participation certificates held by said BancoKentucky Company" (R. I., p. 70).

March, 1931 — On March 25, 1931, four months after the closing of the Bank, the Receiver of the Bank paid to its depositors a dividend of 67 per cent, on Receiver's certificates aggregating about $27,000,000.

Keyes v. Akers — On March 31, 1931, Keyes, as Receiver of the Bank filed an action in the United States District Court for the Western District of Kentucky against the directors of the Bank, in which he sought to recover damages, in a sum exceeding $14,000,000, for losses alleged to have resulted either from negligence in the management of the Bank or from violations of the National Banking Act on the part of the directors. Among other things, it was alleged that loans made by the Bank upon the security, in whole or in part, of Banco shares, constituted violations of that provision

of the Act which forbids a national bank to make loans on the security of its own stock (U. S. Code, Title 12, Sec. 83), since Banco stock (it was alleged) was really Bank stock.

March, 1933 The cause was referred to a master, who recommended a decree, as to non-officer directors, exonerating them from the charge of common law negligence, as well as the charge of violation of the section of the Act, cited above, but holding them liable on other grounds in the sum of $517,910.

July, 1934 Upon exceptions to the Master's report, the District Court on July 7, 1934, held these directors liable for violations of the Act, in sums ranging from $86,000 to $3,900,000. As to loans secured, in whole or in part, by pledges of Banco shares, it was held that they were made in violation of the statutory prohibition of loans by the Bank on its own shares and recoveries, on this ground, were awarded against twenty-six, non-officer directors in sums ranging from $1,549,907 to $1,636,673.

As to all claims of the Receiver, not recognized in the above recoveries, including the claims based upon common law negligence, the bill was dismissed (*Anderson* v. *Akers*, 7 Fed. Supp. 924).

November, 1936 Upon appeal, the United States Circuit Court of Appeals for the Sixth Circuit, on November 11, 1936, reversed the judgment of the District Court, except as to one item included in the recovery awarded below. The view of the District Court that Banco stock

Atherton v. Anderson

was really Bank stock and that consequently loans by the Bank on the security of Banco shares were, in fact, loans on the security of its own shares was expressly rejected and the decree was reversed "in so far as it awards damages against any of the appellants for losses suffered in the bank in consequence of loans on shares of the BancoKentucky Company" (*Atherton* v. *Anderson*, 86 Fed. (2d) 537).

This case came a second time before the United States Circuit Court of Appeals for the Sixth Circuit, having been remanded by the Supreme Court of the United States for a determination of the question whether there was such a showing of common law liability for negligence as would support the decree of the District Court. The former ruling of the Circuit Court of Appeals that loans on the security of Banco shares did not offend against the statutory prohibition of loans by a national bank on its own stock was not involved on this second hearing and was allowed to stand and it was further adjudged that there was no negligence shown in the making of these loans (99 Fed. (2d) 895).

November, 1938

After a hearing on the question of negligence, which resulted in a decision favorable to the Receiver, the Circuit Court of Appeals remanded the case to the District Court, with directions to enter a decree consistent with the opinion.

December, 1938

On December 28, 1938, the District Court entered a decree, which disposed of the Receiver's claim of liability for making loans on Banco shares in the following paragraph:

"It is adjudged that none of the non-officer directors of the National Bank of Kentucky of Louisville are liable to the plaintiff, under Section [83] of Chapter 2 of the title, 'Banks and Banking,' of the United States Code, or on common law principles of negligence for the losses sustained by the Bank on account of moneys supplied on loans collateraled, in whole or in part, by stock of the BancoKentucky Company and set out in Paragraph 45 of the original decree herein."

October, 1931

Meanwhile, on October 31, 1931, Keyes, as Receiver of the Bank, had filed in the United States District Court for the Western District of Kentucky a petition against Laurent, as Receiver of Banco, praying judgment for $3,772,162.40, being the amount of the Comptroller's assessment against Bank shares represented by the T.P.C's held by Banco. At or about the same time, Keyes brought similar actions against four other T.P.C.-holders, namely, Hattie B. Speed, Jennie L. Robins, Harvey L. Graybill, and the American Life & Accident Insurance Company. The five cases were ordered to be heard together and the opinion of the District Court in these cases is reported under the style of *"Keyes* v. *American Life & Accident Ins. Co., and four other cases"* (1 F. Supp. 512).

Laurent v. Anderson

August, 1932

On August 17, 1932, Judge Cochran, of the District Court, held, in accord with the contention of the Receiver, that Banco and the four other T.P.C.-holders, mentioned above, were liable upon the ground that, because of their ownership of T.P.C.'s, they

were "the actual and real owners" of Bank shares. The opinion of the Circuit Court of Appeals for the Sixth Circuit, on appeal by the Receiver of Banco, is reported under the style, *"Laurent* v. *Anderson"* (70 Fed. (2d) 819), Anderson having meanwhile succeeded Keyes as Receiver of the Bank.

May, 1934 Upon that appeal the Circuit Court of Appeals, on May 7, 1934, affirmed Judge Cochran's judgment, declaring that T.P.C.-holders were "in every sense the true and beneficial owners" of the shares of the Bank.

June, 1933 [On June 16, 1933, Congress repealed that section of the National Banking Act (U. S. C., Title 12, Sec. 64) which imposed double liability on stockholders of national banks, effective as of July 1, 1937.]

February, 1936 On February 17, 1936, which was five years (lacking three days) after the levy of the assessment by the Comptroller of the Currency, A. M. Anderson, Receiver of the National Bank of Kentucky, commenced this action against the stockholders of Banco.

July, 1938 On July 12, 1938, the District Court overruled defendants' motion to dismiss the bill and their motion, under Equity Rule 29, to hear and determine, before trial, the question of the legal validity of Paragraphs II and III of the answer of David J. Abbott, Paragraphs II and III of the answer of the Fidelity and Columbia Trust Company, Executor of the will of Mary E. Reed, deceased, and Paragraphs II, III and

IV of the answer of G. A. Heuser, Executor of the will of Henry Vogt, deceased.

These paragraphs contained pleas of election, estoppel by judgment and *res adjudicata,* based upon the rulings of the Circuit Court of Appeals in *Laurent* v. *Anderson, supra,* and *Atherton* v. *Anderson, supra.* The District Court not only ruled that the facts alleged in these paragraphs were insufficient in law to constitute a defense, but ordered the paragraphs stricken from the pleadings. Subsequently, however, the answer of Heuser, as Executor of the will of Vogt, was allowed to be refiled in its entirety (R. I, p. 117) and the substituted answer of Katherine Kirkpatrick Abbot, Administratrix of the estate of David J. Abbott, deceased, in which the same defenses were pleaded, was ordered filed (R. I, p. 87). By virtue of an order of the District Court, entered October 31, 1938, these answers inured to the benefit of all defendants in so far as they stated matters of defense which were available to them (R. I, p. 173).

October, 1938, to February, 1939

The hearing of the case upon the merits commenced October 31, 1938, and the introduction of evidence was completed on February 3, 1939.

On February 3, 1939, after defendants had introduced as witnesses ten Banco stockholders (R. II, pp. 205-306; R. III, pp. 1-189), and after it had been stipulated that, if called, the testimony of other named stockholders would be substantially similar to the testimony theretofore given by certain other witnesses for defendants (R. III, pp. 290-292), the District Court, on its own motion, ordered to be read in evi-

dence for defendants the following finding of the Court (R. I, p. 174):

> "On the Court's own motion, it is considered, ordered, adjudged and found that each of the defendants herein, save and except those who were officers, directors or employees of the National Bank of Kentucky and Louisville Trust Company, or officers or directors of BancoKentucky Company, if called as a witness in his own behalf, would testify, over plaintiff's objections, that each of them acquired their respective shares of stock in BancoKentucky Company, believing, as distinguished from whatever constructive knowledge may be imputed to them as a matter of law, that the Louisville Trust Company and the National Bank of Kentucky were both solvent and sound financial institutions, and that they did not even remotely suspect that either of said banking institutions were in a questionable financial condition, if such they were, and that they acquired their stock in BancoKentucky Company in the belief that they were making a sound financial investment in a separate corporation, and that the BancoKentucky Company was to do things authorized by its corporate charter, as indicated in the letter of July 19, 1929."

On March 23, 1940, the Court handed down an opinion, announcing that plaintiff's bill was to be dismissed and directing counsel to submit requests for findings of fact and conclusions of law, and draft of a judgment in accordance with the opinion.

On June 29, 1940, the District Court made 67 findings of fact and stated 14 conclusions of law and, hav-

ing overruled all motions for different or additional findings, entered a judgment dismissing the bill and awarding defendants a recovery of their costs.

On July 30, 1940, the Receiver gave notice of appeal. Upon his motion, the District Court ordered that the operation and enforcement of the judgment be stayed, without supersedeas or other bond, until the final determination of this cause or until further order of the Court.

On September 30, 1940, the Receiver filed his statement of the points on which he intended to rely on the appeal, and, after obtaining three extensions of time for filing and docketing the record, filed the record on December 24, 1940.

On November 13, 1941, in the United States Circuit Court of Appeals for the Sixth Circuit, the cause was argued before Simons, Allen and Martin, JJ.

On May 4, 1942, judgment was entered, affirming the judgment of the District Court.

On June 3, 1942, the Receiver filed his petition for rehearing, which was denied on June 5, 1942.

On October 28, 1942, Petitioner filed in this Court his petition for a writ of certiorari, which was granted on December 7, 1942.

STATE OF THE RECORD.*

The three volumes of the printed record contain 961 pages. In addition, 438 exhibits were introduced by the Receiver and 27 by the defendants, all of which were ordered by the District Court to be transmitted to the Clerk of the Circuit Court of Appeals in lieu of copies. It was subsequently ordered by the Circuit Court of Appeals that its Clerk accept for filing photostatic reproductions of such exhibits as had been reproduced in this manner for the Court's use in considering the appeal. The photostatic copies of exhibits offered by the Receiver fill five quarto volumes, containing a total of 2,204 pages. And, finally, the records on appeal with the Clerk of the Circuit Court of Appeals for the Sixth Circuit in *Laurent* v. *Anderson*, No. 6384, and *Atherton* v. *Anderson*, No. 7289, were ordered by that Court to be considered as part of the record on appeal, in lieu of appellees' exhibits, designated as "Defendants' Exhibit No. 1" and "Defendants' Exhibit No. 23."

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*We call attention to the novel and somewhat confusing page headings adopted by the person who edited Volume I of the printed record. The pages (243 to 268) which contain the Court's findings and conclusions are properly headed "Findings of Fact and Conclusions of Law." The pages containing the respective motions of plaintiff and defendants for other findings (pp. 221 to 228 and pp. 269 to 283) have headings which properly describe the contents of those pages. But on pages 176 to 221, which contain plaintiff's "request" for still other findings and conclusions, the heading on each page is merely "Findings of Fact and Conclusions of Law," which is not helpful.

ARGUMENT.

The Legal Aspects of Petitioner's Claim.

The Comptroller's assessment on the stockholders of the National Bank of Kentucky gave the Receiver "an unsecured and unpreferred claim"—*Pufahl v. Estate of Parks.*[1] In that case, Mr. Justice Roberts, speaking for the Court in upholding the applicability of a State statute of limitations to a national bank receiver's claim based on a Comptroller's assessment, said:[2]

> "The statute evidences no intent to prefer the assessment over other claims against the estate, or to exempt the receiver from the pursuit of the remedy prescribed by the local law for collection of claims of the same sort." * * *
>
> "The claim may only be recovered by suit or action. The judgment obtained is collectible like any other; it has no preference in distribution if the debtor's property be in the hands of a receiver, if he has made an assignment for the benefit of creditors, or become bankrupt."

In his arguments in the courts below, the petitioner constantly insinuated that the liability resulting from a Comptroller's assessment has a peculiar sanctity which requires the courts to give to assessment claims a preference over other claims and to find a means of satisfying them without regard to the rules of law governing claims of lesser dignity, so that the defense that the stockholder's liability had been terminated by

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[1] 299 U. S. 217.
[2] *Idem*, p. 224.

a transfer of his bank shares must be regarded with special scepticism, no matter how regular it appears to be.

It is, of course, well settled that a bank stockholder may not escape liability for an assessment by transferring his bank shares to a mere agent or nominee, or by a transfer made with knowledge of the impending failure of the bank or for some other fraudulent purpose. But except in such cases the courts give full effect to transfers as terminating the transferrer's liability under the statute. He may transfer his shares to any one, without regard to the solvency of the transferree or his ability to pay an assessment upon the shares, if it should be made. In *McDonald* v. *Dewey*,[1] this Court said:

> "The stockholder is not deprived of his right to sell his stock by the fact that the sale is made to an insolvent person, unless it be made with knowledge of the insolvency of the bank."

In *Fowler* v. *Crouse*,[2] the Circuit Court of Appeals for the Second Circuit said:

> "But this provision is not intended to interfere with the right to freely transfer shares in such institutions" (p. 647).
>
> "If the bank is insolvent, and its insolvency is unknown to the seller, the transfer divests him of liability as a stockholder. To burden a seller with restrictions arising from unknown insolvency would practically take away his right to dispose of his shares" (p. 648).

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[1] 202 U. S. 510.

[2] 175 Fed. 646. See also *Earle* v. *Carson*, 188 U. S. 42 and *Lucas* v. *Coe*, 86 Fed. 972.

His right to dispose of his shares must also apply when he makes an out-and-out transfer of it for stock of another company. As a stockholder of the Bank, he no longer had any rights against it whatsoever.

For, as said by this Court, in *Klein* v. *Board of Supervisors*[1] and subsequent cases:

> "The corporation is a person and its ownership is a nonconductor that makes it impossible to attribute an interest in its property to its members."

That principle was fully recognized, and the fact that there was such a transfer was clearly claimed, by the petitioner in the *Laurent Case* when he sought a judgment on the basis of the absolute ownership of Banco of the certificates in question. In his brief in the Circuit Court of Appeals in the *Laurent Case* he states as follows at page 51:

> "The record here shows that BancoKentucky received dividends on its proportionate interest in the stock in the National Bank of Kentucky. BancoKentucky retained and exercised its right to control the votes in the National Bank of Kentucky. BancoKentucky retained and exercised its right to select Directors for the National Bank of Kentucky. BancoKentucky retained and exercised its right to secure title to the stock in itself. BancoKentucky retained every privilege which is given by the National Banking Act to stockholders; and furthermore, BancoKentucky agreed to pay any assessment which might be levied on stock of the National Bank of Kentucky." * * *

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[1] 282 U. S. 19, at page 24.

When the Comptroller levied the assessment against the shareholders of the Bank, petitioner became possessed of an unsecured and unpreferred general claim. In the enforcement of it, the law gave no short cut for by-passing general rules of law that might interfere with his securing a judgment upon his claim.

One of these applicable here is the rule set forth in the *Klein Case*. If he seeks to avoid this rule, he must show that the corporation involved comes within the well-established exceptions to this rule by reason of its own character and not by reason of the fact that his claim arises under the statutory assessment allowed by the Banking Act.

When petitioner sued BancoKentucky Company on the assessment in the *Laurent Case*, he knew that the BancoKentucky Company was not listed as a shareholder upon the stock record book, which the Banking Act required the Bank to keep and which it did keep. He knew that the same record showed that 39,820 of the shares were listed in the names of six Trustees and ten shares each in the names of each of the eighteen directors of the Bank.[1]

He was fully cognizant of the fact that, Banco not being a record holder, it was necessary for him to allege and prove that Banco was the real owner of the shares involved. But he also knew that, if he recovered a judgment against BancoKentucky Company, as the true owner of these shares, he could not again sue its stockholders, as the real owner of the same shares,

[1]Request for Admissions, Rec. Vol. II, p. 76; Bill of Complaint, Vol. I, p. 60; also photostat copy Defendants' Exhibit No. 6 of the Bank Stock Record Book.

because he would be bound by the judgment in the first case.

The record shows that Banco was a bona fide corporation and the true owner of these certificates and petitioner rightly decided to sue Banco as the true owner and accordingly secured a judgment so holding.

It is true that the petitioner wrote a letter to the stockholders of BancoKentucky Company, advising them that he was about to sue BancoKentucky Company, but that, if he did not succeed in collecting his claim from BancoKentucky Company, he was going to sue them as stockholders of said company. We submit, however, that this letter has not the slightest significance except to show petitioner's full knowledge of the situation, which confronted him, and the fact that he believed that Banco was the true owner. Certainly he could not create a cause of action against the stockholders simply by reason of the fact that he could not secure all of his money from the true owner. Likewise, he could not avoid the binding effect as between himself, the BancoKentucky Company and its stockholders by a mere declaration of what he intended to do.

The respondents that were found among the 2,225 persons who had transferred Participation Certificates to the BancoKentucky Company joined issue with the petitioner on the averments (a) that they had transferred their Participation Certificates to the BancoKentucky Company merely as their agent and (b) that they had made those transfers in order to evade liability for an assessment on Bank shares.

THE FACTS IN THIS CASE DO NOT JUSTIFY LOOKING BEYOND BANCO AS THE REAL OWNER OF BANK STOCK.

A variety of reasons have been advanced for the disregard of the corporate entity of the BancoKentucky Company.

The Participation Certificates appeared to be the property of that Company. If they were its property, then they were not the property of its stockholders and the stockholders of Banco were not liable as stockholders of the Bank.

For our present purpose, it is not necessary to touch upon the abstruse and metaphysical conceptions of the "entity" or "personality" of a private corporation, so entertainingly discussed by Mr. Machen in his article, "Corporate Personality."[1] In *Klein* v. *Board of Supervisors*,[2] Mr. Justice Holmes, speaking for the Court, said:

> "But it leads nowhere to call a corporation a fiction. If it is a fiction it is a fiction created by law with intent that it should be acted on as if true. The corporation is a person and its ownership is a nonconductor that makes it impossible to attribute an interest in its property to its members."

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[1] 24 Harvard Law Review, 253, 363:

> "The doctrine of corporate personality is a natural though figurative expression of actual facts. It is only by study and artificiality that we can train ourselves to make it confusing or misleading. The best method of dealing with the doctrine that a corporation is a legal personality is, therefore, to think less about it. The conception itself is a natural one. We do not need to be instructed to regard a corporation as an entity and to regard that entity as a person: our minds are so constituted that we cannot help taking that view. Being a natural conception, it will tend to find its proper place in the law, if only we cease to regard it as something mysterious or technical."

[2] 282 U. S. 19, at p. 23.

In *Puerto Rico* v. *Russell and Co.*,[1] Chief Justice Stone, then an Associate Justice, speaking for the Court and having reference to the jurisdictional rule obtaining in the federal courts that the domicile of a corporation, not that of its individual stockholders, is controlling as to diversity of citizenship, said:

> "In its final form this rule of jurisdiction was stated in terms of a 'conclusive presumption' that the stockholders are citizens of the State of the corporate domicile [citing cases], but even those who formulated the rule found its theoretical justification only in the complete legal personality with which corporations are endowed. Fictitious that personality may be, in the sense that the fact that the corporation is composed of a plurality of individuals, themselves legal persons, is disregarded, but 'it is a fiction created by law with intent that it should be acted on as if true.' *Klein* v. *Tax Supers.*, 282 U. S. 19, 24."

In *Cannon Manufacturing Co.* v. *Cudahy Packing Co.*,[2] the question was whether a Maine corporation (Cudahy Packing Company) was doing business within the State of North Carolina and was, therefore, suable there, because it held all of the stock of a subsidiary corporation (Cudahy Company of Alabama) which was doing business in North Carolina. In affirming the judgment of the District Court for the Western District of North Carolina, dismissing the action for lack of jurisdiction, Mr. Justice Brandeis, speaking for the Court, said:

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[1] 288 U. S. 476.
[2] 267 U. S. 333.

"In the case at bar, the identity of interest may have been more complete, and the exercise or control over the subsidiary more intimate, than in the three cases cited, but that fact has, in the absence of an applicable statute, no legal significance. The corporate separation, though perhaps merely formal, was real. It was not pure fiction" (p. 336).

"It is not contended that the Alabama corporation was dissolved *ipso facto* by this concentration of its stock or that its property became, in law, that of the defendant" (p. 337).

We submit that there is nothing in this record that justifies any departure from the rule that a corporation "is a person and its ownership is a non-conductor that makes it impossible to attribute an interest in its property to its members."[1] An attempt to disregard the corporate personality of the BancoKentucky Company was made in the case of *Anderson* v. *Akers, supra,* in order that the directors of the National Bank of Kentucky might be held liable for making loans on the security of the stock of the Bank. The loans had been made on the security of stock of the BancoKentucky Company and it was claimed that there was such a connection or relationship between the Bank and its stockholder, the BancoKentucky Company, as to make these loans, in effect, loans upon the stock of the Bank. The District Court overruled the Master and upheld the Receiver on this point and awarded a recovery to him against the Bank directors, upon the theory that there had been a violation of the Bank Act. But the

[1] *Klein* v. *Board of Supervisors, supra.*

Circuit Court of Appeals[1] reversed the judgment of the District Court, saying (p. 536):

> "We come then to the question whether the relation between the bank and the BancoKentucky Company was such that a court of equity would be warranted in disregarding the existence of Banco as a separate corporate entity. It is true that Banco was conceived in the vaulting imagination of the president of the bank; that it was promoted and fostered by the appellants; that the directorates of the two corporations, though not identical, overlapped; that the great majority of trust participation certificates representing stock in the bank became the property of Banco, and that there is a suggestion of identity in the name adopted for the new company. But Banco was not a mere holding company for the bank's stock. It was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegitimate nor unlawful. It had its own capital with cash resources at one period almost twice the entire capital and surplus of the bank. While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and it was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when

[1] *Atherton v. Anderson*, 86 Fed. (2d) 518.

> the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See Laurent v. Anderson, *supra*. Its separate corporate existence was recognized by the very receiver on whose behalf we are now asked to ignore it."

In the instant case, the District Court made the following findings of fact:

Banco was "organized in good faith," was "certainly not a sham," was "not organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the bank," was not "a mere holding company."[1]

And the Court stated the following conclusions of law:

Banco was "the true, legal and beneficial owner of the stock of the Bank." The transfers of Participation Certificates to Banco "were out and out transfers and Banco thereby acquired full legal title thereto." The stockholders of Banco "were not stockholders of the Bank within the meaning of the statute."[2]

The Circuit Court of Appeals, in affirming the judgment dismissing the bill, made the following summary statement of its conclusions:

> "The BancoKentucky Company was a legal entity, separate and distinct from its shareholders. The record reveals no underlying purpose of those who organized it or invested in its shares to afford asylum to stockholders of a national bank, seeking

[1] Findings of Fact 61 to 64, inclusive, R. I, p. 267.

[2] Conclusions of Law 9, 10 and 11, R. I, pp. 267 and 268.

escape from the rigidity of individual liability for double assessment. Banco was not a mere sham corporation, nor was it exclusively a holding company. It existed vitally as an independent corporation and not as a mere conduit for the flow of national bank-stock dividends to individuals. The corporation has been held liable as the real and beneficial owner of a large majority of the capital stock of a defunct national bank.

"In our judgment, the reach of double liability assessment within the true meaning of the National Banking Act does not extend beyond the Banco-Kentucky Company to its stockholders."

In support of his claim that Banco was a "corporate agency and instrumentality" for its stockholders, the petitioner relied, in both courts below, chiefly upon the case of *Barbour* v. *Thomas*.[1] In his petition for certiorari in the instant case, he declared that the "factual situation" in the *Barbour Case* was "strikingly parallel if not exactly identical to this case." We submit that any resemblance between the two cases is only superficial. It is true that both cases involved an attempt to impose liability for a Comptroller's assessment upon persons who were not the record-holders of the stock of the insolvent bank. But there the resemblance comes to an end. If the cross-defendants in the *Barbour Case*, like the respondents in the instant case, had denied liability solely upon the ground that they were not the owners of bank shares, they would not have had a leg to stand on. In the absence of extraneous circumstances, their liability was clear, not

[1] 86 Fed. (2d) 510.

merely because of the peculiar nature of the Detroit Bankers Company in which they were stockholders, but also because they had expressly assumed liability for the assessment. But the stockholders of the Detroit Bankers Company did not defend the receiver's action upon the ground that they were not owners of bank shares. They relied upon certain extraneous circumstances which do not appear in the instant case. As was pointed out by Judge Hayes, who tried that case in the District Court,[1] they alleged:

> "That (1) article IX in the charter [by which the stockholders of the Bankers Company expressly assumed liability] was contrary to the general law of Michigan and void; that (2) the provision undertaking to require a shareholder to assume the stock assessment liability was a promise to assume the debt of another, and not signed by the shareholder or any one by him authorized, and was not valid under the statute of frauds; and that (3) if the provision in the charter was valid and the statute of frauds inapplicable, the promise, if any, was contractual and unenforceable for that the liability arose from conditions not within control of the corporation and not in the contemplation of the parties, the liability arising from insolvency which was brought about by (a) the illegal acts of the Governor of Michigan in declaring state banking holidays, (b) the illegal acts of the President of the United States in declaring national banking holidays, and by (c) the illegal acts of the conservator who sold the liquid assets of the bank."

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[1] *Barbour* v. *Thomas*, 7 F. Supp. 271, at 274.

It will be observed that none of the questions presented in the *Barbour Case* are presented in the instant case. In the *Barbour Case* all of the claims of exoneration from the assessment advanced by the stockholders of the Bankers Company were rejected both by the District Court and the Circuit Court of Appeals, chiefly upon the ground that they involved a collateral attack on the Comptroller's decision as to the solvency of the bank and the need for the assessment.

The *Barbour Case*[1] and the *Atherton Case*[2] were handed down by the Circuit Court of Appeals for the Sixth Circuit on the same day (November 11, 1936). Hicks and Simons, JJ., sat in both cases. The Detroit bank receiver won in the first case and his Louisville colleague lost in the second.

In the *Barbour Case*, Judge Hicks, speaking for the Court, gave a careful and detailed analysis of the extraordinary nature of the Detroit Bankers Company. It was, indeed, a *bankers'* company. It was, essentially and exclusively, an instrumentality of the five constituent banks by which it was conceived, organized, financed, dominated and ultimately dissolved. At least for the first five years (it lasted only three years), the absolute control was in the five constituent banks, which supplied ratably its only funds, to-wit, $1,200. This modest sum was the basis for the issue of 120 "trustees shares," having no par value and issued, ten shares each, to twelve trustees, nominated by the banks from the members of their respective directorates. The

[1] *Barbour* v. *Thomas*, 86 Fed. (2d) 510.
[2] *Atherton* v. *Anderson*, 86 Fed. (2d) 518.

trust upon which these shares were held by the nominees of the banks was that they should be voted by the trustees at all elections of directors for persons who were holders of ten trustees' shares and that each trustee should have the right to vote for himself for director, "the spirit of the foregoing being to perpetuate a proportionate representation of each of the foregoing institutions or their successors during the period of the trust." The expenses of the Bankers Company were met by the levy of "service charges" on the several constituent banks.

None of the stockholders of the Bankers Company had a voice in its affairs or a vote in its elections. Indeed, there were no elections. The unquestioned control was in a self-perpetuating oligarchy composed of the nominees and puppets of the five constituent banks, whose stockholders exchanged their bank's shares for shares of the Bankers Company in reliance upon this air-tight system of control by the banks in which they were interested.

Upon this showing, Judge Hicks announced the following conclusion:

> "We concur in the finding that appellants are 'actual owners' of stock of the bank upon which the assessment was levied. The stockholders never sold their stock. They simply exchanged it for holding company shares. The holding company certificates represented the interests which the shareholders of each unit held or acquired in the assets of the group. None of the stock was sold to the public nor issued to any persons other than

> the stockholders of the banks or their assignees. * * * Stockholders of the banks had no intention of retiring from the banking business. They organized the holding company for the protection and promotion of their common interests because they realized that the banks acting separately were at a disadvantage in competing with the Guardian-Detroit-Union group. * * * They were careful to provide that the holding company should be under the exclusive control of officers and agents of the component banks at least until December 31, 1934."

Referring to Article IX of the charter of the Bankers Company by which the holders of stock of the Bankers Company assumed liability for any assessment against the stock of any of the unit banks, Judge Hicks observed that this assumption of liability by the stockholders of the Bankers Company "constituted additional evidence that they regarded themselves in their relationship to the creditors and depositors of the bank as the true and real owners of its stock." Simultaneously with the handing down of this opinion by Judge Hicks, Judge Simons handed down the opinion of the same Court in *Atherton* v. *Anderson, supra,* from which we have quoted at length (*supra,* p. 41).[1]

Purchasers of Banco stock acquired the usual rights and none other than those of a stockholder. Those who traded T.P.C.'s for Banco shares parted with all title to their T.P.C.'s and made no arrangement of any kind that reserved to them any further right regarding the latter shares, or any different right in regard to their

[1] *Atherton* v. *Anderson, supra,* at p. 536.

Banco stock than that possessed by the stockholders of other corporations. They retained no power, and had none, as stockholders of Banco to require the corporation either to dispose of its acquired T.P.C. shares or to keep them. There was no contract or arrangement that prevented Banco from handling every single asset it owned exactly as any other corporation might do.

The directors of Banco never coincided with the directors of the National Bank of Kentucky. True, at all times the National Bank of Kentucky directors were directors of Banco, but the former Louisville National Bank directors were never directors of the Bank of Kentucky, and after January, 1930, the directors of the National Bank of Kentucky were continuously in a minority on the Banco Board.

The stockholders reserved to themselves no power to control the management or disposition of the assets of Banco, except the indirect control resulting from the power to elect the directors of the company. Nor was there any arrangement by which the conduct of the affairs of Banco could be controlled in any degree by any bank whose shares were held by Banco.

It was true that in the initial stages of Banco's course the overlapping personnel of the directorates of Banco and the two banks in which it then held stock made possible a large measure of co-operation between those separate institutions. This was, indeed, one of the objectives which it was hoped would be attained through the organization of Banco. But there were no interlocking controls which deprived any of those in-

stitutions of the unfettered power to conduct its own affairs.

There was no "channelling" of bank dividends through Banco to stockholders who had exchanged bank shares for Banco shares, in the sense in which the Receiver uses that expression. Banco derived income from other sources than the bank shares held by it. The dividends paid to its stockholders were in a much larger amount than the income received by it from bank dividends and it was only because of Banco's income from other sources that it was able to declare and pay the dividends which it paid to its stockholders. This subject is fully explained by the Receiver's accountant and witness, Hugh A. White (R. II, pp. 132-134):

> "The total dividends paid by Banco to all its stockholders during any one period exceeded the amount of dividends received by Banco on Trustees' Participation Certificates. There was no period when the income from bank stock held by Banco equalled the dividend payment."

But nothing we might say to distinguish the instant case from the *Barbour Case* could equal in clarity and cogency the simple contrast of the pictures of the Detroit Bankers Company and the BancoKentucky Company drawn by Judge Hicks and Judge Simons in their respective opinions in the *Barbour Case* and the *Atherton Case*. We submit that the grounds upon which Judge Hicks predicated the liability of the stockholders of the Detroit Bankers Company are conspicuously absent from the instant case.

Among the other cases relied upon by the petitioner in the courts below, a conspicuous place was given to the case of *Fors* v. *Farrell.*[1] The most authoritative commentary upon that case is to be found in a later opinion of the same Court (Supreme Court of Michigan) in *Burrows* v. *Emery.*[2] In that case the receiver of an insolvent bank sought to enforce an assessment upon the stockholders of the bank against the stockholders of a corporation which itself held stock of the insolvent bank. The case was heard by the entire bench of the Court of eight members, including three of the judges who concurred in the decision in *Fors* v. *Farrell Case.* The decision, affirming the judgment of the lower court dismissing the receiver's petition, was unanimous.

After explaining and distinguishing five of petitioner's favorite cases, namely, *Fors* v. *Farrell, supra, Corker* v. *Soper,*[3] *Metropolitan Holding Company* v. *Snyder;*[4] *Nettles* v. *Rhett,*[5] and *Barbour* v. *Thomas, supra,* the Court said:

> "These and other cases cited by plaintiff may be summed up in the statement of Justice North in Fors v. Farrell, *supra*: 'That neither an individual nor a corporation can through a trust arrangement or by other indirect means of circumlocution *possess as an owner* and enjoy the beneficial interest in bank stock without assuming the contingent liability of a stockholder's assessment imposed by

[1] 271 Mich. 358, 260 N. W. 886.
[2] 285 Mich. 86, 280 N. W. 120.
[3] 53 Fed. (2d) 190.
[4] 79 Fed. (2d) 263.
[5] 94 Fed. (2d) 42.

law. To hold otherwise would be to nullify the protection given the bank creditors by the statute imposing double liability.' *This rule is not meant to lend aid to an effort to attack a bona fide corporate entity and hold shareholders of that corporation liable for a bank assessment levied upon bank stock which the corporation owns.*

"'The corporation will be regarded as a legal entity as a general rule, and the courts acting cautiously and only when the circumstances justify it, will ignore the fiction of corporate entity, where it is used as a blind or instrumentality to defeat public convenience, justify wrong, or perpetrate a fraud, and will regard the corporation as an association of persons.' Majestic Co. v. Orpheum Circuit, Inc., 8 Cir. 21 F. (2d) 720, 724. See, also, People v. Michigan Bell Telephone Co., 246 Mich. 198, 224 N. W. 438. * * *

"Here the stockholders did not assume liability for an assessment and the history of the corporation persuades one to believe that it enjoyed a bona fide existence free from fraudulent intent to evade liability."

In bringing to an end our discussion of this branch of our subject, we would call attention, not only to the findings of the District Court quoted above, but also to the fact that Judge Martin, speaking for the Circuit Court of Appeals in the instant case, after quoting from Judge Simons' opinion in the *Atherton Case*, said:

"The additional evidence adduced in the case at bar, though on a different issue, presents no discernible reason for change in the Court's previously expressed concept of the character of the BancoKentucky Company."

THE FACTS IN THIS CASE DO NOT SUSTAIN THE CLAIM THAT THE BANK WAS INSOLVENT OR THAT RESPONDENTS TRANSFERRED THEIR SHARES WITH KNOWLEDGE OF IMPENDING FAILURE.

The petition for certiorari (page 9) thus states the legal question presented to this Court:

"Are the owners of an insolvent national bank relieved from individual liability * * * because, shortly before the bank's failure, they organized a holding company and exchanged their bank shares for holding company shares."

We have diligently tried to understand and follow the petitioner's contentions with regard to this claim throughout the entire course of this case. An examination of petitioner's bill will disclose that it contains no mention of the insolvent, or failing, condition of the Bank, at the time of the organization of Banco or at the time of the transfer of T.P.C.'s, and no claim that respondents transferred their shares with knowledge of any such condition. The bill did not even hint at the existence of the issue now presented.

During the course of the trial much proof was offered by petitioner which could have no conceivable place in the case unless it was addressed to this issue.

We have heretofore shown (pages 6, 7) that at the conclusion of the trial petitioner expressly disclaimed any intention of charging that the respondents transferred their T.P.C.'s "with knowledge of the impending failure" of the Bank or that they knew of the Bank's condition in 1929 or that the Bank "was insolvent, in any sense of the word, when Banco was organized, and much less that the organizers knew it." This claim was completely abandoned during the proceedings before the Circuit Court of Appeals and this issue is not even mentioned in the opinion of that Court. That this question should now be presented to this Court as the underlying legal issue in the case is unusual to say the least.

The question as stated in the petition does not contain all of the elements required by the statute. One important element, *i. e.*, "knowledge" of impending failure, is entirely omitted from petitioner's statement of the issue. But if respondents are to be held liable for assessments as transferrers of their stock within the meaning of the statute, knowledge is an indispensable element.

In the trial of the case below, petitioner made absolutely no effort to prove knowledge of the condition of the Bank on the part of any of the respondents. The proof introduced by respondents was so strongly to the contrary that the District Judge finally directed the entry of a stipulation (R. I, p. 174) to the effect that respondents, except officers, directors, or employees, would testify

"that each of them acquired their respective shares of stock in BancoKentucky, believing, as distinguished from whatever constructive knowledge may be imputed to them as a matter of law, that the Louisville Trust Company and the National Bank of Kentucky were both solvent and sound financial institutions, and that they did not even remotely suspect that either of said banking institutions were in a questionable financial condition, if such they were, and that they acquired their stock in BancoKentucky Company in the belief that they were making a sound financial investment in a separate corporation, and that the BancoKentucky Company was to do the things authorized by its corporate charter, as indicated in the letter of July 19, 1929."

The truth of the testimony of respondents on this issue cannot be doubted. Many of these same respondents who transferred their T.P.C.'s, which then had a potential assessment liability of $1,437,620.00, at the same time made cash purchases of an additional 178,878 shares of Banco for the sum of $4,471,950.00 (R. I., p. 256). Of the above respondents, those who were directors of the Bank and the Trust Company, who then held T.P.C.'s carrying a maximum assessment liability of $761,150.00 subscribed for 47,188 additional Banco shares for which they paid in cash the sum of $1,179,750.00, or $418,600.00 more than their assessment liability. It is inconceivable now, and was inconceivable at the time of the trial, that these respondents could have been suspicious of the condition of the Bank or could have been attempting to evade a possible liability of $1,437,620.00 when they made a simultaneous

cash investment in the stock of Banco three times as large as any possible liability.

The truth of their testimony is further borne out by the fact that respondents who are now charged with attempting to evade assessment liability retained to the end deposits in the Bank and the Trust Company in excess of $2,000,000.00 (R. I, p. 267).

Their confidence in the Bank was justified by its published statement of July 11, 1929, which showed, in addition to a capital of $4,000,000.00, surplus, undivided profits and reserves of $2,929,034.48 (R. I, p. 263; Finding 42).

Another important fact which discloses the confidence of these respondents and the community in general in the condition of the Bank is that at the time Banco was organized T.P.C.'s were selling freely in the open market at from $47 to $50 per share. Bearing in mind that these certificates were of a $10 par value, the market on these shares demonstrates that these respondents were justified in feeling that they were disposing of an asset of substantial value when they exchanged their T.P.C.'s for Banco stock, and the thought of a possible assessment liability against stock selling at five times its par value was non-existent. At that time T.P.C.'s and Bank stock had a long and uninterrupted record of large dividend payments.

Before the Circuit Court of Appeals the petitioner sought to support his claim of knowledge by the contention that respondents, as stockholders in the Bank, were chargeable with knowledge which was assumed to have been in the possession of the officers of the Bank

(R. I, p. 291; Point 6). As no support could apparently be found for this contention, it now appears to have been abandoned and, for the first time, the charge is directly made in petitioner's brief in this Court (p. 34) that the stockholders themselves had actual knowledge of the claimed condition of the Bank and themselves engineered what is now alluded to as a scheme to "avoid" or "escape" liability.

The facts of this case are sufficient to eliminate completely all of these contentions. The District Court found (R. I, p. 267):

> "There were irregularities in the handling of some of the credit accounts of the Bank, but the soundness of the Bank and its ability to meet its obligations could not be questioned, until long after the formation of Banco."

The District Court also found (R. I, p. 255):

> "Banco was established for its avowed purposes with no thought on the part of any of its organizers of avoiding double liability on their Banco stock."

The Circuit Court of Appeals held (127 F. (2d) 696, at p. 703):

> "The record reveals no underlying purpose of those who organized it or invested in its shares to afford asylum to stockholders of a national bank, seeking escape from the rigidity of individual liability or double assessment."

Petitioner's statement of the sole legal question now presented to the Court, even if sustained to the

fullest extent, could in no event be sufficient to cast liability upon that large group of respondents who admittedly never owned stock in the Bank and who never exchanged such stock for Banco stock but who acquired their stock in Banco by purchase after its organization.

It is respectfully submitted that this record gives no support to the claims now made but heretofore abandoned, that the Bank was insolvent or that respondents transferred their T.P.C.'s for the fraudulent purpose of escaping liability to assessment as stockholders of the Bank.

RES JUDICATA: THE DECISION IN LAURENT v. ANDERSON IS CONCLUSIVE OF THE ISSUE THAT BANCO, AND NOT ITS STOCKHOLDERS, WAS THE REAL OWNER OF BANK SHARES AND LIABLE FOR THE ASSESSMENT.

Among other defenses to the claim made by petitioner here, respondents pleaded[1] that the judgment rendered in favor of the Receiver of the National Bank of Kentucky in the case of *Laurent* v. *Anderson*, affirmed by the Circuit Court of Appeals for the Sixth Circuit,[2] is *res judicata* against petitioner's claim here.

Laurent v. *Anderson* was a suit by the Receiver of the National Bank of Kentucky, petitioner here, seeking to hold the BancoKentucky Company as *the real owner of the same Trustees' Participation Certificates, representing stock of the Bank.*

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[1]Transcript of Record, Vol. I, Paragraph III, p. 105.
[2]70 Fed. (2d) 819.

The basis of respondents' claim that this judgment is *res judicata* is that, as stockholders of the Banco Kentucky Company, they are in privity with that corporation, touching corporate matters, and are, therefore, bound by that judgment, even though not named as parties in that suit. Respondents being bound, the petitioner, as the one who obtained said judgment, is likewise bound. The Receiver of the Bank, having secured a judgment against Banco, with whom respondents were in privity, that Banco was *the real and true owner of the bank stock* involved here, cannot re-litigate that question in a subsequent, collateral proceeding against any of the parties or privies to the first action.

In speaking of *res judicata,* this Court in *Oklahoma* v. *Texas*[1] says (p. 85):

> "The general principle applied in numerous decisions of this court, and definitely accepted in Southern Pacific R. R. Co. v. United States, 168 U. S. 1, 48-49, is *that a question of fact or of law distinctly put in issue and directly determined by a court of competent jurisdiction as a ground of recovery or defense in a suit or action between parties sui juris is conclusively settled by the final judgment or decree therein so that it cannot be further litigated in a subsequent suit between the same parties or their privies, whether the second suit be for the same or a different cause of action.* As was declared by Mr. Justice Harlan, speaking for the court in the case cited (p. 49): 'This general rule is demanded by the very object for which civil courts have been established, which is to

[1] 256 U. S. 70.

secure the peace and repose of society by the settlement of matters capable of judicial determination. Its enforcement is essential to the maintenance of social order; for, the aid of judicial tribunals would not be invoked for the vindication of rights of person and property, if, as between parties and their privies, conclusiveness did not attend the judgments of such tribunals in respect of all matters properly put in issue and actually determined by them'."

To determine what was involved in the case claimed to be *res judicata* the Court laid down the following rule (p. 88):

> "What was involved and determined in the former suit is to be tested by an examination of the record and proceedings therein, including the pleadings, the evidence submitted, the respective contentions of the parties, and the findings and opinion of the court;" * * *

In *Hawkins* v. *Glenn*[1] this Court stated the rule, as applying to situations such as are presented here, saying:

> "We think it cannot be doubted that a decree against a corporation in respect to corporate matters, such as the making of an assessment in the discharge of a duty resting on the corporation, necessarily binds its members in the absence of fraud and that this is involved in the contract created in becoming a stockholder."

[1] 131 U. S. 319, 332.

That the stockholders are in privity with the corporation to such an extent that their presence in a suit touching corporate matters is not necessary to bind them has been announced many times by this Court.

In *Hawkins* v. *Glenn, supra,* the Court stated the rule thus:

> "It was not necessary that the stockholders should be before the court when it [the order] was made, any more than that they should have been there when the decree of bankruptcy was pronounced."

Again, in the same case, this Court said:

> "A stockholder is so far an integral part of the corporation that, in the view of the law, he is privy to the proceedings touching the body of which he is a member."

This was quoted with approval and applied in the later case of *Hancock National Bank* v. *Farnum.*[1]

The rule has never been modified by this Court in any way, so far as we have found.

Analysis of the proceedings in *Laurent* v. *Anderson, supra,* will show that it has been finally determined by judgment of a court having jurisdiction that the Banco-Kentucky Company was the actual owner of the Trustees' Participation Certificates, representing the shares of stock of the National Bank of Kentucky, here involved, and was consequently the real owner of the Bank shares represented by those Certificates.

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[1] 176 U. S. 640, 644.

The record in the case of *Laurent* v. *Anderson* is filed in this case as "Defendants' Exhibit No. 23."

Examination of that record shows that the plaintiff in that case was the same as the petitioner here, namely, the Receiver of the National Bank of Kentucky.

The Receiver of the National Bank of Kentucky was represented by the same counsel in that case that represent him here.

The defendant in the *Laurent Case* was the Banco-Kentucky Company.

While the respondents were not named as defendants in that case, their connection with the BancoKentucky Company, as stockholders, automatically made them privy to the judgment.

Respondents and Banco being bound by this judgment and unable to litigate again with the Receiver of the Bank, the question of Banco's true ownership of the T.P.C.'s and the underlying Bank stock, the Receiver of the Bank, petitioner here, is also bound by that judgment and is, therefore, unable to re-litigate that question with Banco or its stockholders.

The imposition of the liability here being purely statutory, in order to succeed in the suit against Banco, it was necessary for the Receiver, petitioner here, to bring the BancoKentucky Company within the purview of the statute. Banco not being a record-holder of Bank stock, the petitioner was compelled to claim that the BancoKentucky Company was the real owner of the stock involved and accordingly so brought his suit.

There has never been any claim of joint ownership and obviously, therefore, a decision holding that Banco "was in every sense the true and beneficial owner of the national bank stock involved" excluded any one else from being the real owner of that stock.

The statute imposes liability upon *shareholders* of the Bank, and upon transferrers within sixty days or with knowledge of impending failure. The only other exception recognized in the decisions of this Court is that record holders, even though not the true owners, may be held upon the ground of estoppel, in which case a subsequent claim asserted against the true owners is not inconsistent. Certainly, this rule does not apply here, since in the *Laurent Case* the BancoKentucky Company was not sought to be held as the record holder of Bank stock. It was *sought to be held*, and *was actually held*, as the real and beneficial owner of the Bank stock, represented by the Participation Certificates held by it.

This was announced in the opinion of the Circuit Court of Appeals in the *Laurent Case*[1] and is conclusively shown by Respondents' Exhibit "No. 6" and Stipulation in reference thereto filed in this case. Exhibit "No. 6" is a photostatic copy of the Stock Record Book of the National Bank of Kentucky, certified by the Comptroller. It contains neither the name of the BancoKentucky Company nor the name of any of the respondents herein, except those who were directors of the Bank.

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[1] 70 Fed. (2d) 819.

In order, therefore, that the BancoKentucky Company be held liable for an assessment, it was necessary for the Bank Receiver in the *Laurent Case* to allege and prove, not only that the T.P.C.'s which Banco did own were equivalent to Bank stock, but *also* that the Banco-Kentucky Company was the true owner of the T.P.C.'s.

This he did allege and prove in the *Laurent Case.*

As clearly showing his claim that *Banco was the real owner,* we refer to page 51 of his brief in the Circuit Court of Appeals in the *Laurent Case,* where he makes this argument:

> "The record here shows that BancoKentucky received dividends on its proportionate interest in the stock in the National Bank of Kentucky. BancoKentucky retained and exercised its right to control the votes in the National Bank of Kentucky. BancoKentucky retained and exercised its right to select Directors for the National Bank of Kentucky, BancoKentucky retained and exercised its right to secure title to the stock in itself. Banco-Kentucky retained every privilege which is given by the National Banking Act to stockholders; and furthermore, BancoKentucky agreed to pay any assessment which might be levied on stock of the National Bank of Kentucky." * * *

BancoKentucky could only have attained the rights above referred to by an out-and-out transfer of Trustees' Participation Certificates to it. There has never been any claim that Banco held this stock subject to any agreement concerning it with the transferor. The acquisition of these rights by Banco came through the sale of the stock to Banco and as an incident thereof.

The former T.P.C.-holder lost them at the same time Banco acquired them.

In his conclusion in the same brief is this statement (p. 52):

> * * * "A decision denying the right of the Comptroller of the Currency to collect the assessment levied *in this case from the true owners of the National Bank of Kentucky* would undermine a fundamental security of depositors."

In order to sue the BancoKentucky Company, which was in receivership, it was necessary for Keyes, then Receiver of the National Bank of Kentucky, to secure the consent of the Jefferson Circuit Court in Kentucky. He accordingly filed in a pending suit, known as *Carroll* v. *Chemical Bank & Trust Co.*, a petition seeking leave to sue the BancoKentucky Company for the assessment here involved. In that petition he alleged, under oath:

> "Your Petitioner further represents that at the time of the closing of said National Bank and the appointment of your Petitioner as Receiver, the defendant, The BancoKentucky Company, was the *owner and holder* of 540,484 Trustees' Participation Certificates," * * *.

With this petition the plaintiff, Keyes, tendered an order drawn by him, which the Court signed, to the following effect:

> "It is therefore ordered, adjudged and decreed that Paul C. Keyes, as Receiver of the National Bank of Kentucky, be and he hereby is granted

leave and authority by this Court to commence and prosecute to final judgment an appropriate action at law against Joseph S. Laurent, hereunto duly appointed Receiver of The BancoKentucky Company, and the duly acting and qualified Receiver of said company, to recover such sum of money as said Paul C. Keyes, as Receiver, *may claim to be due from The BancoKentucky Company as an assessment upon the shares of capital stock of the National Bank of Kentucky or upon certain Trustees' Participation Certificates claimed to represent the ownership of capital stock of the National Bank of Kentucky by The BancoKentucky Company* and any final judgment recovered in such action shall be a valid and just claim against said Joseph S. Laurent, as Receiver of The BancoKentucky Company herein, to be filed in this action for determination as to its rights of distribution in relation to other claims."

In the *Laurent Case* plaintiff thus states, under oath, the basis of his claim:[1]

"that said money is due him as an assessment upon the shares of stock of The National Bank of Kentucky *owned* by The BancoKentucky Company at the time plaintiff was appointed Receiver or upon certain Trustees' Participation Certificates, representing The National Bank of Kentucky stock, *owned* by The BancoKentucky Company at the time of said appointment of plaintiff as Receiver."

Again, on page 6 of the same exhibit:

"The BancoKentucky Company and/or Joseph S. Laurent ever since September 19, 1929, has been

[1]Defendants' Exhibit No. 23, p. 6, Rec., *Laurent* v. *Anderson.*

and is the *owner and holder* of said Trustees' Participation Certificates for Five Hundred Forty Thousand Four Hundred eighty-four (540,484) shares, of the par value of $10 per share each of said trust estate."

In his printed brief in the District Court in the five cases, which reached the Court of Appeals under the style of *Laurent* v. *Anderson,* he states this general heading (p. 17):

> *"The holders of trustees' participation certificates were the true and beneficial shareholders of the National Bank of Kentucky and as such are liable for the assessment made by the comptroller."*

At page 29 he says:

> * * * "We believe that in the instant case the holder of a Trustees' Participation Certificate is the real stockholder. Being such he is liable for an assessment."

Again, at page 38:

> "There are numerous other cases where technicalities are disregarded and persons have been held liable whom the Court describes as 'the real owners,' 'the actual owners,' 'the substantial owners,' 'the true owners,' 'the equitable owners,' 'the beneficial owners,' 'the owners in fact,' and 'those to whom the shares really belong.' Each of the phrases listed above could be applied to the defendants in these cases as holders of Trustees' Participation Certificates. These defendants control every action of the Trustees. They were the true stockholders of the Bank. They were listed

as beneficial owners of the stock on the list of certificate holders certified to and kept by the Bank under the terms of the trust. If they were not the stock owners, then the National Bank of Kentucky had no stock owners!" * * *

In the District Court the Receiver claimed throughout his brief that the assessment should be sustained because Banco was the *true owner* of the stock here involved.

In sustaining the Receiver, Judge Cochran held:[1]

> * * * "*Nor is it of any consequence* that the BancoKentucky Company never owned in any way any stock in the National Bank of Kentucky *and that it acquired its equitable interest therein by purchase of Trustees' Participation Certificates from those who had been such owners and taken them in substitution for their stock.* Upon the acquisition of such stock that Company became the beneficial *and hence the actual and real owner thereof* and hence subject to assessment."

In a separate finding of facts and law in said cause Judge Cochran also found:[2]

> "That the BancoKentucky Company, and the defendant, Joseph S. Laurent, its Receiver, was *the actual and real owner* of 37,721.624 shares of stock of the National Bank of Kentucky, having a par value of $100.00 per share on November 17, 1930."

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[1] *Keyes* v. *American Life & Accident Ins. Co.*, 1 F. Supp. 512, 513.
[2] Defts.' Exhibit No. 23, p. 18, Rec., Laurent v. Anderson.

The case was appealed to the Circuit Court of Appeals for the Sixth Circuit and an opinion[1] was rendered, affirming Judge Cochran. The opinion states the actual question involved and decided by the Court. At page 820 of the reported opinion, it is said:

> "Banco *never held stock in the National Bank of Kentucky* but several years after the date of the agreement purchased the trustees' participation certificates which had been issued under the agreement."[2]

Again, at page 820:

> "The assessment of double liability was made against Banco upon the theory that, being the holder of Trustees' Participation Certificates issued under a trust agreement dated April 22, 1927, it was the real and beneficial owner of national bank stock."

The Court held (p. 824):

> "The evidence establishes that Banco was in every sense the true and beneficial owner of the national bank stock involved."

Again (p. 824):

> "The petition and especially the evidence sustain recovery against Banco as the real and beneficial owner under Section 64 of the National Banking Act (12 U. S. C. A.)."

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[1]70 Fed. (2d) 819.

[2]Agreement of 1927, Trusteeing stock of National Bank of Kentucky and The Louisville Trust Company.

The judgment of the District Court, holding Banco to be the real owner of the Bank stock, was affirmed.

Let us see what was the respondents' position after the rendition of this judgment.

The Receiver of the BancoKentucky Company paid something over $90,000 on this judgment.

In his present Bill, the petitioner says, Paragraph VII:[1]

> "* * * the defendants [respondents] are the real, true and beneficial shareholders of the National Bank of Kentucky and have promised to pay said assessment and are estopped to deny said assessment liability, and are the owners of shares of stock of the National Bank of Kentucky and each of the defendants appearing to be stockholders of the BancoKentucky Company is liable for the payment of the assessment levied by the Comptroller of the Currency hereinbefore referred to, individually, ratably and proportionately to the extent that the number of shares of stock held by him bears to the total number of shares issued and outstanding."

Having brought one suit and secured his judgment against the BancoKentucky Company, upon the ground that it was the "*real, true and beneficial owner*" of the identical stock here involved and having bound the stockholders of that corporation (respondents here) by that judgment, is it conceivable that he can now assert the same claim *against the respondents* and have this Court adjudge that they are the real, true and

[1] I R., p. 69.

beneficial owners, simply because the interest of the petitioner would be benefitted thereby?

Petitioner seeks to avoid the effect of the *Laurent Case* by *now* claiming (Brief, p. 3) that in that case Banco was sued as the *record owner* of Bank stock and not as the real owner. The analysis of the *Laurent Case* which has here been made shows that the petitioner's present position is untenable. At no time in that case, from start to finish, was Banco claimed to be the *record owner* of Bank stock. The record in the instant case shows also that petitioner's claim is unfounded. Neither Banco nor any of the respondents (except Bank directors) were registered as shareholders of the Bank when it closed, as was expressly affirmed by petitioner in his request for admission by respondents that all of the outstanding shares (except 180 shares registered in the names of eighteen directors) were registered "in the names of Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Charles A. Bohmer and Ben J. Metcalfe, as trustees under trust agreement dated April 22, 1927" (R. II, p. 76, Request 6; also Defendants' Exhibit 6).

This Court said in *Hart Steel Co.* v. *Railroad Supply Co.*:[1]

> "This doctrine of *res judicata* is not a mere matter of practice or procedure inherited from a more technical time than ours. It is a rule of fundamental and substantial justice, 'of public policy and of private peace,' which should be cordially regarded and enforced by the courts to

[1] 244 U. S. 294, at p. 299.

> the end that rights once established by the final judgment of a court of competent jurisdiction shall be recognized by those who are bound by it in every way, wherever the judgment is entitled to respect."

In *Marin* v. *Augedahl*,[1] the principle, to which we have addressed ourselves, was applied in favor of a Receiver. While it is true that the "full faith and credit" clause was involved, there is no difference in principle. Minnesota had a law placing a so-called double liability upon stockholders of a certain class of Minnesota corporations and excepting certain other classes. A money judgment was obtained against a corporation of that State and the execution thereon returned unsatisfied. In a proceeding under the Minnesota statute the Receiver of the insolvent corporation brought an action against the stockholders of that corporation and pro rata assessment was made against the stockholders, whether parties to the suit or not, on the ground that the corporation was not in the "excepted" class, described in the statute. Augedahl was a stockholder but was not a named party to the Receiver's suit and did not appear therein. Later the Receiver sued him in North Dakota, where he lived, and the North Dakota Court held that he was not bound by the Minnesota judgment, but could try over again the question of the liability of the corporation. In error to the North Dakota Court, this Court reversed the judgment, saying in part:

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[1]247 U. S. 142, at p. 150.

"In *Hawkins* v. *Glenn*, 131 U. S. 319, an assessment ordered by a Virginia court having the corporation before it was sustained as against stockholders residing in another State and not personally brought into the suit, the ground of decision being that 'a stockholder is so far an integral part of the corporation that, in the view of the law, he is privy to the proceedings touching the body of which he is a member.'"

Again, at page 148:

"Had the Minnesota court in this instance held that the corporation was in the excepted class and then denied the receiver's petition, is it not certain that the order, if neither vacated nor reversed, would have settled conclusively the non-existence of the asserted liability? And if in a subsequent suit the receiver or the creditor represented by him had again asserted such a liability on the part of the stockholders, is there any doubt that the latter could have relied safely on the order as a prior adjudication in their favor? The answers seem obvious. Charged with the duty, as the court was, of ascertaining whether there was any liability to be enforced, it was its province to consider and decide every question which was an element in that problem, including the one of whether the corporation was in the excepted class."

The same rule of *res judicata* has been applied in a number of cases from Kentucky, where the overwhelming majority of purchases of Banco stock were made.

In *Ewald's Executor and Trustee* v. *City of Louisville*,[1] the question arose in this way:

Kentucky had a law exempting the stockholders of a Kentucky corporation from payment of taxes on the value of its capital stock owned by them where the corporation itself paid taxes on all of its property in Kentucky. Under an omitted property assessment statute, suit had been brought by the Commonwealth of Kentucky against the Ewald Iron Company, to which its stockholders were not parties, and an assessment ordered, the judgment reciting that the property so assessed was all the property of the corporation theretofore omitted by it from the tax returns for the years in question.

There was also a rule of law prevailing in Kentucky, stated as follows by the Court of Appeals of Kentucky in its opinion in the *Ewald Case, supra*:

> "We have repeatedly held that the omission of property from an assessment in a given year gives rise to only a single cause of action, and where an action has been brought to have property assessed and a judgment has been rendered therein, the judgment is conclusive, and an action cannot afterwards be brought to assess other property omitted from the same assessment which was not embraced in the first action." (Citing cases.)

Later a new suit was brought by the City of Louisville against the principal stockholder of the Ewald Iron Company on the ground that taxes had not been paid by the corporation on all of its property in Ken-

[1]192 Ky. 279, p. 282; 232 S. W. 388.

tucky, and that consequently the stockholder was liable for taxes on the shares of the corporation held by him.

The defendant pleaded that, as stockholder of the Company, he was privy to the former judgment against the Company and that the judgment was *res judicata* under the rule hereinabove quoted.

In sustaining that plea and reversing the judgment against the stockholder, the Court of Appeals of Kentucky said:[1]

> "Under the rule of *res judicata*, a right, question or fact, distinctly put in issue and directly determined by a court of competent jurisdiction, cannot be disputed in a subsequent suit between the same parties or their privies; and even if the second suit is for a different cause of action, the right, question or fact, once so determined, must, as between the same parties or their privies, be taken as conclusively established so long as the judgment in the first suit remains unmodified. Stone v. Winn, 165 Ky. 9, 176 S. W. 933; Southern Pacific v. U. S., 168 U. S. 1, 42 L. Ed. 355. As neither Ewald nor the city was a party to the suits in which the judgments were rendered, the conclusiveness of the judgments depends on whether or not they were privies. Privity may arise by representation. Thus, a judgment against a corporation is conclusive against its stockholders in an action to enforce their statutory liability to creditors; and it is also held that a judgment in a garnishment proceeding against a corporation is conclusive in an action against stockholders to reach assets wrongfully withdrawn, as to the fact of indebted-

[1] 192 Ky. 279, pp. 282-3.

ness to the principal debtor and the amount thereof."

Again, at page 284:

> "For a like reason it would seem that a judgment against a corporation for omitted taxes is conclusive on the stockholder in a subsequent action to collect taxes on his individual stock, where his liability depends on whether or not the corporation has paid taxes on all of its property."

In view of the well established principles evidenced by the foregoing authorities, we submit that the decision in the *Laurent Case* is conclusive of the issue here presented and that Banco and not the respondents must be held to have been the real and true owner of the Bank stock, and not the agent or instrumentality of its stockholders for any purposes.

ELECTION.

In addition to our claim that *Laurent* v. *Anderson*[1] is *res judicata* between the parties here and therefore supports the judgment below and requires its affirmance, *Laurent* v. *Anderson* has another aspect that reaches the same end.

By bringing the suit of *Laurent* v. *Anderson* and claiming that BancoKentucky Company was the true owner of the Bank shares here involved and pursuing that claim to a successful judgment, petitioner has elected as to the ownership of Bank shares and is bound by that election.

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[1] 70 Fed. (2d) 819.

Respondents contend that the Receiver of the National Bank of Kentucky can not maintain this suit to hold them as the "actual owners" of the capital stock of the National Bank of Kentucky, for the very simple reason that he has heretofore secured a judgment from this same Court holding that the BancoKentucky Company was the "actual owner" of these same shares.

He cannot after this in a new suit against a different person now ask this Court to adjudge that some one else is the "actual owner" of these same shares.

Well-settled legal doctrines prevent the Receiver from doing this.

In *Davis* v. *Wakelee*[1] this Court said:

> "It may be laid down as a general proposition that, where a party *assumes a certain position in a legal proceeding, and succeeds in maintaining that position,* he may not thereafter, simply because his interests have changed, assume a contrary position, especially if it be to the prejudice of the party who has acquiesced in the position formerly taken by him." * * *

Neither BancoKentucky Company, nor its stockholders held any certificates of the capital stock of the National Bank of Kentucky, and neither appeared upon the Record Book required to be kept by Section 62, Title 12, Banks and Banking, U. S. C., showing the names of the stockholders.

Presented with this situation, the Receiver conceivably had the right to choose between Banco and its stockholders the one he deemed to be the true owners

[1] 156 U. S. 680, at p. 689.

of the Bank stock and sue such company or persons and claim that such corporation or such persons were the true owners.

In this case either Banco was or the stockholders were.

In the absence of a claim of joint beneficial ownership, both could not be the actual owners.

Of course, the burden was on the Receiver to show who was the true owner and, therefore, since Banco unquestionably owned the T.P.C.'s, his obvious and less difficult course was to pursue Banco as the true owner.

His course was more difficult if he sued the stockholders, for in that case it was necessary for him to prove that Banco was the character of corporation whose corporate entity could be disregarded before liability could be imposed upon the stockholders.

But the Receiver was likewise charged with knowledge that he could not allege and prove that Banco was the true owner of the stock and succeed in maintaining that position and then in a subsequent suit ask the Court to adjudge just the contrary and fasten liability on some one else.

The law forbids such trifling with the Courts.

With this situation before him and with full knowledge, the Receiver elected to file an action against the BancoKentucky Company.

(The proceedings in the Laurent Case, including petitioner's application for leave to file his action, the pleadings, the arguments, the findings of the District Court and the opinions of the District Court

and the Circuit Court of Appeals in that case have been analyzed in detail (*supra*, pp. 66-70) and that analysis need not be repeated here.)

In 20 *Corpus Juris*, page 17, the rule we contend for is thus stated:

> "Where a party has grounds to bring separate actions against different persons, and the maintenance of one necessitates the allegation of a fact, or the assumption of a position, inconsistent with, or repugnant to, the maintenance of another, he is bound by his election, and cannot proceed against the other." * * *

Election and estoppel are not the same. Election must not be confused with estoppel. The distinction is clearly stated by the Circuit Court of Appeals for the Seventh Circuit in *Barrell* v. *Newby*.[1]

> "Plaintiffs urge that, inasmuch as the answer fails to aver that defendant settled with Todd before they sued defendant, it would be no hardship to require defendant to pay them. *It seems to us that plaintiffs are confusing election with equitable estoppel.* Election, whether of remedies or of defendants, has no regard to the situation of the defendant, but *is founded on a public policy that forbids a plaintiff to trifle with the Courts.* Equitable estoppel, on the other hand, grows out of a consideration of the defendant's state. They are distinct defenses, and he who *pleads election* need not show that it would be inequitable to permit the plaintiff to recover; it is enough if he

[1] 127 Fed. 656 at pp. 661 and 662.

shows that the plaintiff, having by law the right to take either of two courses, has taken and holds to the one that leads away from him."

In the case of *Berry* v. *Chase* (C. C. A., 6th), Judge Lurton stated the law of elections thus.[1]

"* * * But the law is that, when there is an undisclosed principal behind, he may be made liable, although he was never given credit by the seller, provided the circumstances are not such as to make such a result unjust or inequitable. But one who has dealt with an agent cannot upon discovery of an undisclosed principal hold both the agent and the principal liable. *He must choose between the two, and an election once made he must abide by it.*"

In *Pottorf* v. *Dean*,[2] the Circuit Court of Appeals for the First Circuit had before it a national bank assessment case, wherein a claim of election by the receiver was made and the Court held that such election was binding in a second suit by the receiver involving a portion of the same stock. Suit was filed by the Receiver of the First National Bank of El Paso against Mrs. Dean to recover the assessment. She had transferred 571 shares of stock of the El Paso Bank and 31 shares of stock of the First National Bank of Albuquerque to trustees for the benefit of her minor children. The trust was without reservation. Both banks were solvent at the time of the transfer. At the time of the appointment of the receiver for the

[1] 146 Fed. 625, at p. 626.
[2] 77 Fed. (2d) 893.

El Paso Bank the 31 shares of the Albuquerque Bank were the only assets in the hands of the trustees for the children other than the shares of the El Paso Bank. It was claimed that the transfer being to minors was unavailable as a defense to Mrs. Dean.

The receiver first notified the trustees of their liability for the stock assessment. The trustees admitted the liability and forwarded the 31 shares of stock of the Albuquerque Bank in discharge of their liability. The receiver, to avoid a possible liability in case of insolvency of the Albuquerque Bank, requested that he might hold it as collateral until sold. The Court said:[1]

> "* * * Having accepted it on that basis, and having sold the stock, the receiver is bound by it. He cannot hold both the trustees and Mrs. Dean. The two propositions are inconsistent. He has made his election to hold the trustees on the ground that there was a bona fide transfer to the trustees and that the trust estate was liable under Section 66, 12 U. S. C. A."

Barrell v. *Newby*,[2] decided by the Circuit Court of Appeals for the Seventh Circuit, was a case similar to *Berry* v. *Chase, supra*. This was a suit by a New York broker against Newby, who had directed Todd, an Indianapolis broker, to sell 100 shares of Northern Pacific stock "short." Todd, the broker, had actually directed the plaintiff to sell the shares. The New York broker lost a large sum in attempt-

[1] 77 Fed. (2d) 893, at p. 896.
[2] 127 Fed. 656.

ing to protect himself on the transaction. After the transaction was complete, Todd notified plaintiff that he was acting as agent for Newby. This notice was received prior to any action by the plaintiff against either Todd or Newby. After getting such notice, the New York brokers applied on account of their loss $5,734.74 then in their hands belonging to Todd and thereafter continued to hold this money. They also instituted suit against Todd.

Newby claimed that the application of this money of Todd's and the suit against Todd was an election and prevented suit against him even though the original claim was unsatisfied.

In deciding that the suit could not be maintained, the Circuit Court of Appeals for the 7th Circuit said:[1]

> "Do plaintiffs' acts constitute an election? In two instances plaintiffs procured conditional executions in advance on their solemn declaration to the courts that the broken contract was Todd's—not Todd's and the defendant's, but Todd's. In another instance plaintiffs acted as court and sheriff, and turned Todd's money into their own till. Now they declared with equal solemnity that the same broken contract was defendant's—not defendant's and Todd's but defendant's. We do not mean to assert that the mere bringing of an action against Todd would be inconsistent with their proceeding later against defendant. If the action were begun before they learned of defendant's principalship, certainly they should be permitted to dismiss, and sue defendant. And if they proceeded against Todd by reason of mistake

[1] 127 Fed. 656, at p. 661.

or fraud or the like, they might seek relief from their act, give up the chase they had entered upon, and return to the cross-roads. But here, under no misapprehension of comparative standings, but with full knowledge of the whole truth of the situation, plaintiffs not merely seized Todd's money on the basis that the contract was his, but they insist upon their right to retain it, and to say that the contract is Todd's throughout the time in which they assert that the contract is defendant's. To our minds but one interpretation can be given to this conduct."

The Circuit Court of Appeals, for the Second Circuit, in *Johnson & Higgins* v. *Charles F. Garrigues Company*,[1] made and applied the same proposition of law herein contended for. The following excerpt from the opinion covers the situation:

"The appellant Norwegian Nitrogen Products Company, Inc., was clearly established to have been the principal for the purchase of its casks through the Charles F. Garrigues Company, its agent. *This relationship was well known to the appellee when, on December 31, 1926, it took a decree* [against the agent] *reserving the right to proceed against the Norwegian Nitrogen Products Company, Inc., but not electing to hold them alone. It was impossible, in legal contemplation, to hold the agent and the Norwegian Company.* The Jungshoved (C. C. A.), 290 F. 753; Barrell v. Newby (C. C. A.), 127 F. 656; Berry v. Chase (C. C. A.), 146 F. 625; Georgi v. Texas Co., 225 N. Y. 410, 122 N. E. 238. Because the appellee sued the agent to judgment after a disclosure of the facts as

[1] 30 Fed. (2d) 251, at p. 253.

stated, we must regard that as an election upon its part to hold the agent liable, and to discharge the principal, Norwegian Nitrogen Products Co., Inc."

In the case of *Pittsburgh Terminal Coal Corporation* v. *Bennett*,[1] the Circuit Court of Appeals for the Third Circuit announced the same principle in the following language:

> "It is a general rule of law which is well settled by a long line of decisions that, if a person contracts with an agent of an undisclosed principal, upon discovery of the principal, he has a right of action against the agent and a corresponding right against the principal. He may elect to proceed against either, but he may not proceed against both. If he elects to proceed against the agent after he discovers the identity of the principal, he may not thereafter proceed against the principal. If judgment is taken against either with full knowledge of all the facts, no claim thereafter may be asserted against the other, even though the judgment is unsatisfied. Williston on Contracts, Vol. 1, Sec. 289; Barrell v. Newby, 127 F. 656 (C. C. A. 7); Johnson & Higgins v. Charles F. Garrigues Co., 30 F. (2d) 251 (C. C. A. 2)."

The case just above referred to is cited by the Circuit Court of Appeals, for the Tenth Circuit, in *Queenan* v. *Mays*,[2] decided May 28th, 1937. The facts of the *Queenan Case* were these:

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[1] 73 Fed. (2d) 387, at p. 389.
[2] 90 Fed. (2d) 525.

Joseph Mays had deposited with the First National Bank of Bristow, for safe-keeping, Liberty Bonds of the face value of $39,000. Without the knowledge or consent of Mays, the bank pledged these bonds to Creek County, Oklahoma, to secure a county deposit. Later Mays brought a replevin action against the county to recover the bonds. Neither the bank nor its receiver was a party to that action. Mays was defeated, the Court holding that the county was a bona fide purchaser, for value, from the bank. The bank failed. Thereafter, Mays sued the receiver of the bank to recover the value of his bonds that the bank had converted.

On motion of the receiver, the county was made a party, and he sought to recover the Mays' bonds from the county.

The county, shifting its position from that taken by it in the suit Mays had brought against it, defended on the ground that the bonds were Mays.

Responding to this claim, the Court said:[1]

> * * * "Mays sued the county. To defeat Mays the county established the fact that it believed them to be the property of the bank, and accepted them as such.
>
> "The receiver now sues. To defeat this action, the county now takes a position directly contrary to that it successfully took to defeat Mays, to wit, that the bonds were not the property of the bank but the property of Mays. If the argument is sound, then we have this situation: The county is not entitled to keep the bonds if they belong to

[1] 90 Fed. (2d) 525, at p. 533.

the bank under the Sneeden Case, nor if they belong to Mays because they were pledged without his knowledge; yet it may keep them by alleging in the state court they took them as the property of the bank and in this Court that they were pledged as the property of Mays. We cannot lend our assent to an argument leading to such an anomalous result. The bonds belonged either to Mays or the bank, and the county is not entitled to retain them in either case. The apposite principle of law is laid down in Davis v. Wakelee, 156 U. S. 680, 689, 15 S. Ct. 555, 558, 39 L. Ed. 578, as follows:

" 'It may be laid down as a general proposition that, where a party assumes a certain position in a legal proceeding, and succeeds in maintaining that position, he may not thereafter, simply because his interests have changed, assume a contrary position, especially if it be to the prejudice of the party who has acquiesced in the position formerly taken by him.' "

Myers v. *Ross*,[1] although not involving an assessment, is quite similar to the situation presented here.

The First National Bank of Jasper, Florida, had failed. Max Myers owed the bank $2,400.00 on a note. Max Myers and his wife were in business together. Myers had deposited $8,000 in the bank, for which a certificate of deposit was issued in favor of Mrs. Myers. After the failure of the bank Mrs. Myers disclaimed any interest in the certificate of deposit and Myers claimed the certificate of deposit and wished to have a proportionate part set off against his note. This the

[1] 10 Fed. Supp. 409, at p. 411.

receiver refused to do and sued Myers. In the suit Myers claimed the certificate of deposit and asserted this as a set-off. Judgment went against Myers. Thereafter the bank paid a dividend. Not having satisfied his judgment against Myers, the receiver applied this dividend on his judgment. Whereupon Mrs. Myers sued the receiver and claimed that the receiver could not claim the money was Myers' in view of his refusal to accept her disclaimer in the first instance. In holding that the receiver's election bound him, the Court stated:

> "But the receiver, with full knowledge of all the facts, has made an election with respect to the title to the deposit, and consequently its avails which are the subject-matter of this suit, and has prosecuted that election successfully."

Again:

> "The doctrine of election differs from estoppel in the broader sense of the latter, in that the party invoking a prior election need not show that he will suffer material disadvantage unless his adversary is compelled to abide by his former election, nor is it necessary that the former election shall have been acted upon by the other party to his prejudice. Estoppel depends upon what a party causes his adversary to do. Waiver by election depends upon what the party himself intends to do, and has done. Flynn-Harris-Bullard Co. v. Hampton, 70 Fla. 231, 70 So. 385; 20 C. J. 4, 17.
>
> "A party cannot, either in the course of litigation, or in dealings, *in pais*, occupy inconsistent positions. Where he has an election between two

or more inconsistent courses, and has knowledge of all the facts, he will be confined to that which he first adopts. Such election, knowingly made, cannot be withdrawn even though it has not been acted upon by another to his prejudice."

In a decision of the Circuit Court of Appeals, for the Sixth Circuit, in *United States* v. *Brown*,[1] decided December 15, 1936, the same rule was applied against the United States Government. This case held the Commissioner of Internal Revenue, acting for the Government, had elected which one of two different persons he would pursue to judgment and having so elected the United States was bound.

The question in that case was presented in this way. The Big Springs Distilling Company ceased business and distributed its assets among its stockholders. At that time the corporation owed the Government taxes for 1918, 1919, 1920 and 1921. The Government made an income tax assessment against the individual stockholders based on the full amount distributed to them. The stockholders claimed their assessment for income tax should be reduced by their pro rata liability for the unpaid taxes of the corporation. The Government denied this claim and secured a judgment based on the full amount distributed to the stockholders. Later the Government sought by suit to impress the property received by the stockholders from the corporation with a trust for the amount of the unpaid corporation tax. In affirming the decree against the Government, the Court said:[2]

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[1] 86 Fed. (2d) 798.
[2] 86 Fed. (2d) 798, at p. 799.

"* * * The Commissioner exercised a freedom of choice. He chose to press the tax appeal proceedings, and this unequivocally constituted an election. *Cf.* Robb v. Vos, 155 U. S. 13, 43, 15 S. Ct. 4, 39 L. Ed. 52. So far as the corporation taxes were concerned, the Government could avail itself of one of two remedies. The same amounts could not at once constitute income to the taxpayers and also be charged with a trust in favor of the Government. The Government could bring the transferee action on the theory of trust, or in the alternative, it could claim that all of the liquidating dividends constituted personal income to the taxpayers. It could not pursue both courses. It deliberately chose that the instant case should slumber in the files, and pressed the personal assessment on the theory that the entire respective amounts of liquidating dividends constituted income. The Government is bound by its election. United States v. Oregon Lumber Co., 260 U. S. 290, 301, 43 S. Ct. 100, 67 L. Ed. 261."

The rule laid down in these cases is clear. It has been constantly applied by the Courts and has a sound basis both in practice and logic.

Petitioner seeks to avoid the effect of the doctrine of election, because he sent a letter to the stockholders of the BancoKentucky Company calling attention to what he was doing in the suit against the BancoKentucky Company. It would seem clear that his letters to the respondents could not have this effect. Having no right to obtain a judgment against both the BancoKentucky Company and the respondents, as true owners of the same Trustees' Participation Certificates,

petitioner could not avoid the effect of the doctrine of election by this simple device. He could not seek successive judgments, each holding that the person sued was the true owner of the stock involved. If he could, the wholesome doctrine meant for the protection of the courts could be frittered away.

We submit that the petitioner's election to sue the BancoKentucky Company and obtain a judgment against that company as the *true owner of the Trustees' Participating Certificates here involved* was not only in accord with the facts, but it was also an election and prevents him from maintaining a suit against the appellees here. The rule we ask to be applied, as stated by the Seventh Circuit in *Barrell* v. *Newby, supra*—

> * * * *"is founded on a public policy that forbids the plaintiff to trifle with the courts"*

and has been many times upheld.

THE DECISION IN ATHERTON v. ANDERSON IS CONCLUSIVE AGAINST ANY CLAIM THAT MAY NOW BE MADE THAT THE BANK WAS INSOLVENT OR THAT FAILURE WAS IMPENDING WHEN BANCO WAS ORGANIZED AND ALSO AGAINST ANY CLAIM THAT BANCO WAS THE CHARACTER OF CORPORATION THE ENTITY OF WHICH MAY BE DISREGARDED, AS TO ALL RESPONDENTS WHO WERE PARTIES TO THAT ACTION.

A number of the respondents here were directors of the National Bank of Kentucky. Each was the owner of ten shares of stock of the Bank. The assessment upon their ten shares each is not involved in this case. In addition, however, to the ownership of ten shares of Bank stock, practically all of them transferred their Trustee Participation Certificates to the BancoKentucky Company and, in addition, they, the directors (as a whole), purchased approximately $1,180,000 of Banco stock for cash.[1]

After the Bank closed, Paul C. Keyes, as Receiver of the National Bank of Kentucky, sued the directors of the Bank, seeking recovery against them for two items (among others):

I. On account of petitioner's claim that they had knowingly participated in declaring illegal dividends of $2,240,000. This amount included annual quarterly dividends, beginning July 1, 1927, and ending October 1, 1930, the last divi-

[1]Transcript of Record, Vol. III, Finding 28, p. 256.

dend being over a year after respondents had sold their Trustees' Participation Certificates to BancoKentucky Company.

and

II. That they were liable for participating in the making of large loans, collateraled "in whole or in part" by BancoKentucky Company stock, contrary to the statute. This claim was based on the same idea that is involved here, that Bank stock being involved, the corporate entity could be looked through for the purpose of ascertaining whether Bank stock formed "in whole or in part" collateral on the loan.

The Court decided that all of the dividends were properly declared, thus leaving the Bank, after their payment, with something more than $4,000,000 capital and $2,000,000 surplus, as of each dividend period.

As to the Banco loans, the Master decided and the Circuit Court of Appeals decided that the challenged loans were all properly made and held that Banco was not the character of corporation whose corporate entity could be disregarded.

As to the directors, who are respondents here, these decisions are pleaded[1] as *res judicata* of the fact (1) that the Bank was solvent at the time Banco was organized and at least until October 1, 1930, more than a year thereafter, and (2) that the corporate veil of Banco can not be lifted in order to see that Banco owned Bank stock.

[1]Transcript of Record, Vol. I, pp. 122 and 138.

We will discuss these two findings in the order named.

I

Under the Banking Act dividends must be paid out of undivided profits only.

Revised Statutes, Section 5204, 12 U. S. C. §56, provides as follows:

> "No association, or any member thereof, shall during the time it shall continue its banking operations, withdraw, or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital. *If losses have at any time been sustained by any such association, equal to or exceeding its undivided profits then on hand, no dividend shall be made;* and no dividend shall ever be made by any association, while it continues its banking operations, to an amount greater than *its net profits then on hand, deducting its losses and bad debts.*" * * *

In addition to deducting debts that are actually bad, there must also be deducted what are known as statutory bad debts. These statutory bad debts are defined as follows (R. S., Sec. 5204, 12 U. S. C. §56):

> * * * "All debts due to any association, on which interest is past due and unpaid for a period of six months, unless the same are well secured, and in process of collection, shall be considered bad debts within the meaning of this section." * * *

It will be seen from the definition of statutory bad debts that these debts may in fact not be bad at all, but are included because they come within the statutory definition.

The Receiver's claim against the directors for the recovery of illegal dividends required the answer to two questions:

(1) the primary and basic one was whether the capital and surplus of the Bank was impaired by the declared dividend;

and (2) did the directors know of such impairment, if it existed?

If after a full examination of the condition of the Bank, it was found that, after allowance for all debts, liabilities, losses sustained, bad debts, statutory bad debts, plus the amount of the dividend declared, the capital and fixed surplus of the Bank was still whole, the claim of the Receiver automatically failed for *a fortiori*, the directors could have no knowledge of a non-existent fact.

The situation here is identical in that the Receiver now seems to base his whole case upon the assumption that there was impending insolvency at the time of the formation of Banco.

If the Bank were not facing impending insolvency, it is hard to see the relevancy of any of the arguments which the Receiver here makes. Certainly the greater part of his brief is of no moment whatever in determining the correctness of the decisions below.

The Bank had a capital of $4,000,000 and a fixed surplus of $2,000,000 throughout the period involved.

In the case of Keyes v. Akers (later known as Atherton v. Anderson) the Receiver offered a great deal of testimony in support of his claim. The evidence included all the National Bank Examiners' reports covering the period and all the other Bank data he thought pertinent.

He introduced many witnesses, including an expert accountant connected with Lybrand, Ross Bros. & Montgomery, of Chicago, and the two Chief National Bank Examiners for this District during the period involved, John S. Wood and Robert Neill. He also introduced Clarence M. Stewart, of the Federal Reserve Bank, through whom there was filed in evidence a great deal of correspondence relative to the possible denationalization of the Bank of Kentucky and referred to in petitioner's brief.

Of course, these witnesses were cross-examined fully by defendants.

The defendants also introduced their own testimony.

The case was then fully briefed before the Master.

The Master held that the Bank's capital and fixed surplus were not invaded by the declaration of any dividend.[1]

Exceptions were filed to this report by the petitioner and the question was elaborately briefed and argued with the result that the Master's ruling was sustained by the District Court, the Opinion reading as follows:[2]

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[1]Defendants' Exhibit No. 1, Rec. Atherton v. Anderson, Vol. I, pages 443 etc.

[2]Opinion in Anderson v. Akers, 7th Fed. Supp., page 924, at page 958.

"The Master disallowed this claim in its entirety, finding that the evidence failed to show any facts indicating any statutory violation by any of the directors or any negligence on their part in connection with these dividends. The Master discussed and analyzed, at great length and in much detail, numerous debts which the plaintiff claims should have been charged off as statutory bad debts, and after painstaking and thorough consideration of such debts and of the other relevant facts and circumstances the Master found that the evidence did not sustain this claim of the plaintiff. To recite or review these details would unduly prolong this opinion and would serve no useful purpose. *It is sufficient to say that the findings of the Master are convincingly supported by the record.* It is entirely clear, and I find, that the witnesses on whom the plaintiff relied in this connection had no personal knowledge of the facts concerning which they assumed to testify. *There is no competent evidence sufficient to sustain the burden resting on the plaintiff of proving that any of these dividends were paid out of capital of the bank or were not paid out of its net profits after deducting therefrom its losses and bad debts, including all debts on which interest was past due and unpaid for a period of six months and which were not well secured and all debts in process of collection.*"

The effect of this opinion was carried into the judgment. There was no appeal from this finding by the Receiver. It was not before the Court of Appeals, and time for an appeal has long since expired.

This decision in the suit between petitioner and respondents, who were also directors of the National

Bank of Kentucky, is certainly conclusive of the fact that the Bank was solvent in September, 1929, and through October 1, 1930, when the last dividend was paid.

If the National Bank of Kentucky on October 1, 1929, contemporaneously with the transfer of the Trustees' Participation Certificates, and at every quarter thereafter, including October 1, 1930, had an intact capital of $4,000,000 and an intact surplus of $2,000,000 and was able in addition to pay a dividend of $160,000 after deduction of all bad debts and statutory bad debts, it seems perfectly clear that there was no impending insolvency of the Bank as of the time of the transfers.

II.

It was claimed by the Receiver of the National Bank of Kentucky in Atherton v. Anderson that the defendant directors were liable for loans made by the Bank on the security, in whole or in part, of Banco stock, because of the fact that Banco owned Trustees' Participation Certificates, which were claimed to represent Bank stock.

The defendants there, who are also respondents here, took the position that the shares of stock of the corporation did not represent an interest in its assets, that the corporate entity made it impossible to attribute an interest in the corporation's property to its members, and for that reason the corporate personality could not be ignored.

The Master held that the normal rule prevailed and that Banco was a bona fide corporation and that its stock was not Bank stock and the mere fact that Banco owned Bank stock did not change the general rule.

The District Court reversed this finding, but the Circuit Court of Appeals, 86 Fed. (2d) 518, 536, held as follows:

> * * * "It (Banco) was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegitimate nor unlawful. *It had its own capital with cash resources at one period almost twice the entire capital and surplus of the bank.* While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and it was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. *Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders.* See *Laurent* v. *Anderson, supra.* Its separate corporate existence was recognized by the very receiver on whose behalf we are now asked to ignore it."

Again (p. 536):

> "The circumstances under which one corporation will be held to be but the *alter ego* of another

were recently fully considered by us in *Shepherd, Trustee,* v. *Banking & Trust Co.,* 79 Fed. (2d) 767, 769. We there approved the doctrine of *Pittsburgh & Buffalo Co.* v. *Duncan,* 232 Fed. 584, 587 (C. C. A. 6), to the effect that: 'The mere fact that the stockholders in two or more corporations are the same, or that one corporation exercises a control over the other through ownership of its stock, or through identity of its stockholders, does not make either the agent of the other, nor does it merge them into one * * * where each corporation is separately organized under a distinct charter' and likewise gave approval to the exception to this general rule announced in *New York Trust Co.* v. *Carpenter,* 250 Fed. 668, 672 (C. C. A. 6), and approved in *Hooper-Mankin Co.* v. *Mathew Addy Co.,* 4 Fed. (2d) 187, 189 (C. C. A. 6), where it was said:

"'From an examination of many decisions, we venture to say that no corporation acting within its powers has been held liable for the debts of another corporation legally organized, because it controls such corporation by reason of ownership of its stock, or otherwise, except by reason of contract or on grounds of agency, or of estoppel, or because the controlled corporation has been used in such a way that the maintenance of its character as a separate and distinct entity would work injustice.'

"The principle has been affirmatively stated in the Ninth Circuit (*Martin* v. *Development Co. of America,* 240 Fed. 42) thus: 'A holding corporation has a separate existence and is to be treated as a separate entity, unless facts are averred which show that such separate corporate existence is a

mere sham, or has been used as an instrument for concealing the truth, or where the organization and control are shown to be such that it is but an instrumentality of another corporation.'

"The BancoKentucky Company was certainly not a sham, for *nearly ten million dollars of actual cash paid for its stock attest its reality,* and there is nothing in the record to point to it as an instrumentality of the bank. Nor was it organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the bank. The master absolved the appellants of all suspicion of bad faith and the court approved his finding in the last of three carefully reasoned opinions (11 Fed. Supp. 9, 14). Certainly we must accept this as the deliberate judgment of the court rather than as a euphemism, easing the blow to the sensibilities as it fell heavily upon the purse."

Following this decision and after the case had reached this Court upon a different point, judgment was rendered on the question here involved on December 28, 1938, as follows:

"It is adjudged that none of the non-officer directors of the National Bank of Kentucky of Louisville are liable to the plaintiff under Section 93 of Chapter 2 of the title, Banks and Banking of the United States Code, or on common law principles of negligence for the losses sustained by the Bank on account of moneys supplied on loans collateraled, in whole or in part, by stock of the BancoKentucky Company and set out in Paragraph 45 of the original decree herein."

This Court, in *Southern Pacific Railroad* v. *United States*,[1] and other cases, has adhered to the following principle:

> "The general principle announced in numerous cases is that a right, question or fact distinctly put in issue and directly determined by a court of competent jurisdiction, as a ground of recovery, cannot be disputed in a subsequent suit between the same parties or their privies; and *even if the second suit is for a different cause of action, the right, question or fact once so determined must, as between the same parties or their privies, be taken as conclusively established, so long as the judgment in the first suit remains unmodified.* This general rule is demanded by the very object for which civil courts have been established, which is to secure the peace and repose of society by the settlement of matters capable of judicial determination. Its enforcement is essential to the maintenance of social order; for, the aid of judicial tribunals would not be invoked for the vindication of rights of person and property, if, as between parties and their privies, conclusiveness did not attend the judgments of such tribunals in respect of all matters properly put in issue and actually determined by them."

The same rule prevails in Kentucky. In the case of *Brooks* v. *Lower Elkhorn Coal Corporation*,[2] the following rule was applied by the Court of Appeals:

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[1] 168 U. S. 1, at pp. 48-9.

(This ruling has been a number of times followed by the Supreme Court and in an opinion written by Justice Roberts was re-stated in Tait v. Western Maryland Railway Co., 289 U. S. 620, at p. 623.)

[2] 219 Ky. 74, at pp. 77-8.

* * * "In Moore v. Gas & Electric Shop, 216 Ky. 530, 287 S. W. 979, we laid down the rule that when a right or fact has been judicially tried and determined by a court of competent jurisdiction, the judgment of the court so long as it remains unreversed is conclusive upon the parties and those in privity with them in law or estate, and that where some controlling fact or question material to the determination of an action has been determined in a former suit and the same fact or question is again at issue between the same parties, its adjudication in the first will, if properly presented, be conclusive of the same question in the latter suit *without regard to whether the cause of action is the same or not, or whether the second suit involves the same or a different subject-matter.*"

Certainly, as to those of the respondents, who were Bank directors and parties to the suit in *Atherton* v. *Anderson*,[1] any claim that the Bank was insolvent, or approaching insolvency, as of the time of the formation of Banco, or that the corporate entity should be ignored, is *res judicata* here.

[1] 86 Fed. (2d) 518.

PETITIONER'S BRIEF.

The larger portion of the foregoing brief was written before receipt of petitioner's brief, copy of which we received on Saturday, January 16, 1943.

In the reflected light of the contentions made by the Receiver in the courts below, his brief in this Court, shows him in a new role. In the last analysis, his present position is that stockholders of a national bank who, prior to the repeal of Section 64, Title 12, U. S. C., transferred their bank shares to a bank stock holding corporation in exchange for shares of that corporation, are not relieved from the double liability imposed by that section of the Bank Act, so long as they retained the shares of the corporation to which their bank shares were transferred, and that Banco was a corporation of that type.

It is true that the Receiver still flies the tattered remnants of the flags under which he sometimes fought in the District Court and in the Circuit Court of Appeals.

He still features the reports of the bank examiners who examined the National Bank of Kentucky repeatedly from April 23, 1927, to November, 1930, when the Bank closed, insisting that these reports showed that the Bank was in an "unhealthy" or "precarious" condition during that whole period (Brief, pp. 7-35, inclusive). By far the larger portion of his brief is devoted to this subject. And he emphasizes the importance of this element of the case in his statement of the issue (Brief, p. 5) as involving only transfers made by stock-

holders *"of an insolvent national bank."* But, as we have heretofore shown, his bill of complaint contains no allegation that the stockholders of the Bank, when they transferred their Participation Certificates to the BancoKentucky Company, had any knowledge of a condition in the Bank that would suggest the idea that a failure of the Bank to meet its obligations was impending. It is true that in his brief (p. 24) he makes an oblique reference to knowledge on the part of the directors of the Bank, saying that it was their duty to know the "precarious" condition of the Bank, even if they did not know it actually, and, in the next following paragraph, he lumps the officers, directors and stockholders together in making the statement that they had agreed to organize a holding company, "knowing the precarious condition" of the Bank. Again (p. 39), in referring to the provision in the articles of Banco and on its stock certificates that its stock was "fully paid and non-assessable," he asks the following rhetorical question: "What did they intend by this except to escape the assessment liability?" The provision that stock is "fully paid and non-assessable" could not possibly be considered as relating to a double liability assessment. In common practice, it means only that it is not subject to further calls for payment by the issuing company.

We have also shown that petitioner has heretofore, *in this case,* disclaimed any assertion that the Bank was insolvent, in any sense of the word, or that these respondents knew it. Even in his present brief, petitioner says (p. 60):

"Liability does not depend upon pending insolvency."

If pending insolvency, or the condition of the Bank, is not a material element of liability, must we not assume that the large part of the brief devoted to this subject was merely for the purpose of beclouding the true issue and to create an unfavorable impression in the mind of the Court as to the position of the respondents? In any event, since it is again affirmed that impending insolvency is not an issue in the case, we forbear from further lengthening this brief with an examination of petitioner's factual statements in regard to the Bank's condition, and it must be assumed that the findings of both courts below as to this issue (*supra*, p. 56) were correct and will not be disturbed.

The Receiver still clings, somewhat precariously, to the charge that respondents must be considered as the real owners of the Bank stock, either because Banco was organized merely as an agency or instrumentality of its stockholders, or because of faint intimations of some clandestine purpose in its organization, or for no better reason than that Banco continued to hold T.P.C.'s representing Bank stock among its assets. These claims presented merely factual issues and petitioner was unable to sustain any of them by proof either in the District Court or in the Circuit Court of Appeals. In the earlier part of this brief we have given at some length a complete history of the organization of Banco as shown by the record in this case. We have also referred to the cases upon which peti-

tioner relies in his brief. Those discussions need not be repeated here.

The question of the real ownership of the Bank shares by Banco, involving as it does every ground which might be urged in favor of finding such ownership elsewhere, has been before the Circuit Court of Appeals on three separate occasions (*Laurent* v. *Anderson*, 70 Fed. (2d) 819; *Atherton* v. *Anderson*, 86 Fed. (2d) 518, and *Anderson* v. *Abbott*, 127 Fed. (2d) 696). On each and every one of those occasions it has been held that Banco, and not its stockholders, was the real owner of the Bank shares, and every reason which could be presented to induce a contrary finding has been rejected. In view of this situation, we deem further discussion of the question at this time to be unnecessary.

It is obvious that this conception of the responsibility of transferrers of Bank shares has no support in the Bank Act itself. That Act, Section 64, imposes a double liability upon transferrers of bank shares only in two instances, (1) where the transfer was made within sixty days next before the failure of the bank, or (2) where the transfer was made "with knowledge of such impending failure," that is, the failure of the bank "to meet its obligations."

Petitioner's brief complains of the finding of the District Court that Banco was an "operating" company and not merely a "holding" company. As we understand petitioner's new theory, this apparently makes no difference. At least, we are given no intimation of what differences must exist between those

corporations that fall within or without the class the stockholders of which petitioner now claims should be subject to such liability.

The District Judge had the benefit of much evidence and testimony beyond that mentioned in petitioner's brief. The Court had a right to consider what was *intended* to be done, as well as what *was* done. The Court realized that a connection with varied banking interests was one of the preliminary essentials to assure Banco a certain and wide source for the initiation of business activities. Such had always been a part of the plan. The Court also knew that, following close on the heels of its organization in July, 1929, came the stock market crash in October of that year, and that this event was a particularly hard blow to the business possibilities of the type which Banco hoped and expected to engage in. And the Court also knew that, in spite of all these difficulties, Banco proceeded to acquire a one-half interest in one of the largest investment houses in the South. The respective securities had actually been exchanged and everything had been done to complete the transaction, except to determine the value of the Caldwell assets. The Court was entitled to give consideration to the testimony of respondents, which was unchallenged, to the effect that they believed Banco was to perform all the functions permitted by its charter and that they expected to have an entirely different form of investment from the mere ownership of bank shares. The Court was not required to gauge the character of Banco merely by a backward look at what had happened in the few months of its

existence. There is no occasion for disturbing this finding, supported as it is by two separate decisions of the Circuit Court of Appeals in the *Atherton Case* and in the instant case. That subject, at least, is entitled to judicial repose.

Petitioner's criticism of the decision by the Circuit Court of Appeals is difficult to understand. Apparently, the chief complaint is that the Court found Banco to be the "true owner" of the Bank shares and that respondents were not such true owners. At least, petitioner now says (p. 60) that liability—

> "arises by virtue of the statute and depends on ownership,"

and argues that respondents had the same property after the transfer as before. This statement, of course, is wide of the mark. Before the transfer they owned a proportionate interest in the Bank. After the transfer they owned a proportionate interest in Banco. After the transfer, as petitioner himself has pointed out (*supra*, p. 35), Banco received dividends on its interest in the Bank stock and could dispose of them as it wished; Banco, and not its stockholders, retained and exercised its right to vote the Bank shares; and to select directors of the Bank. Banco, and not its stockholders, retained and exercised its right to secure title to the stock in the Bank or to dispose thereof. Banco, and not its stockholders, retained every privilege given by the Bank Act to stockholders. Petitioner still insists that respondents hoped and expected to remain

in the banking business—although every item of testimony in the case is to the contrary.

It ill becomes petitioner now to criticize the Circuit Court of Appeals for holding that Banco, and not its stockholders, was the real, true and beneficial owner of the Bank stock, because in the *Laurent Case* this same Receiver, and the same counsel, had labored to induce the Court to adopt that very principle. When it suited the Receiver to call Banco the true owner, he did not hesitate to ask the Court to support him in that position. Later, in the *Atherton Case,* the Court, on another issue, very properly took the same position. Now that it suits the petitioner to take a contrary position, he does not hesitate to criticize the Court for saying again what it had previously said at his insistence. We believe the petitioner has shown no ground upon which the decision of the District Court or the Circuit Court of Appeals should be disturbed.

The assessment here involved gives rise only to "an unsecured and unpreferred claim," entitled to no peculiar dignity or sanctity. The statute giving rise to this assessment has long since been repealed. The District Court and the Circuit Court of Appeals have carefully examined all the facts and have given meticulous attention to every argument made by petitioner in support of his claim. They have held, as a fact, that Banco was the true owner of the Bank stock against which the assessment was levied. Both Courts have examined and distinguished cases claimed to be similar and have rejected their claimed application to this case.

It is respectfully submitted that no reason is here shown for disturbing these findings and opinions and that the decision below should be affirmed.

HENRY E. MCELWAIN, JR.,
WILLIAM W. CRAWFORD,
RICHARD P. DIETZMAN,
ALLEN P. DODD,
JAMES W. STITES,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Attorneys for Respondents.

Louisville, Kentucky,
January 30, 1943.

APPENDIX.

United States Code, Title 12.

§63. *Individual liability of shareholders.*—The shareholders of every national banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares; except that shareholders of any banking association now existing under State laws, having not less than $5,000,000 of capital actually paid in, and a surplus of 20 per centum on hand, both to be determined by the Comptroller of the Currency, shall be liable only to the amount invested in their shares; and such surplus of 20 per centum shall be kept undiminished, and be in addition to the surplus provided for in this title; and if at any time there is a deficiency in such surplus of 20 per centum, such association shall not pay any dividends to its shareholders until the deficiency is made good; and in case of such deficiency, the Comptroller of the Currency may compel the association to close its business and wind up its affairs under the provisions of chapter four of this title. (R. S., §5151.)

§64. *Transfer of shares.*—The stockholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, each to the amount of his stock therein, at the par value thereof in addition to the amount invested in such stock. The stockholders in any national banking association who shall have transferred their shares or registered the transfer

thereof within sixty days next before the date of the failure of such association to meet its obligations, or with knowledge of such impending failure, shall be liable to the same extent as if they had made no such transfer, to the extent that the subsequent transferee fails to meet such liability; but this provision shall not be construed to affect in any way any recourse which such shareholders might otherwise have against those in whose names such shares are registered at the time of such failure. (Dec. 23, 1913, c. 6, §23, 38 Stat. 273.)

§64a. Liability of shareholders after June 16, 1933; termination.—The additional liability imposed upon shareholders in national banking associations by the provisions of section 5151 of the Revised Statutes, as amended, and section 23 of the Federal Reserve Act, as amended [§§63, 64, this title], shall not apply with respect to shares in any such association issued after the date of enactment of this Act. Such additional liability shall cease on July 1, 1937, with respect to all shares issued by any association which shall be transacting the business of banking on July 1, 1937: Provided, That not less than six months prior to such date, such association shall have caused notice of such prospective termination of liability to be published in a newspaper published in the city, town, or county in which such association is located, and if no newspaper is published in such city, town, or county, then in a newspaper of general circulation therein. If the association fail to give such notice as and when above provided, a termination of such additional liability may thereafter be accomplished as of the date six months [sic] subsequent to publication, in the manner above provided. (June 16, 1933, c. 89, §22, 48 Stat. 189; Aug. 23, 1935, c. 614, Tit. III, §304, 49 Stat. 708.)

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No. 3

IN THE

Supreme Court of the United States

October Term, 1943.

A. M. ANDERSON, Receiver of the National Bank of Kentucky, of Louisville, - Petitioner,

versus

KATHERINE KIRKPATRICK ABBOTT, Administratrix, Et Al., - - - Respondents.

SUPPLEMENTAL BRIEF FOR RESPONDENTS ON THE REARGUMENT OF THE CASE.

HENRY E. McELWAIN, JR.,
WILLIAM W. CRAWFORD,
ALLEN P. DODD,
JAMES W. STITES,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Attorneys for Respondents.

Louisville, Kentucky,
December 31, 1943.

WESTERFIELD-BONTE CO., INCORPORATED, LOUISVILLE, KY.

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IN THE

Supreme Court of the United States

October Term, 1943.

No. 3.

A. M. ANDERSON, RECEIVER OF THE NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, - *Petitioner,*

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX, ET AL., - - - - - *Respondents.*

SUPPLEMENTAL BRIEF FOR RESPONDENTS ON THE REARGUMENT OF THE CASE.

The ultimate question in this case is whether or not the ends of justice require that the corporate personality of the BancoKentucky Company be ignored in order that petitioner, as Receiver of the National Bank of Kentucky, may collect from the shareholders of the Company the unsatisfied balance of a judgment heretofore recovered by him against the Company itself as the real owner of the same bank shares involved in the case at bar.

The answer to that question is indicated in a group of cases decided subsequent to 1931, in which the courts were called upon to clear away the wreckage left by the financial storm of 1929-1935. They were called upon to allocate the responsibility for losses resulting from the collapse of financial structures of a novel kind, of which no exact examples were to be found in the earlier cases, and to apply the established principles of law and equity to the new situations presented in these cases.

In these cases there was developed the principle that the ends of justice may permit the disregard of ordinary legal relationships in cases where the stockholders of a failing institution have attempted to use the corporate device to evade threatened liability, and where the corporation so used has no other substantial assets than the bank shares transferred to it and no other function than to act as a receptacle for those shares. In such cases the corporate personality of corporations of this kind has sometimes been disregarded. In the instant case both courts below found that none of the elements justifying such disregard existed in the case of the BancoKentucky Company.

Petitioner's "Reply Brief" was filed in the Clerk's office on February 8, 1943, the day on which the case was first argued, and consequently counsel for respondents had had no opportunity to consider the contents of that brief or to make reply thereto before the case was first submitted.

Petitioner, in his reply brief, has cited and relied upon forty-three cases, in addition to the twenty-five

cases cited in his original brief, so that we now have sixty-eight citations in support of petitioner's argument.

None of these cases supports petitioner's right to recover under the facts disclosed in this case and the great majority of them are relied upon to support contentions whose validity respondents have never challenged.

We have never denied that the real owner of bank shares, though not so registered, was liable for an assessment against those shares.*

We have never denied that the record holder of bank shares, though not the real owner, was liable for an assessment against those shares.†

We have never denied that both the real owner and the record holder of bank shares, when not the same person, might be sued, jointly or successively, to recover such an assessment.‡

We have never denied that a corporation which is subject to the regulatory provisions of the Sherman Act or of the Hepburn Act can not evade its provisions

---

*Petitioner's Citations: *Germania National Bank* v. *Case*, 99 U. S. 628, 5 L. Ed. 448; *Bowden* v. *Johnson*, 107 U. S. 25, 27 L. Ed. 396; *Pauly* v. *State Loan*, 165 U. S. 606, 41 L. Ed. 844; *Stuart* v. *Hayden*, 169 U. S. 1, 42 L. Ed. 639; *Christopher* v. *Norvell*, 201 U. S. 216, 50 L. Ed. 732; *McDonald* v. *Dewey*, 202 U. S. 510, 50 L. Ed. 1128; *Ohio Valley National Bank* v. *Hulitt*, 204 U. S. 162, 51 L. Ed. 423; *Early* v. *Richardson*, 280 U. S. 496, 74 L. Ed. 575; *English* v. *Gamble*, 26 Fed. (2d) 28.

†Petitioner's Citations: *Irvine* v. *Blackburn*, 205 Fed. 217; *Broderick* v. *Aaron*, 151 Misc. 518, 272 N. Y. Supp. 219.

‡Petitioner's Citations: *Metropolitan Holding Co.* v. *Snyder*, 79 Fed. (2d) 263; *Continental National Bank* v. *O'Neil*, 82 Fed. (2d) 650; *Ericson* v. *Slomer*, 94 Fed. (2d) 437; *Reconstruction Finance Corporation* v. *Pelts*, 125 Fed. (2d) 803; *Reconstruction Finance Corporation* v. *Barrett*, 131 Fed. (2d) 745; *Harris Investment Co.* v. *Hood*, 123 Fla. 598, 167 So. 25.

by transferring a part of its property or business to a corporation of which it is the sole stockholder.*

We have never denied that the stockholders of a corporation to which they have transferred bank shares in exchange for the shares of that corporation, may be liable to assessment as the real owners of those bank shares, in cases where the bank shares are the only asset, or substantially the only asset, of the holding corporation and the corporation has no other function than to act as a depositary for those shares and there is evidence of an attempt to evade liability.†

With the exception of fourteen cases on the subject of *res judicata* or election, the facts in the cases cited by petitioner bring those cases within one or the other of the doctrines stated above.

It is true petitioner says (Brief, page 49; Reply Brief, page 18) that in *Deming* v. *Schram, supra,* "$7,500,000 of really new money went into that bank stock holding company." But this statement is inaccurate. The $7,500,000 referred to did *not* go into "that bank stock holding company." The *Deming Case* involved the liability of the stockholders of the

*Petitioner's Citations: *Northern Securities Co.* v. *United States*, 193 U. S. 197, 48 L. Ed. 679; *United States* v. *Lehigh Valley RR. Co.*, 220 U. S. 257, 55 L. Ed. 458; *United States, Delaware, Lackawanna and Western Railroad Co.*, 238 U. S. 516, 59 L. Ed. 1438.

†Petitioner's Citations: *Corker* v. *Soper*, 53 Fed. (2d) 190; *Deming, et al.*, v. *Schram*, 7 F. Supp. 271; *O'Keefe* v. *Pearson*, 73 Fed. (2d) 673; *Schiener* v. *Davis*, 75 Fed. (2d) 371; *Fors* v. *Farrell, et al.*, 271 Mich. 358, 270 N. W. 856; *Barbour* v. *Thomas*, 86 Fed. (2d) 510; *Brusselback, et al.*, v. *Cago Corporation, et al.*, 85 Fed. (2d) 20; *Durrance* v. *Collier*, 81 Fed. (2d) 4; *White* v. *Aaronson*, 169 Misc. 593, 7 N. Y. S. (2d) 901; *Hansen, Supervisor of Banking* v. *Agnew, et al.*, 195 Wash. 354, 80 Pac. (2d) 845; *Partridge, et al.*, v. *Ainley, et al.*, 28 F. Supp. 472; *Bacon* v. *Barker*, 110 Vt. 280, 6 Atl. (2d) 9; *Galinski* v. *Adler*, 302 Ill. App. 474; 24 N. E. (2d) 205; *Flanagan* v. *Madison Square State Bank*, 302 Ill. App. 468; 24 N. E. (2d) 202; *Nettles* v. *Sottile*, 191 S. E. 796; *Nettles* v. *Rhett*, 94 Fed. (2d) 42.

Guardian Detroit Group, Inc., a Michigan corporation (later called the Guardian Detroit Union Group, Inc.), for a comptroller's assessment against the shares of the Guardian National Bank of Commerce, all of whose shares were held by the Guardian Detroit Group. There had been in Detroit another and older bank stock holding company, the Union Commerce Corporation, a Delaware corporation which, prior to the organization of the Guardian Detroit Group, had sold to its stockholders, out of an increase in its capital, 25,000 shares at $300 per share, or $7,500,000, with which it purchased other bank shares. Subsequently, the Guardian Detroit Group was incorporated (May 9, 1929) and before the year was out it had absorbed the Union Commerce Corporation by exchanging its shares for all the stock holdings of the Union Commerce Corporation. That corporation was then dissolved, after distributing to its stockholders cash amounting to five cents per share and 733,695 shares of the Guardian Union Group.

(The foregoing facts are taken from plaintiff's Exhibit 211, Vol. 5, p. 2171.)

It thus appears that "$7,500,000 of really new money" did not go into the holding company whose stockholders were held liable in the *Deming Case*.

The question of "real ownership" has never been determined merely by the fact that the corporation has no assets other than bank stocks or by the fact that the corporation at some later date became insolvent. Such facts where they exist may be considered as evidence of an initial purpose to evade liability, but they

are never conclusive of such purpose. *Burrows* v. *Emery*, 285 Mich. 86, 280 N. W. 120; *Pearson* v. *All Borg*, 23 F. Supp. 837; *Nettles* v. *Childs*, 100 Fed. (2d) 952.

In the last analysis, petitioner's claim is that the stockholders of the BancoKentucky Company, and not BancoKentucky Company itself, were the real owners of the stock of the National Bank of Kentucky because the BancoKentucky Company was organized for the purpose of evading the statutory liability and had no substantial assets except bank stocks and that consequently it must be regarded as a mere agency or instrumentality of the real owners of the stock of the National Bank of Kentucky.

This contention is contradicted by both courts which heard and decided, in favor of petitioner, the suit brought by him to recover from the BancoKentucky Company the amount of the Comptroller's assessment involved in the case at bar. In *Keyes* v. *American Life and Accident Insurance Co.*, 1 F. Supp. 512, 515, Judge Cochran of the United States District Court for the Eastern District of Kentucky found:

> "That the BancoKentucky Company, and the defendant, Joseph S. Laurent, its Receiver, was the actual and real owner of 37,721.624 shares of the stock of the National Bank of Kentucky, having a par value of $100 per share on November 17, 1930."

On appeal from Judge Cochran's decision, the Circuit Court of Appeals for the Sixth Circuit, in affirming the judgment, said:

"The assessment of double liability was made against Banco upon the theory that, being the holder of Trustee's Participation Certificates issued under a trust agreement dated April 22, 1927, it was the real and beneficial owner of national bank stock." * * * "The evidence establishes that Banco was in every sense the true and beneficial owner of the national bank stock involved." (Laurent v. Anderson, 70 F. (2d) 819, 820, 824.)

The *Laurent Case* has been cited by the courts as holding that the "real owner" of bank shares, though not so registered, is liable for a Comptroller's assessment, in eight of petitioner's "real owner" cases, to-wit: *Deming* v. *Schram*, 7 F. Supp. 271; *Hansen* v. *Agnew*, 195 Wash. 354, 80 Pac. (2d) 845; *Bacon* v. *Barker*, 110 Vt. 280, 6 Atl. (2d) 9; *Nettles* v. *Sottile*, 184 So. Car. 1, 191 S. E. 796; *Nettles* v. *Rhett*, 94 Fed. (2d) 42; *Continental National Bank and Trust Co.* v. *O'Neil*, 82 F. (2d) 650; *BancoKentucky's Receiver* v. *Louisville Trust Co.'s Receiver*, 263 Ky. 185, 92 S. W. (2d) 19, and *Pearson* v. *All Borg*, 23 F. Supp. 857. With two exceptions, these were cases in which the stockholders of a holding company for one or more of the reasons stated above, were held liable for an assessment on the ground that they were the real owners of the bank stock held by the company. The exceptions were *Continental National Bank and Trust Co.* v. *O'Neil, supra,* and *Bacon* v. *Barker, supra,* in both of which the remainderman in a trust estate was held liable for an assessment on bank stock held by the trustee. In the *Continental National Bank Case,* the

court said expressly that in the *Laurent Case* the BancoKentucky Company was held liable "because it was the real owner" of the bank stock upon which the assessment had been levied.

We submit that the instant case is clearly distinguished from all of petitioner's authorities by a controlling difference in the facts. That the BancoKentucky Company was not organized as a device for escaping liability on bank stock or for the exclusive or primary purpose of holding bank stock is amply shown by the record.

Petitioner's contention is also contradicted by both courts below in the instant case. The District Court made the following findings (R., Vol. I, pp. 255, 266, 267):

> "19. Banco was established for its avowed purposes, with no thought on the part of any of its organizers of avoiding double liability on their Banco shares."
>
> "61. Banco was organized in good faith."
>
> "62. Banco was certainly not a sham."
>
> "63. Banco was not organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the Bank."
>
> "64. Banco was not a mere holding company."
>
> "65. Banco was formed for the purposes set out in the letter of July 19, 1929, and for no other purpose."
>
> "66. Banco was not formed as a medium or agency through which to avoid double liability on the stock of the bank."

The District Court also made the following conclusions of law:

> "9. Banco was the true, legal and beneficial owner of the stock of the bank."
>
> "10. The transfers of the T. P. C.'s to Banco were out and out transfers, and Banco, therefore, acquired full legal title thereto."
>
> "11. The stockholders of Banco were not stockholders of the bank within the meaning of the statute."

The Circuit Court of Appeals, in the instant case (127 Fed. (2d) 696, 697), made the following statement:

> "The merger and unification of control and management of the National Bank of Kentucky and the Louisville Trust Company through the issuance of trustees' participation certificates, the terms and conditions upon which the certificates were issued, the organization of BancoKentucky Company and the underlying purposes thereof, and the acquisition by Banco of the trustees' participation certificates have been described and discussed, not only in the published opinion of the court below (32 F. Supp. 328) and in Laurent v. Anderson, *supra*, but also in Anderson v. Akers, D. C. Ky., 7 F. Supp. 924, 947, *et seq.*; and on appeal therefrom, in Atherton v. Anderson, 6 Cir., 86 F. 2d 518, 534, *et seq.*"

After a review of the facts shown by the record, the Court stated its conclusion as follows (*idem.* p. 701):

"From our study of the record in this case, we are in accord with the conclusions of the district court that the BancoKentucky Company was not a mere holding company, a sham corporation, or an empty shell; but was a very real and live corporate entity, actively acquiring capital assets; that the corporation was organized for the purposes set out in its prospectus of July 19, 1929, and for no other; that it was conceived in no planned avoidance of double liability assessment upon stock of the National Bank of Kentucky; that the BancoKentucky Company was the true, legal and beneficial owner of the national bank stock; and that its stockholders were not stockholders of the national bank within the meaning of the federal assessment statutes. 38 Stat. 273, 12 U. S. C. A. 64."

These concurrent findings of fact by the courts below will, we assume, be accepted by this Court, leaving for consideration only the question of law whether or not, in the circumstances thus shown, the petitioner has made out a case of liability on the part of respondents. But since petitioner has challenged the validity of those findings (Petition for Rehearing, R. 3, pp. 327-353), we offer at this point a statement of certain salient facts shown by the record, upon which those findings were based.

BANCO'S ORIGIN AND HISTORY.

The persons who were directors of the National Bank of Kentucky and the Louisville Trust Company were the organizers of BancoKentucky Company. The purposes which they had in view and the means proposed for carrying those purposes into effect were set out in a letter of July 19, 1929, usually called the "Prospectus" in this record. That letter was addressed by them to all holders of Trustee's Participation Certificates and mailed to them on that date. In the third literary paragraph of that letter it was predicted that "the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country" (R. 1, p. 253).

> "The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable financial opportunities presented in the course of business of the two banks but not available to them, because of the restrictions upon their powers and activities." (*Idem.*)

In paragraph 6 of the Prospectus, the activities of the new corporation were described thus:

> "To underwrite securities and take part in syndicate management, and to charge fees and commissions for its services in connection with the reorganization and financing of other corpora-

tions; the power to issue bonds and to guarantee the obligations of others, to become surety, guarantor, and endorser thereof."

The structure of the new corporation is thus described in paragraph 5 of the Prospectus:

> "The stock will be exchanged or sold in accordance with this Plan, on the basis of Twenty-Five Dollars ($25.00) per share, which will give the Company a capital of Twenty Million Dollars ($20,000,000) and a surplus of Thirty Million Dollars ($30,000,000) or a total capital and surplus of Fifty Million Dollars ($50,000,000). No stock shall be sold by the Company at less than Twenty-Five Dollars ($25.00) per share."

In paragraph 8 of the Prospectus it was declared that the entire plan "was conditioned expressly upon the acquisition by the BancoKentucky Company of at least a majority of the Trustee's Participation Shares issued and outstanding as of September 19, 1929."

In the Courier-Journal of Louisville there appeared on July 20, 1929, an announcement of which the following excerpts are illustrative:

* * * * *

> "The plan brings to Louisville an entirely new organization, it was said. It makes Louisville, its business and industries, independent in any field of operation they may choose, the officials asserted. Business and industrial leaders of Louisville will be able to finance their enterprises without seeking outside help and without being subject to the restraints that might be imposed by organizations

not entirely devoted to Louisville and this section of the country, it was pointed out. A statement was put in the mails Friday night addressed to the holders of trustee's participation shares, National Bank of Kentucky and the Louisville Trust Company."

* * * * * *

"Such a re-organization is in line with the trend of business and finance in this country; and the strength and influence of the new corporation will not only greatly benefit the two banks and the territory they now serve, but will also be a stabilizing influence in banking circles throughout this section of the country. The new corporation can exercise many profitable and important functions which neither a bank nor a trust company has authority to exercise, and can take advantage of many sound and profitable opportunities frequently presented in the course of business of the two banks, but not available to them because of the restrictions upon their powers and activities." (Pl's Ex. 26, Vol. III, pp. 1163-5.)

The closing date for the acceptance of this offer by T. P. C. holders and for subscriptions to the stock of the new company, was September 19, 1929. Up to that time, the Prospectus and newspaper publications of the character of those mentioned above, contained the only information had by the public, including those persons who acquired Banco stock either by the exchange of T. P. C.'s or by purchase for cash. Neither in the Prospectus nor in the newspapers was anything said about the acquisition of stock in other banks than

those of the National Bank of Kentucky and the Louisville Trust Company, represented by T. P. C.'s.

The first public notice of the acquisition by Banco of other bank stocks appeared in the Herald Post on September 26, 1929, when mention was made of a proposal to acquire a stock holding interest in two Cincinnati banks. The District Court found that "Banco was formed for the purpose set out in the letter of July 19, 1929, and for no other purpose" (R., Vol. 1, p. 267). In the course of the trial, after hearing the testimony of a number of defendants, the Court, of its own motion, found that all other defendants in like situation would testify that "they acquired their stock in BancoKentucky Company in the belief that they were making a sound financial investment in a separate corporation, and that the BancoKentucky Company was to do the things authorized by its corporate charter, as indicated in the letter of July 19, 1929" (R., Vol. 1, p. 174).

The posture of affairs as of the closing date for deposit on T. P. C.'s and for subscriptions to Banco stock, and the results thereof are stated in Findings 21 to 24 inclusive of the District Court (R., Vol. 1, p. 255), as follows:

> "21. On September 20, 1929, the day after the closed date for deposit and subscription for Banco stock, a meeting of its Directors was held. At this meeting it was reported to the Board that as a result of the efforts of the organizers of the Company, Six hundred thousand (600,000) shares of its stock had been subscribed for at $25.00 a

share; that the deposit of T. P. C.'s for exchange was almost unanimous and the Board then reserved for exchange so as to cover all of the T. P. C.'s 1,150,000 shares of Banco stock, which, with the sale of [illegible] disposed of [illegible] shares, leaving [illegible] shares of the authorized issue undisposed of. Mr. Brown, President, asked the Board for and was granted authority to sell the [illegible] shares left at [illegible] per share.

"III. When the Board ascertained that the deposit of T. P. C.'s for exchange for Banco stock on the ratio of [illegible] shares of Banco for one participating Share was almost unanimous, it set in motion plans to amend the [illegible] Banco increasing its capital from [illegible] shares to [illegible] shares.

"IV. In January [illegible] shares which was increased from [illegible] which was [illegible]

"V. [illegible] of the Board [illegible] authorizing a contract with Black & Company and M. M. Bullock & Company for the sale of [illegible] shares of Banco stock at [illegible] per share.

In the light of subsequent events, this plan for a company having a working capital of $30,000,000 or more, in addition to a controlling interest in the National Bank of Kentucky and the Louisville Trust Company, may seem to have been a very grandiose conception. As was said by Judge Simons, writing the opinion of the Court in *Atherton* v. *Anderson*, 86 F. (2d) 518, 536:

"It is true that Banco was conceived in the vaulting imagination of the President of the bank; that it was promoted and fostered by the appellants; that the directorates of the two corporations, though not identical, over-lapped; that the great majority of trust participation certificates representing stock in the bank became the property of Banco, and that there is a suggestion of identity in the name adopted for the new company. But Banco was not a mere holding company for the bank's stock. It was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegal or unlawful. It had its own capital with cash resources at one period almost twice the entire capital and surplus of the bank. While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and there was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See *Laurent* v. *Anderson, supra.* Its separate corporate existence was recognized by the very receiver on whose behalf we are now asked to ignore it."

* * * * *

"The BancoKentucky Company was certainly not a sham, for nearly $10,000,000 of actual cash

paid for its stock attest its reality and there is nothing in the record to point to it as an instrumentality of the bank. The master absolved the appellants of all suspicion of bad faith and the court approved his findings in the last of three carefully reasoned opinions (11 F. Supp. 9, 14). Certainly we must accept this as the deliberate judgment of the court rather than as an euphemism, easing the blow to the sensibilities as it fell heavily upon the purse."

At the time of which we are now speaking, that is, at the time of the organization of Banco, the persons who participated in its organization, who transferred their Participation Certificates for Banco stock, and in addition purchased additional stock for cash, believed and had every reason to believe that both the Bank and the Trust Company were sound. The directors of the Bank knew that some of its assets had been criticized by bank examiners, although the President of the Bank followed the practice of concealing from them the more serious criticisms. But their confidence in these two institutions was not unjustified and was supported by the knowledge that Participation Certificates having a par value of $10.00 per share, were currently selling on the market at five to one, or $50.00 a share.

The District Court found (R., Vol. 1, p. 267) that,

"There were irregularities in the handling of some of the credit accounts of the bank, but the soundness of the bank and its ability to meet its obligations could not be questioned until long after the formation of Banco."

As further evidence of the confidence of the organizers of Banco and of the public in the soundness and good faith of this new project, we would point out the fact that, whereas there had been 2,255 Participation Certificate holders, there were now (January 1, 1930) 5,660 holders of Banco shares. There were 646 Participation Certificate holders who, in addition to the Banco shares received in exchange for T. P. C.'s, purchased an additional 178,878 Banco shares for $4,471,950 in cash. There were 3,505 "outsiders" who had never held any bank stock or any Participation Certificates but who purchased 215,908 Banco shares for $5,397,700 in cash (R., Vol. 1, p. 256).

During its brief career, Banco had at its disposal cash resources amounting to $12,777,312, to-wit $9,869,650 realized from the payment of subscriptions to its stock, $1,307,662 received as dividends and interest, and $1,600,000 borrowed from the Chemical Bank of New York. The expectation of creating a working capital of $30,000,000 by the sale of additional Banco shares was defeated by the stock market crash of October 29, 1929, and the ensuing depression which made it impossible to find a market for those shares at the fixed price of $25.00 per share. Of the sum mentioned above ($12,777,312), $6,561,506 was expended in the purchase of bank stocks and the remaining $6,215,806 was practically exhausted in the following manner. In order to meet a criticism by bank examiners, the Murray Rubber Company debentures and the Humphrey note held by the Bank were purchased by Banco for $600,000 (R. 2, p. 97). Brown secretly abstracted

$2,000,000 from the treasury of Banco for his own purposes (R. 2, p. 98). In order to support the declining market for Banco shares (of which he held 60,000), Brown purchased on the market, with Banco's funds, 106,000 Banco shares at about $22.00 per share or a total outlay of $2,374,137 (R. 2, p. 99). The loss on the Murray-Humphrey purchases was total. The loss on the purchase of Banco shares was total. The loss on the "loan" to Brown of $2,000,000 was $1,557,420, or a total loss of $4,531,557.

Far from being a mere "holding company" with no other assets than bank shares, the company would and should have had sufficient cash assets remaining in its treasury to satisfy the claims of the receiver but for the tragic unfaithfulness of its chief officer in the respects above noted.

CONCLUSION.

This brings to an end this sketch of the origin, purposes and history of the BancoKentucky Company. That project was certainly not a scheme devised by a coterie of financial moguls for the monopoly or consolidation of banking power. The greatest publicity was given to the proposal. Public participation was widely invited and even solicited, with the result that $5,387,700 in cash was paid in by 3,505 "outsiders," who had held no T. P. C.'s and no Bank stock. The individual purchases of members of this group ranged from a high of 8,000 shares ($200,000), to a low of one share ($25.00). The average was about 60 shares

($1,500). Included in this group were about one thousand subscribers, none of whose purchases exceeded 50 shares per capita or a mean of 25 shares (Defendant's Ex. No. 8; R. 3, p. 37).

The motives ascribed to respondents by petitioner (Reply Brief, pp. 3-5) certainly can not have influenced the "outsiders" described above. No knowledge of the asserted condition of the Bank on their part has been shown nor is there the slightest ground for imputing such knowledge to them. They can not have had any intention of escaping double liability on Bank stock, since they were under no such liability. They can have taken no part in an alleged "reorganization" to escape income tax upon a gain from the sale of T. P. C.'s, since they had no T. P. C.'s to sell.

Five times it has been held by the courts that the BancoKentucky Company was the real owner of the bank shares represented by T. P. C.'s held by it: *Keyes* v. *American Life and Accident Insurance Company*, 1 F. Supp. 512; *Laurent* v. *Anderson*, 70 Fed. (2d) 819; *Anderson* v. *Abbott*, 32 F. Supp. 328; *BancoKentucky's Receiver* v. *National Bank of Kentucky's Receiver*, 263 Ky. 155, 92 S. W. (2d) 19; *Anderson* v. *Abbott*, 127 Fed. (2d) 696. In a sixth case, *Atherton* v. *Anderson*, 86 Fed. (2d) 537, the Circuit Court of Appeals for the Sixth Circuit reached the following conclusion:

> "But Banco was not a mere holding company for the bank's stock. It was organized for clearly defined purposes, too optimistically conceived, perhaps, but neither illegal or unlawful. It had its own capital with cash resources at one period al-

most twice the entire capital and surplus of the bank. While in the very beginning the bank stock may, as found by the court, have been its principal asset, and may have continued thereafter to be its most valuable single asset, it had other assets of very substantial value, and there was warrantable inference at the time of its organization and for a substantial period thereafter that it could well meet any assessment that might be levied upon it as a stockholder of the bank. At any rate there is nothing in the record to point to its creation for the purpose of escaping such assessment. Indeed when the assessment was finally made by the Comptroller it was enforced against Banco and not against the stockholders. See *Laurent* v. *Anderson, supra.* Its separate corporate existence was recognized by the very receiver on whose behalf we are now asked to ignore it. * * * The BancoKentucky Company was certainly not a sham, for nearly $10,000,000 of actual cash paid for its stock attest its reality and there is nothing in the record to point to it as an instrumentality of the bank. The master absolved the appellants of all suspicion of bad faith and the court approved his findings in the last of three carefully reasoned opinions (11 F. Supp. 9, 14)."

It is true that petitioner, in his Reply Brief, reasserts his claim that in the *Laurent Case* Banco was sued exclusively as the registered or "record" holder of the bank stock represented by T. P. C.'s held by it. But there is not a shred of evidence to support this claim. In point of fact, the BancoKentucky Company was not the registered holder of the stock of the Na-

tional Bank of Kentucky (Deft's Ex. No. 6). In petitioner's pleadings filed in the course of that litigation, the BancoKentucky Company was always described as the "owner" or "owner and holder," but never as the record holder, of the bank shares represented by the T. P. C.'s held by Banco.

In any event, Judge Cochran, sitting as judge of the United States District Court for the Western District of Kentucky, found that the BancoKentucky Company was "the actual and real owner" of the stock of the National Bank of Kentucky, and in affirming that judgment the Circuit Court of Appeals for the Sixth Circuit declared that the evidence showed "that Banco was in every sense the true and beneficial owner of the national bank stock involved." In addition to this we have referred to eight cases from other jurisdictions (*supra*, page 7), in which the *Laurent Case* was cited as a real owner case.

We submit that the instant case presents a situation which is totally different from that found in each of the cases where the corporate entity of a holding company was disregarded and its stockholders held liable as the real owners of the bank shares upon which a Comptroller's assessment had been levied. The plan submitted to the holders of T. P. C.'s and to the investing public provided for the acquisition by Banco of a majority of those securities and in addition a working capital of $30,000,000 which was to be used in carrying on the financial and promotional activities described in the Prospectus. If the time had been propitious so that the project could have been carried

out as planned, and if the interest of Banco had not been betrayed by its chief officer, there could be no doubt that the creditors of the National Bank of Kentucky would have been fully protected. Banco was not formed to evade the statutory liability. It was organized "for clearly defined purposes, too optimistically conceived, perhaps, but neither illegal nor unlawful." At its inception it had ample means to carry out those purposes and "to meet any assessment that might be levied upon it as a stockholder of the bank" (quotations from *Atherton* v. *Anderson, supra*). It has never been the law that a transferor of bank shares must guarantee the present or continued solvency of the transferee and the ends of justice do not require that this rule be departed from in the instant case.

The general rule, frequently announced by this Court, is that the stockholders of a corporation are not the owners of the assets of the corporation: *Klein* v. *Board of Supervisors,* 283 U. S. 19; *Cannon Manufacturing Company* v. *Cudahy Packing Company,* 267 U. S. 333; *Moline Properties, Inc., Petitioner,* v. *Commissioner of Internal Revenue,* 319 U. S. 436. Petitioner has strenuously sought to bring his case within some of the exceptions to this general rule. He first sought to show that these respondents had attempted to make a fictitious transfer of their stock to avoid impending assessment liability. As to this there was a complete failure of proof. He could prove neither that the bank was in a failing condition nor that these respondents knew it. He then attempted to show that BancoKentucky Company was a mere

sham or shell, without other assets than bank stocks and having no independent and separate purpose for existence. Here again there was a complete failure of proof. Then, as a last extremity, petitioner sought to urge that respondents, in spite of the failure to prove or demonstrate any sufficient reason, should nevertheless be termed the "real owners" of the bank stock and hence liable for the assessment. But here petitioner was met not only by an overwhelming weight of persuasive authority against him, but also by the fact that he himself had called the company, and not its stockholders, the "real owner" of the bank shares, and five decisions of State and Federal courts had followed where he led.

The ends of justice do not require a different conclusion by this Court.

The questions of *res judicata* and election have been sufficiently covered in our former brief and we shall not lengthen this supplement to that brief by further reference to these subjects.

Respectfully submitted,

HENRY E. McELWAIN, JR.,
WILLIAM W. CRAWFORD,
ALLEN P. DODD,
JAMES W. STITES,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Attorneys for Respondents.

Louisville, Kentucky,
December 31, 1943.

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IN THE

Supreme Court of the United States

October Term, 1943.

No. 3.

A. M. ANDERSON, Receiver of the National Bank of Kentucky, of Louisville, - Petitioner,

vs.

KATHERINE KIRKPATRICK ABBOTT, Administratrix, Et Al., - - - Respondents.

PETITION FOR REHEARING

AND

SUPPORTING MEMORANDUM.

HENRY E. McELWAIN, JR.,
WILLIAM W. CRAWFORD,
ALLEN P. DODD,
JAMES W. STITES,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Attorneys for Respondents.

Louisville, Kentucky,
March 24, 1944.

WESTERFIELD-BONTE CO., INCORPORATED, LOUISVILLE, KY.

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IN THE

Supreme Court of the United States

October Term, 1943.

No. 3.

A. M. ANDERSON, RECEIVER OF THE NATIONAL BANK OF KENTUCKY, OF LOUISVILLE, - *Petitioner,*

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED, OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL., - - - - - *Respondents.*

PETITION FOR REHEARING.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Come Katherine Kirkpatrick Abbott, Administratrix With the Will Annexed, of the Estate of David J. Abbott, Deceased, *et al.*, the respondents herein, by counsel, and respectfully petition and move the Court to grant a rehearing in the above entitled cause in which an opinion was filed March 6, 1944, reversing the judgment of the Circuit Court of Appeals for the Sixth Circuit and remanding the cause to the District

Court for the Western District of Kentucky for further proceedings.

Counsel for respondents certify that this petition for rehearing is presented in good faith and not for the purpose of delay.

HENRY E. MCELWAIN, JR.,
WILLIAM W. CRAWFORD,
ALLEN P. DODD,
JAMES W. STITES,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Attorneys for Respondents.

IN THE

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MEMORANDUM BRIEF IN SUPPORT OF PETITION FOR REHEARING.

May it please the Court:

Respondents, with full recognition of the power, and sometimes the duty, of the Court to declare new principles of law on proper occasion, and with full awareness of the finality of any adjudication made after full consideration of the case presented, believe they have a right to insist that the judgment of this Court, as distinguished from general observations in the opinion, should be founded upon a correct analysis

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Italics in this brief are ours, unless otherwise indicated.

and statement of the facts presented. It is most earnestly and respectfully submitted that the Court has been misled in the instant case into the acceptance of certain errors as to facts which were fundamental to the determination of the case, facts which, if correctly stated, must change the conclusion reached. Counsel charged with responsibility for the interests of over three thousand individual stockholders feel that an adjudication against these respondents in this Court of last resort should at least be based upon a meticulously correct interpretation of the record and should have due and proper regard for findings of fact made by the courts below and accepted by this Court.

Impelled by this firm belief, respondents have felt themselves fully justified in presenting herewith their Petition for Rehearing in full confidence that the Court will insist upon conforming its decree to the precise case before it. In support of their petition, respondents, avoiding any general reargument of matters which were obviously given close consideration by the Court, briefly present the following matters, important to a correct decision, which seem to have escaped the careful attention of this Court.

I.

RESPONDENTS ARE ENTITLED TO HAVE THEIR PLEAS OF ELECTION AND RES JUDICATA ADJUDICATED UPON THE ACTUAL FACTS AS PRESENTED BY THE RECORD.

Whether respondents are right or wrong as to their contention that the legal principles of election and *res judicata* are applicable in this case, they are at least entitled to have these principles applied with reference to the exact facts.

The Court rejects respondents' pleas of election and *res judicata* based upon the case of *Laurent* v. *Anderson*, 70 F. (2d) 819, upon the ground that the basis of liability in the *Laurent Case*—that is, "apparent" or titular ownership"—was different from the basis of liability in the instant case—that is "actual or beneficial ownership." This is the familiar distinction between the record holder and the real owner, the former being held liable on the ground of estoppel and the latter on the ground of ownership.

The law is right but the facts are wrong. If Banco had been merely the record holder of the Bank stock in question, petitioner might not have been put to an election to sue either Banco or the actual owners, whoever they might be. He might have sued both, as the Court has said. But if he had obtained a judgment against Banco *as the real owner*, petitioner could not thereafter have maintained a suit against any other persons in that capacity, since in the nature of things (except in cases of joint ownership not here involved),

there can not be two real owners of the same shares. This is the law as laid down in the Court's opinion. It is the law as laid down in innumerable cases, including many cases from this Court. It is the law of this case.

Banco is not, and never was, the "record" holder of shares of stock in the National Bank of Kentucky. The contrary has been asserted by the Receiver but no evidence has ever been produced to support that assertion.

Petitioner's "Request for Admissions" filed in evidence by him contains in part the following statement of fact, admitted as true by respondents:

> "That at the time of the closing of the National Bank of Kentucky it had issued and outstanding 40,000 shares of capital stock of the par value of $100.00 each; that 39,820 of said shares were registered on the stock ledger of said Bank in the names of Henry Vogt, Thomas J. Minary, Stuart E. Duncan, Allen P. Dodd, Charles H. Bohmer and Ben J. Metcalfe, as Trustees under Trust Agreement dated April 22, 1927. * * * That the remaining 180 shares of said Bank were registered on the stock ledger of said Bank, 10 shares each, in the names of eighteen directors * * *" (II R., p. 76).

The Louisville Trust Company and the National Bank of Kentucky were affiliated institutions. Shares of the capital stock of each were held by trustees who, in turn, had issued Trustees' Participation Certificates. The holders of these certificates were not the *record* holders of stock in the two institutions albeit they were the *actual* owners.

All that BancoKentucky ever held was Trustee's Participation Certificates. It was never the record holder of a single share of stock in the National Bank of Kentucky.

The trustees under the Trust Agreement between the stockholders of The Louisville Trust Company and the National Bank of Kentucky were the *record* holders of the shares. No one else was a record holder of those shares.

BancoKentucky was held liable for the statutory assessment in *Laurent* v. *Anderson, supra,* because it was the actual owner of the shares by virtue of its holding Trustees' Participation Certificates, and for no other reason.

In that opinion the Court said (p. 824):

> "The evidence establishes that Banco was in every sense the true and beneficial owner of the National Bank stock involved; the trustees holding only a bare legal title to the stock. * * *
>
> "The petition and especially the evidence sustain recovery against Banco as the real and beneficial owner under section 64 of the National Banking Act (12 U. S. C. A.)."

Similar conclusions were reached in *Anderson* v. *Abbott,* 127 Fed. (2d) 696, and *BancoKentucky's Receiver* v. *Louisville Trust Company's Receiver,* 263 Ky. 155.

Thus the position of Banco, as the actual, as distinguished from the record, owner is doubly established; by the record itself, and by final adjudications to the same effect by courts of competent jurisdiction.

We believe that the principles of election and *res judicata* are clearly applicable in this case on well-established grounds. Certainly they may not properly be disallowed on the only ground stated in the opinion.

II.

THE COURT HAS INCORRECTLY ANALYZED THE RECORD AS TO WHAT BANCO WAS; AS TO THE INTENTION AND KNOWLEDGE OF TRANSFERORS OF STOCK; AND AS TO THE TYPE OF SECURITY ACQUIRED BY OUTSIDE PURCHASERS.

The opinion of the Court contains the following statement:

> "It [Banco] was negotiating for the purchase of the shares of an investment banking house when that house, the Bank and the Trust Company failed. This was in November, 1930—a little more than a year after Banco began its financial career" (Opinion, p. 3).

The statement with reference to the "purchase of the shares of an investment banking house" refers to the purchase by Banco of one-half of the capital stock of Caldwell & Company of Nashville. We respectfully submit that the Court has misunderstood the record with reference to that matter. Banco was not "negotiating" for the purchase of the Caldwell shares at the time when the National Bank of Kentucky failed. The facts with reference to this transaction are as follows:

The negotiations with Caldwell were initiated about eight months before the failure of the Bank, and within

six or seven months after Banco was organized. At a meeting of the directors of Banco on April 15, 1930, President Brown reported the result of prior negotiations between himself and Caldwell. A resolution was adopted authorizing President Brown to close a contract with Caldwell & Company upon the terms submitted by Brown (Plaintiff's Exhibit 23, Vol. III, p. 1105). The contract was actually executed on May 29, 1930 (*idem*, p. 1107). On June 2, 1930, President Brown announced in the public press the "consummation" of these negotiations, declaring that the "financial structure" thus erected would "undoubtedly stand out in the future as one of America's greatest financial institutions" (Plaintiff's Exhibit 26, Vol. III, p. 1207). On the same day, the local press in Louisville carried a full announcement of the transaction, including the following (*idem*, pp. 1208-1209):

> "Combination of the institutions is expected to be of much importance in further extension and development in commercial and investment banking and insurance fields, according to the heads of the organizations.
>
> "'The importance of the association of the BancoKentucky Company and Caldwell & Co. to the greatest business section of the United States cannot be overestimated,' Mr. Caldwell said. 'It brings to the Middle West, the Eastern Central and the Southern States capital that will be sufficient to meet every requirement of business, industry and development in this entire section of the country, and will be a great stabilizing factor in the financial structure of this territory.'"

Ten thousand shares of Caldwell & Company were transferred to Banco and thereafter appeared as an asset upon the balance sheet of that company. Seven hundred thousand shares of Banco were transferred to Caldwell & Company, two hundred thousand additional shares being held in escrow pending the valuation of the assets of Caldwell & Company, with provision made for a fixed, financial adjustment, one way or the other, if the appraisal showed that the value of the Caldwell assets was either more or less than the amount stated in the contract.

It was not until November 5, 1930, more than five months after the closing of the contract and the exchange of shares, that the Louisville press published a dispatch from Nashville, Tennessee, to the effect that Caldwell & Company was in difficulties and its affairs had been placed in the hands of a committee of the Nashville Clearing House (Plaintiff's Exhibit 26, Vol. III, p. 1215). On the following day, November 6th, the papers published a false statement from President Brown to the effect that the negotiations between Banco and Caldwell had never been "consummated" and that consequently Banco was "not connected in any way with the affairs of Caldwell & Company" (*idem*, p. 1220).

For present purposes it is entirely unnecessary to pursue further the argument as to whether the sale was consummated or not. That question is now immaterial. However, the following facts in connection with this transaction, completely overlooked and disregarded by the Court, are of extreme importance.

First: Caldwell & Company, admittedly a reputable and apparently successful investment house and found by the court below (I R., p. 258) to be "known as the largest and strongest investment house in the South" represented in writing in this contract (I R., p. 260) that—

> "as of May 28, 1930, its assets were of such fair aggregate value that, after deducting therefrom all of its liabilities, it had a net worth of not less than $9,000,000.00."

Second: Banco represented in the same writing (I R., p. 260) that it—

> "had no liabilities and on said date (May 1, 1930) it had cash to the amount of $1,297,893.47 and good and collectible notes in the principal amount of not less than $2,000,000.00."

Third: The Receiver of the Bank, petitioner here, recognized this transaction as valid and binding, at least to the extent of five hundred thousand shares of Banco stock; made no effort to set aside the transaction; and in his bill of complaint admitted these five hundred thousand shares as validly issued and outstanding by including them in the 2,072,468 Banco shares alleged to be subject to the assessment liability asserted in his bill.

Fourth: The very fact that this transaction was undertaken—whether it was consummated or not—corroborates all of the evidence in the case to the effect that Banco was not, and was not intended to be, merely a bank stock holding company.

Fifth: As of the date of said contract (May 28, 1930), if the representations therein made by persons of reputed character and integrity were true (and so far as these thousands of stockholders knew, they were), Banco would have had free assets, aside from bank shares, of a declared value of $7,797,893.47* as against a maximum assessment liability on all bank shares held by it of $7,502,650.00,† and it actually then had approximately 30 per cent of its outstanding stock issued for assets and securities other than bank stock.

Sixth: This was the last publicly announced transaction of any importance that Banco had, or of which the stockholders may be held to have had knowledge or to have approved.

The opinion of the Court ignores all of these facts and brushes them aside with the bare statement above quoted (Brief, p. 8). It scarcely comports with conceptions of fair play, for the Receiver of a National Bank to admit that Banco issued a large percentage of its capital stock for non-banking investments when such admission seems advantageous, and then to induce this Court to deny that fact when such a course appears better to suit his purposes.

It is easy to understand why the Receiver and his counsel, by looking back at it through the haze of 15 years, seek to dismiss this transaction as a meaningless

*As declared in the Caldwell contract (I R., pp. 259-262), and composed of the following items: Cash, $1,297,893.47; Good and Collectible Notes, $2,000,000.00; and one-half interest in Caldwell as represented, $4,500,000.00.

†This was a variable figure. The par value of bank stocks owned at the time of the Caldwell contract, as listed therein (I R., p. 260) was $7,502,650.00. The par value of bank stocks owned at the date of closing (Nov. 17, 1930) was $7,770,780 (II R., p. 97).

exchange of worthless stock between two broken-down companies, as has been done both in brief and argument because the transaction stands in the way of the case he tries to make. The best evidence of the *reality* of this transaction, from a thoroughly unbiased observer, is found in the report of the Chief National Bank Examiner as of September 17, 1930 (Pl. Ex. 20, II R., p. 930), where he spends six pages of his report giving a careful analysis of the relationship between Banco and Caldwell and its collateral effects upon the Bank. The transaction was real enough to him.

It was also real enough to the Kentucky Court of Appeals as appears from its opinion in a case in which that question was an important issue. *Kentucky Title Trust Company* v. *Weil,* 281 Ky. 763. In its opinion the Court said:

> "But excluding all incompetent evidence, there is left sufficient competent evidence which clearly and convincingly proves Brown perpetrated a fraud upon Weil by representing to him that there would be no merger with Caldwell & Company until an audit was completed showing that company to be in good shape, *when at that time the merger had already been consummated as Brown knew.*"

The ultimate conclusion of the Court that "Banco emerged as a bank stock holding company" is therefore incorrect. Such a statement presents a picture of Banco as being other than it was and forms an untenable basis of liability against these respondents.

Had the representations of Caldwell & Company been true, and had that company not later failed, these respondents, as we read the opinion, would not have been liable. Their liability therefore is made to arise either (a) because Caldwell made a false statement or (b) because Caldwell later failed, neither of which ground is a sufficient basis for liability under the statute.

The Court's opinion apparently does not mean that stockholders, even of a bank stock holding company, are perpetual *guarantors* of its assets, or even of the integrity of its officers, with liability fluctuating between existence and non-existence dependent upon unpredictable market variations or changing individual characteristics. As the Court pointed out, *shareholder* relationship and responsibility should not depend on merely "whimsical" circumstances.

In any event, Banco's situation at the date of the Caldwell transaction appeared to meet all of the requirements as to "solvency" as indicated in the opinion. A correct understanding and evaluation of these facts is essential to a fair adjudication of the liabilities of the respondents in this case.

III.

IF A NEW AND EXPANDED CONCEPT OF LIABILITY IS TO BE APPLIED, IT SHOULD HAVE RELATION TO THE ACTUAL CASE PRESENTED AND NOT TO A MERELY HYPOTHETICAL CASE.

If respondents are to be subjected to liability in this case, their liability should at least arise out of their own actions. They should not be held liable for things they never did nor intended to do.

The Court accepts the findings of fact of the courts below. The District Court found that "Banco was formed for the purpose set out in the letter of July 19, 1929, *and for no other purpose*" (I R., p. 267). The Circuit Court of Appeals concurred in this finding and this Court says that it accepts it.

But the Court takes no notice of the evidence of the purposes of investors in Banco stock or of the findings of the courts below upon this subject. It proceeds to discuss the case as involving a corporation owning only bank shares. This is entirely inconsistent with the facts shown by the record, and found by the courts below, findings which this Court has accepted as supported by the record.

The prospectus of July 19, 1929, is undoubtedly the best evidence of such intention. This prospectus was mailed to each certificate holder (Finding 20; I R., p. 255). It is the only piece of information definitely shown by the record to have been *actually* received by any substantial group of stockholders. It was published at length in the local press on two separate occa-

sions, July 20 and 21, 1929 (Pl. Ex. 26, Vol. III, pp. 1165, 1168). Upon the trial of the case, petitioner also was of the opinion that this prospectus was the best evidence of intention. On that ground he objected to the respondents giving testimony as to the purpose for which Banco was organized (III R., p. 177), and did his best to prevent them from testifying.

The prospectus is silent as indicating any intention that Banco should be merely a bank stock holding corporation. It mentions no bank stock at all except that of National Bank of Kentucky and Louisville Trust Company. Most of the respondents did not have occasion to testify on this question because the District Court, after hearing the testimony of some of them, on its own motion and in order to save time, suggested a stipulation by the parties as the basis of an order which the Court entered, to the effect that the remaining respondents (except officers, directors or employees), if introduced as witnesses, would testify

> "that they acquired their stock in BancoKentucky Company in the belief that they were making a sound financial investment in a separate corporation, *and that the BancoKentucky Company was to do the things authorized by its corporate charter, as indicated in the letter of July 19, 1929".* (I R., p. 174; III R., pp. 275, *et seq.*).

The knowledge and intention of the stockholders has been considered an important element in all cases in which the question of double liability was considered, including those mentioned in the opinion as point-

ing the way toward the extension of the doctrine of double liability in so-called holding company cases.*

For example, in *Nettles* v. *Childs*, 100 Fed. (2d) 952, the decisive point in the case was whether or not the stockholders knew that the company was intended to be solely a bank stock holding company, and those stockholders who were not advised of the fact that the company held only bank stock were excused from liability on the ground that they were incorrectly informed.

The kind of company that Banco was intended to be is made perfectly clear by the evidence and the matters leading up to its organization are undisputed. The officers and directors of the two banks had a number of informal discussions prior to the issuance of the prospectus. From the outset, Banco was intended to be an operating company. It has never been denied that the acquisition of an interest in certain banks was an important part of the plan. As one witness put it:

> "The purpose, or one of the purposes, was to acquire banks in the Ohio Valley *as a reservoir of finance*" (III R., p. 53).

Another expressed the purpose of acquiring interest in banks as

> "a means to an end, and certainly not the thing that would yield the greatest profit" (III R., p. 220).

And still another witness described the purpose thus:

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*In passing, it is pertinent to observe that these so called "point-the-way" cases were all decided long *after* the organization of Banco.

> "We didn't expect to make very much money out of the banks, that was merely to be an outlet for the business that Banco expected to do. We never would have bought a bank for the money we could make out of it" (III R., p. 271.)

Obviously general discussions among relatively large groups would lead to differing impressions received by the several members of the group, and it is not strange that individual expressions of intention should vary (III R., pp. 66, 139, 178, 195, 220). For this very reason, the prospectus must be taken as representing a composite picture of an aggregate purpose. The above statements are fully corroborated by the minutes of the Board of Directors of the Bank held on June 7, 1929, which recite:

> "Mr. Brown's proposition to form a new Company with a proposed capital of $20,000,000 organized to own stock of other corporations, all, or any part, buy and sell securities, original and refinancing, etc., was submitted to the Board of Directors and the Board expressed themselves as favorable and on motion duly seconded and unanimously carried the President was authorized to proceed along the lines outlined" (Pl. Ex. 21, Vol. II, p. 992).

There was never any dispute in the evidence that Banco was at all times intended to have a very large working capital to carry on its various enterprises over and above the acquisition of bank stocks.

In view of the undisputed evidence and findings of the courts below, we respectfully submit that it is not

fair to respondents to say that their intention was evidenced by statements made by, or to, the Chicago Board of Trade or Blyth and Company, and that their liability is to be hinged on any such inconclusive evidence. The respondents in this case were all residents of Louisville or the Western District of Kentucky. There is no showing that they ever knew or heard of these casual statements emanating from Chicago. Petitioner made no effort to make any such showing and respondents were not given an opportunity of denying it. As a matter of fact, evidence of this character was so obviously incompetent that much of it was very properly excluded at the trial. (See III R., p. 3[illegible]). If they are to be held responsible for their acts and intentions, such acts and intentions should be measured by information locally available at the time Banco was organized.

The seeming discrepancies between the purposes of the stockholders and the final "emergence" of Banco is easily explained. In point of fact, Banco never did "emerge" in accordance with the original intention. Within one month after subscriptions had been closed, the first calamitous break in the stock market occurred on October 29, 1929. Thereafter, it was impossible to raise the amount of free capital which had originally been intended. Every step to enable the corporation to do so was taken, including an increase in its authorized capital stock. This was to be available for sale generally for the purpose of providing such capital as soon as market conditions improved. In the meantime, it was found that certain exchanges of stock

could be made upon a fair basis. The situation was thus explained in the record (III R., p. 115):

> "After the stock market break in October, the charter of Banco was amended so as to increase the authorized capital stock from 2,000,000 to 5,000,000 shares. The reason we did exchange some of this newly authorized stock for bank stock instead of selling it on the market for cash is an economic proposition, that there was a parity of value of the corporation where you are trading stock, just a little different from raising cash. When the crash in the market came, it was easier to swap stock than it was to sell for cash, at that particular time. *The plan of the organizers of Banco-Kentucky to create a fund for the purpose of engaging in the lines of business and the purchase of other types of shares other than Bank stock, had not been abandoned in any way.*"

But, as we have pointed out, the Court takes no notice of all this, treating the findings of the courts below as to intention as having no significance. "It is," says the Court, "the condition of Banco at the end of the promotion which is significant. Banco emerged as a bank-stock holding company." This is a novel use of the word promotion. In the sense in which that word is customarily used, the promotion of Banco terminated with the incorporation and organization of that company or, at least, with the closing of the subscriptions to its stock as of September 19, 1929. The company then attempted to enter upon the activities for which it was organized. This is the time

at which it "emerged" as an operating company, having then obtained possession of substantially all trustees participation certificates and having, in addition, approximately $10,000,000.00 in cash.

The ultimate purpose to have a working capital of at least $20,000,000.00 was never abandoned until the collapse of the market and of the company rendered it impossible.

It will thus be seen that the Court is not adjudicating the rights of the respondents on the basis of what they intended to do, or of what they knew or expected, when they acquired their stock. It is, on the contrary, treating them as stockholders in a kind of corporation which they never did organize or invest in.

Liability accordingly is made dependent upon intervening events and not upon an analysis of their stockholder relationship to the corporation.

CONCLUSION.

In the latter part of the opinion (page 13) the Court has correctly stated that liability has been placed by Congress upon "stockholders" or "shareholders." With this we are in entire agreement. This statement, however, cannot possibly be reconciled with grounds of liability indicated in the earlier part of the opinion where the Court says that liability is to be determined by questions of "control" and "solvency."

In September, 1929, whatever elements of "control" may have then existed, Banco had, at that time, free assets of approximately $10,000,000.00

which was more than double the amount necessary to meet any claim of double liability. Had the company remained static at this point, the opinion concedes that the stockholders of Banco would not have been liable. But if they were not liable, it must have been because they were not *then* stockholders of the Bank. Their position as stockholders did not change between September, 1929, and November, 1930. Either they were stockholders during the entire period or they were not. If they would not have been liable in September, 1929, at what point thereafter did they become liable and for what reason? Again, in May, 1930, as above shown, Banco had a substantial investment in non-banking assets, and was believed to have free assets approximately equal to 100% of all possible assessment liabilities. Respondents feel entitled to ask whether they were *then* the stockholders of the Bank or were not. The principal event after that date was the unauthorized dissipation of its assets, in supporting the market for its shares, unknown to, and unheard of by these respondents.

The concept of non-liability on the ground of solvency and the concept of liability on the ground of stockholder relationship are completely irreconcilable. It is apparent, therefore, that the Court has not enforced a declared public policy, but has originated a new basis of liability.

The solvency concept of liability is entirely different from liability grounded on fraud, transfers to avoid liability or other evasions. In such cases there is always the fact of fraud or evasion, easily susceptible

of proof at a given point of time and in direct reference to the particular means employed to effectuate such purpose. A court of equity from time immemorial has been empowered to look through or disregard such transactions, and to remit the parties to their original position. Thus, there is no inconsistency in saying that stockholders who have been guilty of fraud or evasion continue to remain as such.

This is entirely different from saying that stockholder liability does not exist under a corporation organized with a reasonable amount of free assets, but may spring into existence anew upon the later dissipation of such assets or their mere reduction in value.

Even Congress in 1933 did not go so far. Congress did not, in fact, impose any such liability at all. It said only that certain safeguards should be created if the corporation wished to *vote* the stock. The decision here goes far beyond any policy even hinted at by Congress.

Unless liability here asserted is to be imposed absolutely, without reference to knowledge or intention, the decision should be changed. And certainly knowledge and intention, except in cases of clear statutory liability, are important factors to be considered by a court of equity. The equity forum was chosen here deliberately by petitioner. The issues of fraud and evasion were elaborately tried in the District Court and petitioner lost. It now appears that the decision is to turn upon questions and issues hardly conceived when the case originated.

Regardless of what the Court may determine as to the policy of Congress in the case of a corporation formed for the sole purpose of holding bank stock, respondents respectfully submit that they are entitled to have their case heard and adjudged on the basis of the exact facts. Despite a few, scattered indications to the contrary, the overwhelming weight of the evidence, and the findings of two courts, show that Banco was not intended to be, and in fact was not, a mere bank-stock holding company. It was not the type of company discussed in the opinion. It always had non-banking assets, sometimes of a value twice the total assessment liability on bank stocks held by it, sometimes not so much, but, so far as these stockholders knew or were advised, always substantial in amount. In the difficult market situation in which Banco found itself it went as far as the circumstances permitted to carry out the purposes for which the company was formed.

It is respectfully submitted that respondents' Petition for Rehearing filed herewith, should be granted.

HENRY E. MCELWAIN, JR.,
WILLIAM W. CRAWFORD,
ALLEN P. DODD,
JAMES W. STITES,
EDWARD P. HUMPHREY,
LAFON ALLEN,
Attorneys for Respondents.

Louisville, Kentucky,
March 24, 1944.

FILE COPY

IN THE

Supreme Court of the United States

OCTOBER TERM, 1943

No. 3

A. M. ANDERSON, Receiver of the National Bank of Kentucky, of Louisville,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, Administratrix, et al.,

Respondents.

RESPONSE TO PETITION FOR REHEARING

Robert S. Marx,
Frank E. Wood,
Edward M. Brown,
Harry Kasfir,
Attorneys for Petitioner.

Of Counsel for Petitioner:
Nichols, Wood, Marx & Ginter,
John F. Anderson, Chief Counsel for the Comptroller of the Currency.

The Johnson & Hardin Co., Law Printers
Cincinnati, Ohio

No. 3

IN THE

Supreme Court of the United States

OCTOBER TERM, 1943

A. M. ANDERSON, RECEIVER OF THE NATIONAL BANK OF KENTUCKY, OF LOUISVILLE,

Petitioner,

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX, ET AL.,

Respondents.

RESPONSE TO PETITION FOR REHEARING

The petition for rehearing claims that the Court has misinterpreted certain facts. It argues that if these facts had been "correctly" stated the Court should have reached a different conclusion (p. 4). We respectfully differ with the argument and further submit that the facts are correctly stated in the opinion.

The first claim (p. 6) is that BancoKentucky was not the "record owner of the bank stock." This is disingenuous. The bank stock certificates were issued in the name of Trustees. Banco was the registered holder of the "Trustees Participation Certificates." Respondents conceded that "The T. P. C.'s are *admittedly* bank stock for the purpose of this case" (Brief for Appellees, filed in Circuit Court of Appeals, p. 40). Each such trust certificate evi-

denced the record ownership of stock in two banks (National Bank of Kentucky and Louisville Trust Company). The bank and the trustees were each required by paragraph 6, of the Trust Agreement, to keep "a register of Trustees Participation Certificates issued by them similar to the ordinary stock certificate book." (Ex. 7, Vol. 1, p. 25.) The bank kept such stock register as its record of the "titular" holders of the bank stock. This record kept by the trustees and the bank showed that BancoKentucky was the holder of record of approximately 95% of the bank stock represented by the trust certificates.

This point was previously argued in "Brief for Respondents," p. 57. The identical argument presented here was advanced in respondents' brief on reargument, p. 6. These arguments were fully met in our brown cover reply brief, pp. 22-26. This Court fully understood and correctly stated the facts. See Opinion, Footnote 2.

Respondents' reargument on election and res judicata is not new. It was carefully analyzed and disposed of in the Court's opinion. It was rejected by both the District Court and the Court of Appeals in the instant case. 23 F. Supp. 265, Conclusion of Law 13, R. 1, p. 268. It was also rejected by the District Court of Illinois. *Anderson* v. *Atkinson*, 22 F. Supp. 853.

It is next claimed (p. 8) that the Court erred in stating, in the opinion, that Banco was "negotiating" for Caldwell at the time of the failure. Respondents apparently claim that the Banco-Caldwell deal was consummated several months before the failure. If we were to assume that respondents were correct on this point, we submit that it does not affect the conclusion of the Court. However, respondents are one hundred per cent wrong in claiming that the Banco-Caldwell deal was consummated; and in criticizing the Court's statement that the deal was in process of negotiation at the time of failure. The District Court found as a fact that the Banco-Caldwell deal was not "con-

summated,'" R. 1, p. 262. The Banco-Caldwell contract distinctly provided that the deal would *not* be consummated until an audit was made. No audit was ever made or even started. It is true that some Banco stock was issued to Caldwell when the contract was signed. Caldwell returned half of this stock before the failure. No dividends were ever paid on the stock that Caldwell retained. The evidence proves conclusively that the Caldwell deal was never consummated. The facts of the Caldwell deal are presented in our gray cover brief entitled "Supplemental Record References Re Caldwell."

The third point raised in respondents' brief on rehearing, p. 15, relates to the alleged secret mental processes of defendants with respect to the unperformed purposes of Banco which are directly disproved by the written statements referred to by the Court. Similar statements were also filed with the Louisville Stock Exchange, where most of the defendants reside. (Ex. 71, Vol. 4, p. 1695.)

The third point is not based on any alleged error of fact. It is the same argument previously advanced on pages 11 to 19 of respondents' "Supplemental Brief on Reargument of the Case." Our reply thereto will be found in our white cover "Reply to Supplemental Brief," pp. 7-9, and in our gray cover "Supplemental Record References Re Caldwell," pp. 6-8.

Respectfully submitted,

ROBERT S. MARX,
FRANK E. WOOD,
EDWARD M. BROWN,
HARRY KASFIR,
Attorneys for Petitioner.

Of Counsel for Petitioner:
NICHOLS, WOOD, MARX & GINTER,
JOHN F. ANDERSON, Chief Counsel for the Comptroller of the Currency.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1942.

No. 497.

A. M. ANDERSON, RECEIVER OF THE NATIONAL BANK OF KENTUCKY OF LOUISVILLE, *Petitioner*,

v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED, OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL., *Respondents*.

BRIEF OF THE COMPTROLLER OF THE CURRENCY AS AMICUS CURIAE.

JOHN F, ANDERSON,
Attorney for Preston Delano,
Comptroller of the Currency.

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

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IN THE

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KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX WITH THE WILL ANNEXED, OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL., *Respondents*.

BRIEF OF THE COMPTROLLER OF THE CURRENCY AS AMICUS CURIAE.

Comes now, Preston Delano, Comptroller of the Currency of the United States, and by leave of Court first had and obtained, respectfully submits his brief as amicus curiae, in support of the petition for writ of certiorari filed by A. M. Anderson, Receiver of The National Bank of Kentucky of Louisville, Kentucky, in the above entitled cause.

I.

Foreword.

Citation of the opinions below, statement concerning the jurisdiction of the Court to issue the writ of certiorari, specification of errors, summary of the facts, and statement of the questions presented and the reasons relied on for allowance of the writ, have been fully covered in the petition filed by the Receiver, and consequently reference is here made to the same in the interest of avoiding repetition.

II.

Reasons Urged by the Comptroller of the Currency in Support of the Receiver's Petition for Writ of Certiorari.

(a) The National Bank of Kentucky, of Louisville, failed November 17, 1930. Its depositors have received dividends to date of 77 per cent. This alone evidences the fact that it had sustained heavy losses. It had been severely criticized in the National Bank Examiners' reports for several years. Copies of these reports were regularly sent to the Board of Directors of the bank. Letters from a Deputy Comptroller of the Currency were also sent to the Board of Directors with reference to the criticism of the Examiners. Copies of such letters and copies of the Examiners' reports will be found in the record in this case. (Exhibits 33-1 to 33-25, pp. 1275 to 1305). The letter of Deputy Comptroller Stearns, addressed to the directors, dated June 30, 1927, with reference to an examination completed on May 12, 1927, three years before the bank failed, is typical, and reads in part as follows:

> "In addition to the estimated losses of $137,775, which it is understood are to be charged off on June 30, the bank is carrying an excessive amount of slow and doubtful assets amounting to $5,820,271, and $601,618, respectively, which have been steadily increasing, in spite of the fact that a substantial amoun of losses has been charged off following each examination in the past two years. Overdue paper is also ex-

cessive in amount, the aggregate being $2,172,827, and includes statutory bad debts of $968,658. The examiner has listed on the sheets following Page 6, a long list of large lines and other loans especially mentioned, which in his opinion require reduction, security, or supporting credit information. He has also listed several loans in excess of the legal limit, and a number of unwarranted overdrafts and cash items.

"It is evident that these matters have not been receiving sufficient attention, and it is urged that you review the report at your next board meeting, and take the necessary remedial measures."

If the owners of a national bank, in the condition indicated above, can under the law retain all the advantages of real ownership and at the same time evade a statutory individual liability simply by the transfer of bank shares for holding company shares, it would seem, on principle, that a way is open similarly to circumvent other provisions of law. Therefore, while the question presented in this case, as set forth in the petition of the receiver, primarily concerns the substantial rights of thirty thousand depositors of the National Bank of Kentucky, it also vitally concerns the Comptroller of the Currency in the administration of the National Bank Act with respect to bank stock holding companies. The domination of a number of state and national banks located in different communities and states through a bank stock holding company presents a very complicated problem of supervision and it is submitted that the matters and issues involved in this case are of general public interest and come within the class of cases indicated by the rules to be appropriate for review.

(b) An examination of the decided cases seems to indicate that this Court has not had occasion directly to consider the question of the liability of a bank stock holding company shareholder with respect to an assessment levied upon the bank shares. Except in the instant case, Federal, District, and Appellate Courts have uniformly held the holding company shareholders liable for the bank assess-

ment. This Court has several times denied certiorari in such cases. We have found no case, except the one presented here, where the holding company shareholders escaped such a liability. The decision of the Court of Appeals in the instant case seems to be in direct conflict with similar decisions in other circuits. This becomes important because of the fact that identical cases to the case at bar are pending in other circuits awaiting the outcome of this case.

III.

CONCLUSION.

The Comptroller of the Currency therefore earnestly urges this Honorable Court to grant the petition for certiorari filed by the Receiver in the instant case.

Respectfully submitted,

JOHN F. ANDERSON,
Attorney for Preston Delano,
Comptroller of the Currency.

FILE COPY

IN THE

Supreme Court of the United States

October Term, 1942.

No. 497.

A. M. ANDERSON, Receiver of the National Bank of Kentucky, - - Petitioner-Appellant,

versus

KATHERINE KIRKPATRICK ABBOTT, Administratrix of the Estate of David J. Abbott, Deceased, Et Al., - - - Appellees.

SUSIE E. TELLMAN, Et Al., - - Cross-Appellants,

versus

A. M. ANDERSON, Receiver of the National Bank of Kentucky, - - - Cross-Appellee.

BRIEF FOR APPELLEES AND CROSS-APPELLANTS, SUSIE E. TELLMAN, EMMA BISCHOFF, AND OTHER CLASS B DEFENDANTS SIMILARLY SITUATED.

HENRY M. JOHNSON,
Attorney for Susie E. Tellman, Et Al., Class B Defendants.

WESTERFIELD-BONTE CO., INCORPORATED, LOUISVILLE, KY.

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The Receiver in no way "pulled his punches" in characterizing the *iniquity* of Banco. Receiver says, in his Brief (p. 62) that Banco was "*unlawful*" a "corporate *instrumentality* of the shareholders" of *National Bank of Kentucky*—"*organized* to support a *failing* National bank"—"*never qualified*" to do business in Kentucky, and "*expressly forbidden* by Kentucky law," etc., etc. (p. 28) "a *creature* born out of a *resolution adopted* by the Board of Directors of the *National Bank of Kentucky*"; that (p. 35) "its *stockholders* and their agents, the officers and directors, *are responsible*"; that the condition of the Nation Bank of Kentucky progressed from bad to worse through the following steps—(p. iii) "*unhealthy* on April 23, 1927"—"*no improvement* in its condition during the next Six Months"—"getting worse" on March 9, 1928—"*very bad*" on October 13, 1928—when Banco was promoted and organized, it was in a "*precarious* condition"; that (p. 6) "knowing" this condition the stock-

holders of National Bank of Kentucky *"evolved the scheme"* of Banco, and *mislabeled* the stock *"non-assessable,"* through which they were *"plainly* and *intentionally* attempting to *evade"* the United States Statutes; that by reason thereof they are *"not entitled"* "in *equity* and *good conscience* thus to *shield* themselves" by Banco.

The law of "equity and good conscience," so correctly invoked by the Receiver in this case, entitles Class B Stockholders and defendants, who lost money to the Bank, which used the said money for the Bank's purposes, to participate like the Bank's other creditors in the Bank's assets.

Oppenheimer v. Harriman National Bank and Trust Company and Conservator of Harriman Bank and Trust Company (1937), 301 U. S. 206, 81 L. Ed. 1042, 57 S. Ct. 719.

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v.

KATHERINE KIRKPATRICK ABBOTT, ADMINISTRATRIX OF THE ESTATE OF DAVID J. ABBOTT, DECEASED, ET AL., - - - *Appellees.*

SUSIE E. TELLMAN, ET AL., - - *Cross-Appellants,*

v.

A. M. ANDERSON, RECEIVER OF THE NATIONAL BANK OF KENTUCKY, - - - *Cross-Appellee.*

BRIEF FOR APPELLEES AND CROSS-APPELLANTS, SUSIE E. TELLMAN, EMMA BISCHOFF, AND OTHER CLASS B DEFENDANTS SIMILARLY SITUATED.

May it please the Court:

STATEMENT OF THE CASE.

This Court recently entered an order herein giving to Mrs. Susie E. Tellman, *et al.*, cross-appellants in the lower Court, who paid for part of the record there, and

which was brought up to this Court, the right to file this their brief herein.

If this Court should affirm the judgment of the 6th Circuit Court of Appeals, then this brief can be disregarded. If, however, this Court reverses the lower Court and holds that Banco was, as Receiver alleged in his bill and contended during the trial, and thus concludes in his brief (p. 62) "unlawful" a "corporate instrumentality of the shareholders" of National Bank of Kentucky—"organized to support a failing National bank"—"never qualified" to do business in Kentucky, and "expressly forbidden by Kentucky law," etc., etc., then the innocent Class B stockholders, who bought stock in said outlaw corporation and agency of the Bank, have a just claim for the return of their money paid into Banco and used by the Bank for its own purposes, and for furthering its own ends.

BRIEF OF THE ARGUMENT.

1. There Would Result a Paradox if Receiver Would Be Permitted to Recover Herein From Stockholders of Banco on the Ground of Banco's Illegality, and if, at the Same Time, Innocent Class B Stockholders, Would Not Be Permitted to Recover on the Same Ground the Money They Put Into Banco.

If Banco, by reason of the alleged illegality and constructive fraud, etc., did not come into sufficient and substantial existence, as to legality, so as to insulate its promoters, it also did not come into a sufficient and substantial existence, as to legality, so as to support a sale of its stock to innocent purchasers, upon the inconsistent hypothesis that it was a legal "honest to goodness" independent substantial corporate entity.

If Banco was a fraudulent or sham or masquerade corporate device, as the Receiver charges it to have been, in order to enable the Bank to engage in unlawful acts, surely Banco could not at the same time be so substantial and virtuous as to be the basis of taking money from innocent and duped outsiders to whom its fraudulent stock was sold.

Without, of course, casting any personal aspersions on the Receiver, whose integrity and diligence are unquestioned, yet we respectfully submit that the Receiver attempts herein to blow both hot and cold. He desires Banco to be meat for him, yet poison for others. He characterizes Banco as unspeakably foul, then in the same breath he attempts to embrace it to his bosom. He condemns Banco in unmeasured terms, only to immediately thereafter seek to use and appropriate it for his own advantage. He discards Banco as a counterfeit, then tries to pass it off on others as genuine and thereby seeks to profit from it. The law does not permit any legal magician, by the mere wave of a magic wand, to thus accomplish such an impossible feat and to thus wreak deadly havoc upon thousands of innocent purchasers of Banco stock. "Consistency, thou art a jewel."

2. "Equity and Good Conscience"—the Yardstick in This Case.

The Receiver has properly invoked *equity*, in this case, to quote from his Bill, for "winding up the affairs" of the Bank (R. 57). He appropriately asks for a decree in accordance with "equity and good conscience," which he repeats in his Bill (R. 69), and Prayer (R. 74). Anything short of this position by the Receiver would have been inconsistent with the law and the faithful Receiver he has been.

The particular "occurrence or transaction," which the Receiver asks the Court to examine and make a decree concerning is the legal status of those who held stock in the corporation—BancoKentucky.

It is fundamental that equity once taking jurisdiction will not stop at part-way measures, but will do absolute, full and complete justice to all the parties, even though the Court may have to do so on its own initiative.

3. The Equities in the Case, If the Receiver's Charges Should Be Upheld.

If, as the Receiver charges, Banco was the illegal and constructively fraudulent (R. I. 220) agency and instrumentality of the National Bank of Kentucky and its organizing officers, then "equity and good conscience" requires that this Court of Equity recognize that the nearly 3,000 Banco stockholder defendants herein fall into two classes, viz.:

Class A—Promoters, organizers, planners and launchers of Banco, made up of National Bank of Kentucky's officers, directors and stockholders, who held 95% of the Bank Stock, and who exchanged their Bank Stock into Banco Stock, and who retained and exercised absolute dominion over Banco.

Class B—Purchasers for cash of Banco Stock, made up of the outside public, who had nothing to do with the organizing of Banco, and who did not own any National Bank of Kentucky Stock, and who did not exchange any of said Bank Stock for Banco Stock, and none of whose money, which was paid for Banco Stock, ever went to buy any of the National Bank of Kentucky Stock (for Banco never purchased a share of National Bank of Kentucky Stock), and who had nothing to do with the management and operation of Banco.

and that, in administering "equity and good conscience," this Court should adjudge that, under the facts and circumstances of this case, Class B defendants have equities, which entitle them herein to affirmative relief, viz., the recovery of the money they were induced to invest in this legally condemned corporation (in the event this Court should hold it to have been such a corporation).

4. Statement as to Susie E. Tellman, Emma Bischoff Et Al., of Class B Group of Defendants.

The record shows that Susie Tellman, Emma Bischoff and P. A. Gaertner belong to Class B stockholders; that neither of them owned any National Bank of Kentucky Stock, nor any Trustees Participation Certificates in Bank Stock, which were exchanged into Banco Stock; that they bought their Banco Stock for cash, and that they were not the promoters, organizers, planners or launchers of Banco, and had nothing whatever to do with its management or operation.

Mrs. Susie E. Tellman is a housewife and Emma Bischoff, who died since this action was filed, was a stenographer and clerk, each of whom invested their savings of $2,500.00 cash in Banco Stock. As "Miss Emma" was for many years the stenographer of one of the writers of this brief (in fact the first one he had when he was admitted to the bar), it can be seen that his real personal interest was easily enlisted for her and for those in similar position with her.

"When this action was filed against Tellman and Bischoff and others, for approximately $232.00, with interest, against each of them, and against other of the Class B stockholders, for comparatively small amounts, it was apparent that the record would be so voluminous and expensive as to be absolutely prohibitive for Tellman, *et al.*, Class B Stockholders, to employ and adequately pay counsel to perform the necessary work involved for a full and complete investigation into the affairs of Banco, in the stock of which these persons

had been induced to invest. When we, therefore, were besought by Tellman and Bischoff to protect their interests as best we could, we recognized that about all we could do would be to merely watch the proceedings, which were to be so voluminous and expensive, and then, in a more or less general way, point out to the Court the equities, which were developed in the record in favor of these Class B defendants, and pass up to the Court the task of working out "equity and good conscience" to them. It is out of this approach and relationship that we respectfully write this brief, believing that the record is such as to cause the Court to decree that such equities exist herein in favor of the Class B defendants as to entitle Class B defendants to affirmative relief in the event any recovery is decreed herein for the Receiver.

5. Equities and Claims, Applicable to One Defendant Herein Are Applicable to All Similarly Situated.

In this case, with several thousand defendants, the case was practiced below in accordance with the following portion of the lower Court's order of October 31, 1939:

> "All pleadings and motions heretofore filed by any defendant, which relate to the merits of the case in general and not to some special fact or decision applicable to the particular defendant filing such pleadings, shall inure to the benefit of all defendants."

6. Claims and Counterclaims of Defendants Against the Bank, Growing Out of the Transaction Involved in the Action Are To Be Adjudicated by the Court, and If Allowed, a Pro Rata Distribution of Assets in Receiver's Hands Is To Be Made to Such Claimants, Along With Claimants Who Were Depositors in the Bank.

When this action was filed in February, 1936, the above proposition of law was unsettled, but later on, April 26, 1937, the Supreme Court of the United States rendered a decision in a bank receivership case, in which the Supreme Court held that a person, who had bought stock through misrepresentations of the bank's affiliate, had a just claim against the Receiver of the bank, which claim would participate on a pro rata basis with other claimants basing their claim upon money on deposit in the bank at the time it closed. This was the case of Oppenheimer v. Harriman National Bank & Trust Company and Conservator of Harriman Bank and Trust Company, 301 U. S. 206, 81 L. Ed. 1042; 57 S. Ct. 719, decided April 26, 1937. This Court has had occasion to follow the above Supreme Court decision on the procedural or jurisdictional question in a very recent case of Lucking v. Schram (1941), 117 F. (2d) 160, affirming Schram v. Lucking (1940), Eastern District of Michigan, 31 F. Supp. 749. The lower Court said:

> "Admittedly in the Oppenheimer case there was payment of the assessment before suit against the Bank was instituted but the decision does not

determine that two suits were necessary, and the trend of new rules and Courts in general is to discourage separate actions tending towards multiplicity of suits and is now rather partial towards combining in one litigation, wherever possible, for determination, the rights of all parties in one action in one subject matter or arising out of one transaction. This is not only the spirit of Rule 13, but it is also the spirit and intention of Rule 14, where extra parties who might be affected by or have some rights in the litigation are permitted to be joined and brought into the same action, even where jurisdictionally they could not originally have been made defendants in Federal Court. * * * The parties being present, this Court determined that the only logical and sensible thing to do was to proceed with a hearing on the merits of defendant's counterclaim. * * *. This court can see no logic in compelling defendants to start a separate action against plaintiff when plaintiff has already brought them into court."

This case was affirmed in 117 F. (2d) 160 (1941), by the Sixth Circuit Court of Appeals. However, the counterclaim was held to be illegal in a decision upon its merits. The counterclaim in that case was not in any way similar to the counterclaim asserted herein by Banco's Class B Stockholders. In that case the counterclaim was attempted not by an innocent Class B Stockholder who had bought for cash his stock, but by a Class A Stockholder who had exchanged Bank Stock for the holding company stock, etc.

7. If This Court Should Hold, After Considering the Great Mass of Testimony in This Case, that Receiver Has Made Out Its Case that Banco Was Illegal and Constructively Fraudulent, Then Innocent Class B Stockholders, Such as Tellman, Et Al., Have a Just Claim Against the Bank and Its Assets in the Hands of the Receiver, for Recovery for the Amount They Paid for Said Worthless Banco Stock.

If Banco should be held to be the illegal, etc., entity, which—

1. Receiver charges in his Bill (R. I. 66-69);
2. Receiver charges in his request for Findings Nos. 16, 17, 18, 19, 20, 21 (R. I. 184-187) and Nos. 28, 30, 31, 32, 33, 34 (R. I. 192-195 and Nos. 57, 58 (R. I. 212) (R. I. 120);
3. Which Receiver charges in his Brief on this appeal, particularly in footnote on page 105 of Receiver's Brief,

then Tellman, *et al.*, Class B Stockholders, have a just claim against the Bank's assets for the money they paid for said worthless stock, which claim is based on the following:

1. That illegal Banco was organized and attempted to be launched by officers and directors of the National Bank of Kentucky, and thereafter was the Bank's child and agency, completely dominated and under the dominion of the Bank, which used Banco's assets for the Bank's own purposes.

2. The statement in Banco's Articles of Incorporation that "VIII, the private property of the stockholders shall not be subject to the payment of any corporate debts whatever."

3. The statement on Banco's Certificates of Stock that the Stock was "full paid and non-assessable."

8. The Above Statements Constituted Misrepresenting and Misbranding of the Article Sold, Measured by the Legal Yardstick, Well Set Out as Follows.

> "Goods are misbranded if they bear any statement which will deceive or mislead any purchasers who are of normal capacity and who use that capacity in a common sense way."
>
> United States v. Two Cases of Chloro-Naphtholeum Disinfectant, 217 Fed. 477, 484.

That the above were material statements of fact, not only admitted but charged by the Receiver in Paragraph XVI of his Bill (R. I. 68-69), is seen from the following portion of Receiver's Bill:

> "The holders of the Trustees Participation Certificates who organized the BancoKentucky Company as a holding corporation for their bank stock, *well knowing* that said bank stock was subject to the individual liability of shareholders of national banks, imposed by the Acts of Congress, Sections 5151 and 5234 of the Revised Statutes of the United States and knowing that Bank stock of state banking institutions was subject to individual liability imposed by state laws, nevertheless, in the organ-

ization of the said BancoKentucky Company, intentionally undertook to evade the provisions of said sections of the Acts of Congress by deliberately omitting from the Articles of Incorporation any provision for the payment of the liability upon national and state bank stocks provided by the laws of the United States, the Commonwealth of Kentucky and other states, and *deliberately* and *intentionally* sought to evade said liability by including the Articles of Incorporation of Banco-Kentucky Company the following language:

> 'VIII. *The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever,'*

and by printing in its certificates of stock the words 'full-paid and non-assessable,' and in so attempting to evade such assessment liability perpetrated a fraud upon the depositors and creditors of the National Bank of Kentucky for whose benefit this action is brought."

Also in the opening statement before the trial, by Judge Marx, for the Receiver, we find the Receiver laying great stress on these "misrepresentations" in the following (R. II. 8):

> "Mr. Marx: Well, that is what they did. Now, how did they do it? They undertook to organize a general corporation under the laws of the State of Delaware, and almost the first article that they wrote into that corporation charter was—these men sitting as bank directors, these men who were the shareholders of that bank, these men who knew that they were subject to dou-

ble liability, wrote into that article of incorporation, 'The personal property of the shareholders thereof shall be exempt from the payment of its debts,' and then, on top of that, they caused stock certificates in the company to be printed, and put on the face of them *'fully paid and non-assessable.''*

Throughout the taking of evidence and all through the trial the Court will see how the Receiver laid emphasis on the above statements in Banco's Articles of Incorporation and Certificates of Stock.

If these "misstatements" and "misrepresentations" can be any basis of Receiver's claim against Class A defendants, surely they are equally sufficient in "equity and good conscience" as a basis of Class B defendant's claim to remedy the wrong done them.

9. The Receipt of Banco Dividends Has No Adverse Effect on the Right of Class B Stockholders to Recover Out of Bank Assets, Except Probably to Give Credits for Dividends Received.

Receiver's counsel attempt to fasten the double liability, applying to Bank stock, upon Class B stockholders of Banco, upon the ground that these stockholders received some dividends on Banco stock, and that some of the money, which paid these dividends could be traced as having come from dividends, which Banco received on the National Bank of Kentucky stock. Receiver's counsel argue that these stockholders knew, or should have known, the source from

which their dividends came, and that as a result, this fastens double liability upon the stockholders, in spite of the fact that the said stockholders themselves, never owned a share of stock of the said Bank, and that not a cent of money, which they paid into Banco, was ever used by Banco to buy a single share of stock in said Bank.

The only possible effect the receipt of such dividends could have upon a stockholder so receiving them, would be to make such stockholder liable for a return of any dividends illegally declared. Receiver's counsel do not contend that the dividends were illegally declared, and do not ask for any return based upon any such alleged illegal declaring of same. They merely attempt, through some species of reasoning, to contend that the receipt of such dividends, which were small, would have the effect of making the recipients liable not for the dividends, but doubly liable for Bank stock, which the recipients never owned, and for which none of their money ever went to buy.

That the Receiver is wrong in this contention is seen by the opinion of the United States Circuit Court of Appeals for the Fourth Circuit, in the case decided on January 9, 1939, Nettles v. Childs, 100 F. (2d) 952, which case was a sequel to the case of Nettles v. Rhett, cited by the Receiver. In the Childs case, *supra*, the Court said:

> "Four semi-annual dividends of 3¼% each were paid the preferred stock during 1930 and 1931. The payments were made out of funds re-

ceived by the holding company as dividends on the bank stock, which it held. The defendants in the pending case, however, had no knowledge at the time of the receipt of these dividends that the earnings of the company were derived from bank stock, and did not suspect that such was the case until after the failure of the company."

The Court discarded the contention that the receipt of such dividends fastens liability on stockholders of the holding company, saying:

"The acceptance of dividends by the defendants does not impair their defense. They had no knowledge of the illegal business of the holding company until long after the dividends were received; and without knowledge, there could be no ratification or acceptance on their part of the illegal acts of the corporation. The present suit does not seek a recovery of the amount of the dividends received, but a much greater sum equal to the par value of the shares as an extra statutory liability. It was held in McDonald v. Williams, 174 U. S. 397, 19 S. Ct. 743, 43 L. Ed. 1022, that dividends paid by a solvent national bank to a stockholder entirely out of capital are not recoverable if the stockholder receiving them acted in good faith. A federal statute, 12 U. S. C. A., §56, forbade any national bank during the continuance of its banking operations to withdraw or permit to be withdrawn in the form of dividends or otherwise, any portion of its capital; but the court held that a shareholder who in good faith receives a dividend paid out of capital could not be said to have participated in the withdrawal of capital."

Any point the Receiver might attempt to make that Class B stockholders of Banco must have known that the four dividends of 20c per share each which they received from Banco could be traced to dividends which Banco received from National Bank of Kentucky stock, is only an unjustifiable inference and assumption. No proof whatever shows this knowledge and it cannot be assumed. And even bare knowledge would not be sufficient in "equity and good conscience" to hold them doubly liable when not a cent of their money nor Banco's money ever went into National Bank of Kentucky Stock.

10. The Finances of the Case Make Easily Possible the Working Out the Mechanics of Class B's Equities, Should Any Recovery for the Receiver Be Decreed Herein.

It is indeed fortunate that should the Court hold the Receiver as entitled to any recovery herein, then there will be sufficient money to pay Class B defendants their pro rata distribution, as seen from the following facts and figures:

THE AMOUNT PAID BY CLASS B DEFENDANTS WAS $5,397,500.00.

Total amount paid in cash into Banco was $9,869,650
(White, A. 373, p. 470)

Holders of Bank & Trust Co. participating certificates paid in cash for Banco stock 4,471,950
(Shuck, p. 885)

Leaving amount put up by outside public or Class B defendants $5,397,500

Class B defendants have valid and just claims against the Bank's assets for $5,397,500.00, which amount they invested in illegal Banco, a fraudulent and illegal Company, promoted and attempted to be launched by the Bank and its officers, directors and stockholders.

From this should be deducted four dividends of 20c per share, or a total dividend of $80.00 on each 100 shares of Banco stock, which was sold for $25.00, or a total of $2,500.00. These dividends totalling $80.00, on stock costing $2,500.00, means the total dividends paid are equivalent to 3.2 percent on the total cost.

Total amount paid by Class B defendants $5,397,500.00

Less total dividends paid (equivalent of 3.2 percent on $5,397,500.00) 172,720.00

Net amount due Class B defendants . . $5,224,780.00

Class B defendants and claimants are entitled to participate in the distribution of the Bank's assets, and to receive a distribution dividend of 77 percent, the amount heretofore paid to other of Bank's creditors. This 77 percent distribution on $5,224,780.00 to Class B defendants would amount to.....$4,023,080.00.

The total assessment against the Bank's stockholders was $4,000,000.00 with interest, approximating.....$6,160,000.00, which should be the total amount apportioned against Class A defendants.

The actual collection to be realized,
Figured at 90 percent would be.....$5,444,000.00
Figured at 85 percent would be.....$5,236,000.00
Figured at 80 percent would be.....$4,928,000.00.

Only $4,023,080.00 is needed to make Class B claimants receive 77 percent and to be equal to other claimants, who have heretofore received 77 percent distribution. The balance remaining, after 77 percent distribution to Class B defendants and claimants, would be distributed to all of those to whom the Bank was under obligation, including Class B defendants.

11. Tellman, Et Al., by Proper Pleadings in the Case, Invoked for Themselves and All Other Class B Defendants Similarly Situated, an Equitable Claim Against the Bank's Assets in the Hands of Receiver Along With Other Claims Against The Bank for Their Loss Occasioned by Purchase of Misrepresented and Misbranded Stock in Illegal Banco.

These pleadings are an answer and amended answer, counterclaim and cross-action of Tellman, *et al.* (R. 158-168, Rec., Vol. 1), the latter of which was filed on November 1, 1938. After this filing, the Receiver did not make any effort to file any reply until November 15, 1939,—over a year later. In the meantime the case had stood for trial, in the spring of 1939, for an extended period of time and much testimony and proof had been taken and the taking of testimony closed. The case was then set for the fall, for briefs and final arguments. During the summer the Receiver and other defendants, as well as Tellman, *et al.*, filed and exchanged briefs with each other and the case was set to November 15, 1939, for oral arguments. On this late day the Receiver tendered and offered to file a Reply to Tellman's, *et al.*, pleading filed over a year before, to-wit, on November 1, 1938, to which filing Tellman objected, but the Court allowed the pleading to be filed. Tellman's counsel proceeded, however, to argue the case, addressing themselves to the points of law involved, rather than any points of fact, except the admitted ones, and the whole case was submitted.

The lower Court held that Banco was a legitimate corporate entity and dismissed Receiver's claim. It was, therefore, unnecessary for the lower Court to consider Tellman, *et al.* contention. This is also what happened in the Court of Appeals.

In Receiver's brief in the Court of Appeals, it was contended that Tellman, *et al.'s* claim was barred by limitation. To this Tellman, *et al.* answer that their claim grows out of the same transaction and subject-matter on which Receiver's claim is based, and the law is that so long as the main action by plaintiff is timely, then defendant's claim is not barred by limitation. This was specifically decided by the Supreme Court in Bull v. U. S. (1935), 295 U. S. 247, 79 L. Ed. 1421, wherein the Supreme Court, speaking unanimously, through Justice Roberts said that "such a defense is never barred by the Statute of Limitations so long as the main action itself is timely." See also Stone v. White. (1937), 301 U. S. 532, 57 S. Ct. 851, and Aultman & Taylor v. Meade (1905), 121 Ky. 241, 89 S. W. 137.

We can conceive of the decision in this upper Court being such that it would be necessary to remand the case, leaving open the determination of certain questions by proof which the upper Court might direct the lower Court to take or have the Master take. In any event, we feel that as this case has been pending now for so many years, this Court should, on these appeals, consider all the questions of law raised by way of defense and counterclaim, so as to operate as a guide to the lower Court in the event this case should be reversed and remanded for "further proceedings," etc.

RELIEF ASKED OF THIS COURT BY CLASS B DEFENDANTS.

Class B Stockholders and defendants respectively ask this Court, in the event it should hold that the Receiver is entitled to any recovery herein, to also hold that "equity and good conscience" entitles Class B defendants to a decision that the cross-appeal of Tellman, *et al.*, for Class B Stockholders, from so much of the judgment below as dismissed their counterclaim, be sustained on the following ground:

> That Class B Stockholders, on so much of their answer as amended, as was uncontroverted up until months after the evidence had all been taken in the case and the briefs prepared and exchanged, and the case was in the process of argument, have a claim against the assets of the National Bank of Kentucky, in the hands of the Receiver, from which assets they are entitled to a pro rata distribution, just like the other creditors of the Bank, for the amount of money which they invested in Banco, the illegal agency of the Bank, which money, through the Bank's officers dominated Banco, was appropriated for the Bank's use, and squandered in wild, illegal transactions.

CONCLUSION.

The Receiver in no way "pulled his punches" in characterizing the *iniquity* of Banco. Receiver says, in his Brief (p. 62), that Banco was *"unlawful"* a "corporate *instrumentality* of the *shareholders"* of *National Bank of Kentucky*—*"organized* to support a *failing* National bank"—*"never qualified"* to do business in Kentucky, and *"expressly forbidden* by Kentucky law," etc., etc. (p. 28)—"a *creature* born out of

a *resolution adopted* by the Board of Directors of the *National Bank of Kentucky*"; that (p. 35) "its *stockholders* and their agents, the officers and directors, *are responsible*"; that the condition of the National Bank of Kentucky progressed from bad to worse through the following steps—(p. iii) "*unhealthy* on April 23, 1927" "*no improvements* in its condition during the next Six Months"—"*getting worse*" on March 9, 1928—"*very bad*" on October 13, 1928—when Banco was promoted and organized it was in a "*precarious* condition"; that (p. 6) "knowing" this condition the stockholders of *National Bank of Kentucky* "*evolved the scheme*" of Banco, and *mislabeled* the stock "*non-assessable,*" through which they were "*plainly* and *intentionally* attempting to *evade*" the United States Statutes; that by reason thereof they are "*not entitled*" "in *equity* and *good conscience* thus to *shield* themselves" by Banco.

The law of "equity and good conscience," so correctly invoked by the Receiver in this case, entitles Class B Stockholders and defendants, who lost money to the Bank, which used the said money for the Bank's purposes, to participate like the Bank's other creditors in the Bank's assets, as decided in the recent case of the Supreme Court of the United States in Oppenheimer v. Harriman National Bank & Trust Company and Conservator of Harriman Bank and Trust Company, 301 U. S. 206, 81 L. Ed. 1042, 57 S. Ct. 719, decided April 26, 1937.

Respectfully submitted,

HENRY M. JOHNSON,
Attorney for Susie Tellman, Emma Bischoff and other similarly situated Class B Defendants.

P. 23.

SUPREME COURT OF THE UNITED STATES.

No. 3.—October Term, 1943.

A. M. Anderson, Receiver of National Bank of Kentucky, of Louisville, Petitioner,

vs.

Katherine Kirkpatrick Abbott, Administratrix with the Will Annexed of the Estate of David J. Abbott, Deceased, et al.

On Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit.

[March 6, 1944.]

Mr. Justice Douglas delivered the opinion of the Court.

The primary question in this case is whether on these facts shareholders of a bank-stock holding company are liable under § 23 of the Federal Reserve Act, 12 U. S. C. § 64, and § 12 of the National Bank Act, 12 U. S. C. § 63, for an assessment on shares of a national bank in the portfolio of the holding company.

The essential facts[1] may be briefly stated.

Banco Kentucky Company was organized under the laws of Delaware in July, 1929. It had broad charter powers in the field of finance. It was organized by the management of the National Bank of Kentucky and of the Louisville Trust Company—banking houses doing business at Louisville. Banco perfected the desired alliance between them by acquiring most of their shares[2] in exchange for its shares. The Bank, the Trust Company, and Banco each had the same directors and certain common officers. Some of the shareholders who made the exchange also purchased additional shares of Banco stock at $25 per share. Banco stock was also sold at that price on the market to those who did not

[1] Further details concerning the financial transactions indirectly involved in this litigation may be found in Atherton *v.* Anderson, 86 F. 2d 518, 99 F. 2d 883; Banco Kentucky's Receiver *v.* Louisville Trust Co.'s Receiver, 263 Ky. 155.

[2] The shares of the Bank and the Trust Company had been earlier transferred to trustees who issued Trustees' Participation Certificates. It was these certificates which Banco received from the shareholders of the two banks in exchange for its shares. The command which Banco had over the underlying shares is described in Laurent *v.* Anderson, 70 F. 2d 819.

own any shares in the Bank or the Trust Company. All told some $9,900,000 in cash was realized by Banco from the sale of its shares—about $6,000,000 of which was financed on loans from the Bank and from the Trust Company. Banco's stock certificates stated that the shares were "full-paid and non-assessable". Its certificate of incorporation provided that the stockholders' property should "not be subject to the payment of corporate debts to any extent whatever".

The closing date for the exchange of shares was September 19, 1929. Beginning about September 25, 1929, Banco acquired a majority stock interest in each of five banks in Kentucky and two banks in Ohio, and a minority stock interest in another bank in Kentucky. Of these eight banks, two were national. The shares of the state, as well as the national, banks in the group carried a double liability.[3] The price paid for the shares in these banks was about $11,500,000—of which some $6,500,000 was paid in cash and $5,000,000 in Banco's shares. Not all of Banco's funds were invested in bank shares. It acquired for $2,000,000 a $2,000,000 note of its president.[4] It purchased 625 shares of a life insurance company for $25,000 cash. It purchased and retired 106,000 of its own shares at a cost of over $2,300,000—some $275,000 less than Banco received for them. It received dividends of about $1,180,000 on the bank stocks owned by it and paid them out at once as dividends on its own shares. It borrowed $2,600,000 from a New York bank and paid back $1,000,000. With $600,000 of that loan it purchased from the Bank certain dubious assets[5]—a transaction which the Ken-

[3] See Ky. Rev. Stat. 1942, § 287.360; Ohio Code Ann. 1940, § 710-75. At or about the time of Banco's failure the shares in the other banks were sold or disposed of at rather nominal prices. It appears that the closing of the Bank was followed by heavy runs on these other banks; and the local interests in most of the cities where the banks were located were willing to support the banks to keep them open if Banco would surrender control. Banco, it seems, was also anxious to avoid double liability on those shares.

[4] The president of Banco was also president of the Bank. This note was acquired in November, 1929, from Wakefield & Co. It was secured by 60,000 shares of Banco stock and 22,500 shares of stock of Standard Oil of Kentucky. Nothing was ever paid on the note. Nothing was realized on the Banco stock. Some $440,000 was realized on the Standard Oil stock. In December 1930 the president of Banco and maker of the note filed a voluntary petition in bankruptcy. He was discharged. Wakefield & Co. made an assignment for the benefit of creditors in 1931 and apparently no dividends have yet been paid its creditors.

[5] These were a Murray Rubber note in the amount of $580,000 and a note of Lewis C. Humphrey for $20,000—of which the bank examiner had been quite critical for some time.

tucky court later set aside. *Banco Kentucky Co.* v. *National Bank of Ky.*, 281 Ky. 784. It was negotiating for the purchase of the shares of an investment banking house when that house, the Bank and the Trust Company failed. That was in November, 1930—a little more than a year after Banco began its financial career. In November, 1930 a receiver was appointed for the Bank and one for Banco. In February, 1931 the Comptroller of the Currency made an assessment on the shareholders of the Bank in the amount of $4,000,000 payable on or before April 1, 1931. And in March, 1931 the receiver of the Bank notified the stockholders of Banco that he had demanded payment of the assessment from the receiver of Banco and that he intended to proceed against them for collection of the assessment to the extent that he was unable to collect from Banco. In October, 1931 the receiver of the Bank brought an action against Banco as holder of substantially all of the Bank's shares. He obtained a judgment (*Keyes* v. *American Life Ins. Co.*, 1 F. Supp. 512) which was affirmed on appeal. *Laurent* v. *Anderson*, 70 F. 2d 819. Some $90,000 was paid on that judgment. The receiver of the Bank thereupon brought this suit against those stockholders of Banco who resided in the Western District of Kentucky in which he seeks to recover from each his proportionate part of the balance of the assessment. Similar suits against other stockholders were brought in federal district courts in other states. The District Court, after a trial, dismissed the bill. 32 F. Supp. 328. The Circuit Court of Appeals affirmed that judgment. 127 F. 2d 696. The case is here on certiorari.

I.

We are met at the outset with the contention that the decision in *Laurent* v. *Anderson*, *supra*, holding Banco liable on the assessment, is *res judicata* of the present claim; and that petitioner by bringing that suit made an election which bars the present action. We do not agree. Either the record owner or the actual owner of shares of a national bank may be liable on the statutory assessment.[6] *Richmond* v. *Irons*, 121 U. S. 27, 58; *Keyser* v. *Hetz*, 133 U. S. 138, 149; *Pauly* v. *State Loan & Trust Co.*, 165 U. S. 606; *Lantry* v. *Wallace*, 182 U. S. 536;

[6] Provisions for the termination of double liability on shares of national banks are contained in the Act of June 16, 1933, 48 Stat. 189, and the Act of August 23, 1935, 49 Stat. 708, 12 U. S. C. § 64a.

Ohio Valley Nat. Bk. v. *Hulitt*, 204 U. S. 162; *Early* v. *Richardson*, 280 U. S. 496; *Forrest* v. *Jack*, 294 U. S. 158. A receiver may sue both — partial satisfaction of the judgment against one being a *pro tanto* discharge of the other. *Ericson* v. *Slomer*, 94 F. 2d 437. And see *Continental Nat. Bank & Trust Co.* v. *O'Neil*, 82 F. 2d 650. The basis of liability of each is different — apparent or titular ownership in one case, actual or beneficial ownership in the other. Hence the issues involved in each suit are not the same.[7] See *Reconstruction Finance Corporation* v. *Pelts*, 123 F. 2d 503; *Reconstruction Finance Corporation* v. *Barrett*, 131 F. 2d 745, 748. If the receiver were barred from proceeding against one because he had already proceeded against the other, creditors of banks would be deprived of the full benefits of these statutes. The wisdom of the receiver's first suit rather than the fixed statutory liability would be the measure of their protection. There is no justification for such an impairment of the statutory scheme. The rules of election applicable to suits on contracts made by agents of undisclosed principals (*Pittsburgh Terminal Coal Corp.* v. *Bennett*, 73 F. 2d 387, 389) have been pressed upon us. But they have no application to suits to enforce a liability which has this statutory origin. Cf. *Christopher* v. *Norvell*, 201 U. S. 216, 225.

II.

The District Court found, and the Circuit Court of Appeals agreed, that Banco was organized in good faith and was not a sham; that it was not organized for a fraudulent purpose or to conceal enterprises conducted for the benefit of the Bank; that it was not a mere holding company; that it was not formed as a means for avoiding double liability on the stock of the Bank; and that the soundness of the Bank and its ability to meet the obligations could not be questioned until after the formation of Banco. Some of these findings have been challenged. But we do not stop to examine the evidence. We accept those findings, as they were concurred in by two courts and no clear error is shown. *Brewer Oil Co.* v. *United States*, 260 U. S. 77, 86; *Ala-*

[7] It is true that the court in Laurent v. Anderson, *supra*, stated that Banco was "in every sense the true and beneficial owner" of the shares of the Bank. 70 F. 2d p. 824. But it is apparent from the opinion that the court was answering the contention that the trustees of the participation certificates were responsible for the assessment. Banco's defense was based on § 63 of the National Bank Act. It argued that under that section only funds in the hands of the trustees were liable. That argument was rejected by the court.

bama Power Co. v. *Ickes*, 302 U. S. 464, 477. We conclude, however, that the courts below erred in dismissing the bill.

It is clear by reason of *Early* v. *Richardson*, *supra*, that if a stockholder of the Bank had transferred his shares to his minor children, he would not have been relieved from liability for this assessment. And see *Seabury* v. *Green*, 294 U. S. 165. That follows because of the policy underlying these statutes. One who is legally irresponsible cannot be allowed to serve as an insulator from liability, whether that was the purpose or merely the effect of the arrangement. A father who transfers his shares to his minor children has not found a substitute for his liability. See *Weston's Case*, 5 Ch. App. 614. It does not matter that the transfer was in good faith, without purpose of evasion and at a time when the bank was solvent. *Early* v. *Richardson*, *supra*. The vice of the arrangement is found in the nature of the transferee and his relationship to the transferor. Cf. *Nickalls* v. *Merry*, 7 Eng. & Irish App. 530. The same result will at times obtain where the transferee is financially irresponsible. This does not mean that every stockholder of a national bank who sells his shares remains liable because his transferee turns out to be irresponsible or impecunious. It is clear that he does not. *Earle* v. *Carson*, 188 U. S. 42, 54-55. But where after the sale he retains through his transferee an investment position in the bank, including control, he cannot escape the statutory liability if his transferee does not have resources commensurate with the risks of those holdings. In such a case he remains liable as a "stockholder" or "shareholder" within the meaning of these statutes to the extent of his interest in the underlying shares of the bank. For he retains control and the other benefits of ownership without substituting in his stead any one who is responsible for the risks of the banking business. The law has been edging towards that result. See *Hansen* v. *Agnew*, 195 Wash. 354; *Metropolitan Holding Co.* v. *Snyder*, 79 F. 2d 263; *Barbour* v. *Thomas*, 86 F. 2d 510; *Nettles* v. *Rhett*, 94 F. 2d 42. We think the result is necessary, lest the protection afforded by these double liability provisions be lost through transfers to impecunious or not fully responsible holding or operating companies whose stock is owned by the transferor. Whether the transfer is made in avoidance of the double liability as in *Corker* v. *Soper*, 58 F. 2d 190, or for business reasons which may be considered wholly legitimate, the result is the same. Depositors are deprived of the benefit of double liability in either event.

Thus it is no bar to the present suit that Banco was organized in good faith, that there was no fraudulent intent, that Banco was not a sham, that it was not a mere holding company, or that the shareholders of the Bank had no purpose of avoiding double liability. We are not concerned with any question of good intention. The question is whether the parties did what they intended to do and whether what they did contravened the policy of the law. By that test it is clear to us that the old stockholders of the Bank are liable. For they retained through Banco their former investment positions in the Bank, including control, and did not constitute Banco as an adequate financial substitute in their stead. Banco's asset position immediately after its sales of stock cannot be taken as the measure of its financial responsibility. Its liquid condition was fleeting; the raising of the cash was but an interim step in the planned evolution of Banco as a bank-stock holding company. It is the condition of Banco at the end of the promotion which is significant. Banco emerged as a bank-stock holding company. Technically it was not merely such a holding company as it had other interests and investments. But its main assets were stocks in banks, stocks which carried double liability. Its other assets—apart from the $25,000 of life insurance stock—were always highly suspect and dubious. In substance Banco as a going concern had no free assets which could possibly be said to constitute an adequate reserve against double liability on the bank stocks which it held. It was in no true sense comparable to an investment trust or holding company which holds bank stock in a diversified portfolio. If the small amount of life insurance stock be left out of account, the situation is in point of fact not materially different from the case where the only assets held were bank stocks carrying double liability. Such an arrangement, if successful, would allow stockholders of banks to retain all of the benefits of ownership without the double liability which Congress had prescribed. The only substitute which depositors of one bank would have for that double liability would be the stock in another bank carrying a like liability. The sensitiveness of one bank in the group to the disaster of another would likely mean that at the only time when double liability was needed the financial responsibility of the holding company as stockholder would be lacking. However that may be, the device used here can be so readily utilized in circumvention of the statutory policy of double liability that the stockholders of the holding company rather than the de-

positors of the subsidiary banks must take the risk of the financial success of the undertaking.[8]

That is a basis of liability sufficiently broad to include also the stockholders of Banco who had not been stockholders of the Bank. As we have noted, many of them acquired their shares either for cash or for shares in other banks. It must be assumed that in making those purchases or effecting those exchanges they knew what kind of an enterprise Banco was. See *Nettles* v. *Rhett*, *supra*, pp. 48-49; *Anderson* v. *Atkinson*, 22 F. Supp. 853, 863. Circulars of the Chicago Stock Exchange, on which Banco's shares were listed, gave a plain indication of the nature of the enterprise.[9] So did circulars of dealers.[10] And there would not seem

[8] The history of bank-stock holding companies shows that their organisers were acutely aware of this problem and at times took steps to protect the depositors of the subsidiary banks on possible assessments on the bank stocks. One holding company is said to have kept "at all times an amount in cash or its equivalent equal to our aggregate stockholders' liability on the bank stocks owned by us." Branch, Chain, and Group Banking, Hearings under H. Res. 141, 71st Cong., 2d Sess. (1930) p. 1181. A similar method was for the holding company "to carry in its treasury a large reserve of readily marketable securities which may be liquidated in order to make good any shareholders' liability that may be imposed upon the holding company." Bonbright & Means, The Holding Company (1932), p. 331. Cf. Nineteenth Annual Report, Superintendent of Banks of California (1928), p. 21. Another method of safeguarding the depositors was to make express provision in the charter of the holding company that its stockholders were ratably liable for any statutory liability imposed on it by reason of its ownership of bank stocks. Branch, Chain, and Group Banking, *op. cit.*, pp. 1042-1043; Barbour v. Thomas, 86 F. 2d 510, 513-514. Wisconsin provided for such a liability by statute. Wis. Stat. 1941, § 221.56.

[9] "The BancoKentucky Company was organized under the laws of the State of Delaware on July 16, 1929, with an authorized capital of 2,000,000 shares of $10 par value. The Company was organized for the purpose of owning a controlling interest in state and national banks located primarily in Kentucky, Ohio and Indiana. Its charter gives it broad powers entitling it to engage in a wide range of investment and other activities.

"The BancoKentucky Company has acquired, through an exchange of stock, nearly 100% of the shares of the National Bank of Kentucky-Louisville Trust Company, and in addition its stockholders have subscribed to 480,000 shares of its stock for cash. This cash will be used for acquiring majority interests in other banks and for other corporate purposes."

In listing its shares on the Chicago Stock Exchange it gave the Exchange the following description of its business:

"(b) *Primary purpose:* To acquire control and operate Banks and Trust Companies.

(c) *Nature of Business:* This company has not engaged in the business of investing and reinvesting in a diversified list of securities of other corporations for revenue and profit, but has limited its activities to acquiring control of Banks and Trust Companies and the operation of same."

[10] Thus a circular of Blyth & Co. stated:

"The Banco Kentucky Company was recently formed to acquire and hold controlling interests in commercial banks throughout the Middle West.

to be any doubt that the old stockholders of the Bank were given at the time of the exchange a fair picture of the nature of the enterprise which Banco was about to launch. Some shareholders of Banco claim the right to rescind their purchases of its shares on the ground of misrepresentations in the sale. But whether or not such relief might be granted in some instances, it seems clear that Banco's stockholders are bound by the decisions of the directors which determined, within the scope of the corporate charter, the kind and quality of the corporate undertaking. As was stated in *Christopher* v. *Brusselback*, 302 U. S. 500, 503, "A stockholder is so far an integral part of the corporation of which he is a member, that he may be bound and his rights foreclosed by authorized corporate action taken without his knowledge or participation. *Sanger* v. *Upton*, 91 U. S. 56, 58." And see *Pink* v. *A. A. A. Highway Express*, 314 U. S. 201, 207, and cases cited. The legality of the investments of Banco's funds for the most part is not challenged. It must be assumed that they were not *ultra vires*. They fall indeed into the category of acts of directors which normally cannot be challenged by stockholders. Cook, Corporations (8th ed.) § 684. These principles, basic in general corporation law, are relevant here as indicating that the stockholders of Banco cannot escape responsibility for the inadequacy of Banco's resources merely because the choice of its investments was made by the officers and directors—acts in which the stockholders did not participate and of which perhaps they had no actual knowledge. The fact that they may have claims against an officer or director for mismanagement does not relieve them from liability to the depositors of the subsidiary banks. Cf. *Scott* v. *DeWeese*, 181 U. S. 202, 213; *Lantry* v. *Wallace*, 182 U. S. 536, 548-554.

Normally the corporation is an insulator from liability on claims of creditors. The fact that incorporation was desired in order to

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By charter, broad powers are conferred upon the Company, so that all types of operations in the financial field are permitted but no investments are contemplated other than controlling interests in financial institutions.

"Upon completion of present transactions the Company will control the National Bank of Kentucky, organized in 1834, the Louisville National Bank and Trust Co., organized 1884 as Louisville Trust Company, both of Louisville, Ky., the Pearl Market Bank & Trust Co., organized 1907, and the Brighton Bank & Trust Co., organized 1898, both of Cincinnati, Ohio, and the Central Savings Bank and Trust Company, organized 1906, of Covington, Ky. In addition, the Company has funds of approximately $6,000,000, which are expected to be used for the acquiring of additional banking institutions."

obtain limited liability does not defeat that purpose. *Elenkrieg* v. *Siebrecht*, 238 N. Y. 254. See 7 Harv. Bus. Rev. 496. Limited liability is the rule not the exception; and on that assumption large undertakings are rested, vast enterprises are launched, and huge sums of capital attracted. But there are occasions when the limited liability sought to be obtained through the corporation will be qualified or denied. Mr. Justice Cardozo stated that a surrender of that principle of limited liability would be made "when the sacrifice is essential to the end that some accepted public policy may be defended or upheld." *Berkey* v. *Third Ave. Ry. Co.*, 244 N. Y. 84, 95, *United States* v. *Milwaukee Refrigerator Transit Co.*, 142 Fed. 247. See Powell, Parent & Subsidiary Corporations (1931) pp. 77-81. The cases of fraud make up part of that exception. *Linn & Lane Timber Co.* v. *United States*, 236 U. S. 574; *Rice* v. *Sanger*, 27 Ariz. 15; *Donovan* v. *Purtell*, 216 Ill. 629, 640; *George* v. *Rollins*, 176 Mich. 144; *Higgins* v. *California, P. & A. Co.*, 147 Calif. 363. But they do not exhaust it. An obvious inadequacy of capital, measured by the nature and magnitude of the corporate undertaking, has frequently been an important factor in cases denying stockholders their defense of limited liability. *Luckenbach S. S. Co.* v. *Grace & Co.*, 267 Fed. 676, 681; *Oriental Inv. Co.* v. *Barclay*, 25 Tex. Civ. App. 543, 559, 64 S. W. 80, 88. And see *Weisser* v. *Mursam Shoe Corp.*, 127 F. 2d 344. Cf. *Pepper* v. *Litton*, 308 U. S. 295, 310; *Albert Richards Co.* v. *Mayfair, Inc.*, 287 Mass. 280, 288; *Erickson* v. *Minnesota & Ontario Power Co.*, 134 Minn. 209. That rule has been invoked even in absence of a legislative policy which undercapitalization would defeat. It becomes more important in a situation such as the present one where the statutory policy of double liability will be defeated if impecunious bank-stock holding companies are allowed to be interposed as non-conductors of liability. It has often been held that the interposition of a corporation will not be allowed to defeat a legislative policy, whether that was the aim or only the result of the arrangement. *United States* v. *Lehigh Valley R. Co.*, 220 U. S. 257; *Chicago, M. & St. P. Ry. Co.* v. *Minneapolis Civic & Commerce Assoc.*, 247 U. S. 490; *United States* v. *Reading Co.*, 253 U. S. 26. The Court stated in *Chicago, M. & St. P. Ry. Co.* v. *Minneapolis Civic & Commerce Assn.*, *supra*, p. 501, that "the courts will not permit themselves to be blinded or deceived by mere forms or law" but will deal "with the substance of the

transaction involved as if the corporate agency did not exist and as the justice of the case may require." We are dealing here with a principle of liability which is concerned with realities not forms. As we have said, the net practical effect of the organization and management of Banco was the same as though the shares of the Bank were held in trust for beneficiaries who were in point of substance its only owners. Those who acquired shares of Banco did not enter upon an enterprise distinct from the banking business. Their investment in Banco was in substance little more than an investment in the shares of the Bank. They were as much in the banking business as any stockholder of the Bank had ever been. And they continued in that business through Banco which as a going concern lacked assets adequate as a reserve against the contingent statutory liability. Its stockholders were in point of substance the only source of funds available to satisfy the assessments. For these reasons the old group of stockholders must be held to have retained and the new group of stockholders must be held to have acquired liability as stockholders of the Bank.

To allow this holding company device to succeed would be to put the policy of double liability at the mercy of corporation finance. The fact that Congress did not outlaw holding companies from the national bank field nor undertake to regulate them during the period of Banco's existence can hardly imply that Congress sanctioned their use to defeat the policy of double liability. It is true that Congress later addressed itself to this problem and in the Banking Act of 1933 (48 Stat. 186, 12 U. S. C. § 61) established certain controls over them. In general, the Board of Governors of the Federal Reserve System was authorized to issue a voting permit entitling a holding company to vote the stock controlled by it on certain conditions. Apart from requirements for examination and non-affiliation with securities companies, § 19(a) and (e), certain standards for financial responsibility were established and holding companies seeking such permits were granted a specified period of time within which to meet those standards. Where the stockholders of the holding company were liable for the statutory liability, a specified reserve of readily marketable assets was required. § 19(c). Otherwise, the holding company was required to maintain free of any lien "readily marketable assets other than bank stock" in an amount equal to a larger percentage of the par value of the bank stocks owned. § 19(b). It is apparent

that Congress in that Act protected its policy of double liability by prescribing one standard of financial responsibility for holding companies whose shares were assessable by their terms and another for those whose shares were non-assessable.[11] We need not stop to consider what would be the measure of liability in cases arising under that Act where there had been no compliance with it. But if that Act had been applicable to Banco and Banco had complied with it, Banco would then have met the standards of financial responsibility which Congress had prescribed as adequate for the depositors. Yet the fact that Congress later wrote specific standards into the law means no more than a recognition on its part of an evil and a fashioning by it of a specific remedy. It can hardly mean that Congress by its earlier silence had sanctioned the use of the holding company to defeat the protection which it had provided for depositors of national banks. The legislative policy which Congress had long announced was the policy of double liability. It is that policy with which we are here concerned. It is that policy, declared by Congress, which the judicial power may appropriately protect in the way we have indicated, in absence of a choice by Congress of another method.

It is of course true that Delaware created this corporation. But the question of liability for these assessments is a federal question. The policy underlying a federal statute may not be defeated by such an assertion of state power. *Northern Securities Co.* v. *United States*, 193 U. S. 197, 349; *Seabury* v. *Green*, *supra*. The spectre of unlimited liability for stockholders has been raised. But there is no cause for alarm. Barring conflicting federal incorporation statutes, Delaware may choose such rules of limitation on the liability of stockholders of her corporations as she desires. And those laws are enforceable in federal courts under the rule of *Erie R. Co.* v. *Tompkins*, 304 U. S. 64. But no State may endow its corporate creatures with the power to place themselves above the Congress of the United States and defeat the federal policy con-

[11] As stated in S. Rep. No. 77, 73d Cong., 1st Sess., p. 11: "The affiliates of this type (holding companies) are prohibited from voting the stocks of national banks unless they are willing to undertake to accept examination by the Federal Reserve Board, divest themselves of ownership of stock and bond financing concerns, and comply with regulations designed to insure their ownership of sufficient free assets to make sure that they can satisfy the double liability of their shareholders in case any of the banks owned by such a company should go into the hands of receivers or be closed."

cerning national banks which Congress has announced. We are concerned here with that problem and with that problem alone.

The result which we reach may be harsh to some of the stockholders of Banco. But rules of liability are usually harsh especially where they are not bottomed on fault. Thus private investors have frequently found contrary to their expectation or understanding that they purchased with their investment an unlimited liability for the debts of the enterprise. *Thompson* v. *Schmitt*, 115 Tex. 53; *Frost* v. *Thompson*, 219 Mass. 360; *Weber Engine Co.* v. *Alter*, 120 Kan. 557; *Rand* v. *Morse*, 289 Fed. 339. It has never been supposed, however, that the innocence and good faith of investors were barriers to such suits. *Horgan* v. *Morgan*, 233 Mass. 381, 385. Nor can we accede to the suggestion that those defenses should be available here. The policy underlying double liability is an exacting one. Its defeat cannot be encouraged through the utilization of financial devices which put a premium on ignorance.

The suggestion that there should be no liability without fault unless a statute establishes it denies the whole history of the judicial process in shaping the rules of vicarious liability. The liability of a master for the torts of his servant certainly started from no such foundation. And the rules which made those who purchased shares in Massachusetts business trusts responsible for the debts of the enterprise were evolved, with few exceptions, on a common law, not a statutory, basis. Magruder, The Position of Shareholders in Business Trusts, 23 Col. L. Rev. 423. In the field in which we are presently concerned, judicial power hardly oversteps the bounds when it refuses to lend its aid to a promotional project which would circumvent or undermine a legislative policy. To deny it that function would be to make it impotent in situations where historically it has made some of its most notable contributions. If the judicial power is helpless to protect a legislative program from schemes for easy avoidance, then indeed it has become a handy implement of high finance. Judicial interference to cripple or defeat a legislative policy is one thing; judicial interference with the plans of those whose corporate or other devices would circumvent that policy is quite another. Once the purpose or effect of the scheme is clear, once the legislative policy is plain, we would indeed forsake a great tradition to say we were helpless to fashion the instruments for appropriate relief.

In summary, we see no difference between the various classes of stockholders of Banco which would support a difference in their liability. Those who purchased stock of Banco for cash were as much participants in the banking business as those who acquired their stock in exchange for shares of the Bank. Together they shared the benefits of ownership of the subsidiary banks, including control. Certainly a sale of shares of Banco by the old stockholders of the Bank did not give those shares an immunity bath. To draw distinctions between the classes of stockholders of Banco would be to make the protection afforded by these statutes turn on accidents of acquisition quite irrelevant to the concept of "stockholders" or "shareholders" on whom Congress placed this liability. One simple illustration will make that plain. A purchases shares of an underlying bank for $10,000 in cash and exchanges those shares for shares of Banco. B hands over to Banco $10,000, Banco purchases the shares of the underlying bank, and then issues its shares to B. From the practical point of view A and B are investors of the same class. To say that A is liable and B not liable when both start with cash and end with identical investments is to make the difference between liability and no liability turn on distinctions which have no apparent relevancy to the legislative policy which the rule of double liability was designed to protect. And to say that courts may hold A liable but not B is to make the occasions for the assertion of judicial power turn on whimsical circumstances.

The final suggestion is that the old stockholders of the Bank remain liable for the full assessment on the shares of the Bank which they exchanged for shares of Banco. But that overlooks the fact that their interest in those underlying shares was diluted by the issuance of Banco's shares to others.[12] Double liability is an incidence of ownership. It has long been held that a stockholder who in good faith parts with all his interest in the shares rids himself of that double liability, even though his transferee is not responsible. *Earle* v. *Carson, supra.* We could hardly adhere to that principle and still hold the old stockholders of the Bank

[12] The old stockholders of the Bank have a lesser interest in the shares of the Bank than they had prior to the exchange. Their interest in the shares of the Bank decreased proportionately with the increase in the outstanding stock of Banco. That resulted in a *pro rata* reduction in their liability. The other group of stockholders of Banco acquired that portion of the liability of which the old stockholders of the Bank were relieved.

liable for the full assessment on the shares which they exchanged for shares of Banco. The other stockholders of Banco acquired through their investment in it an interest in the shares of the Bank. To the extent of that interest the beneficial ownership of the old stockholders of the Bank in its shares was as definitely reduced as if they had made a transfer of that part of their holdings.

Certain stockholders of Banco claim that they are entitled to rescind their purchases of Banco's shares because of misrepresentations made to them when they acquired the shares. We do not reach those questions. Nor do we stop to determine whether such a defense would avoid liability on the assessment (cf. *Oppenheimer* v. *Harriman Nat. Bank & Trust Co.*, 301 U. S. 206) and, unlike the case where some shareholders are insolvent (*United States* v. *Knox*, 102 U. S. 422, 425), increase the *pro rata* liability of the other shareholders of Banco. It is sufficient at this time to state that the liability of the shareholders of Banco would be measured by the number of shares of stock of the Bank, whether several or only fractional, represented by each share of stock of Banco; and that the assessment liability of each share of stock of Banco would be a like proportion of the assessment liability of the shares of the Bank represented by the former.

The judgment of the Circuit Court of Appeals is reversed and the cause is remanded to the District Court for proceedings in conformity with this opinion.

Reversed.

Mr. Justice JACKSON, dissenting.

Mr. Justice ROBERTS, Mr. Justice REED, Mr. Justice FRANKFURTER, and I find ourselves unable to join in the judgment of the Court.

The Court accepts concurrent findings of fact by the two lower courts, but reverses their concurrent judgment. It holds that the findings establish liability as matter of law on two very different kinds of stockholdings: (1) holding company stock taken in exchange for double liability stock of the National Bank of Kentucky; and (2) holding company stock bought and fully paid for in cash. We think holders of the latter are not liable on any principle heretofore known to the law and that if owners of

the former are to be held it must be on a quite different principle than that stated by the Court.

I.

Former National Bank of Kentucky stockholders had stock in the Bank itself which carried double liability.[1] The Bank failed November 30, 1930, and if they had then held that stock, each would have been liable for assessment upon his shares. The aggregate assessment was $4,000,000. Only about a year before the failure, on September 19, 1929, this double-liability bank stock was exchanged for shares of the holding company purporting to be fully paid and nonassessable. At the same time Bank of Kentucky stockholders also bought additional holding company stock for cash to the amount of $4,471,950. Bank of Kentucky stockholders as a group thus paid into the holding company cash more than sufficient to meet the assessment now levied. In addition to that, investors who were not connected with the Bank bought shares for cash amounting to $5,397,000. The Court nevertheless holds that the Bank of Kentucky stockholders contravened the policy of the law and are subject to the double liability because they "did not constitute Banco as an adequate financial substitute in their stead." We do not see how such a statement of fact, and it certainly is not a matter of law, can be conformable with acceptance of the findings of fact of the courts below. Nor are we able to reconcile the view that "the old group of stockholders must be held to have retained . . . the *liability as stockholders of the bank*" with the one later expressed that their interest was "diluted" so as to give them a *pro rata* reduction of liability. (See

[1] The pertinent sections of the Bank Act follow:

"The shareholders of every national banking association shall be held individually responsible . . . for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares; . . ." 12 U. S. C. § 63.

"The stockholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, each to the amount of his stock therein, at the par value thereof in addition to the amount invested in such stock. The stockholders in any national banking association who shall have transferred their shares or registered the transfer thereof within sixty days next before the date of the failure of such association to meet its obligations, or with knowledge of such impending failure, shall be liable to the same extent as if they had made no such transfer, to the extent that the subsequent transferee fails to meet such liability; but this provision shall not be construed to affect in any way any recourse which such shareholders might otherwise have against those in whose names such shares are registered at the time of such failure." 12 U. S. C. § 64.

note 12 of the opinion of the Court.) [Emphasis supplied.] It seems to us that the transfer of their bank stock to the holding company either was valid, in which case it relieved of all liability; or it was invalid, in which case it relieved of no liability. The doctrine that a transfer may be good enough to dilute liability but bad enough to carry along a part of it is new to us and we have difficulty grasping its implications.

We are, however, agreed that it would be a proper use of the power of this Court for it to examine the evidence that lies back of these findings and determine whether clear error has been committed and whether the conditions disclosed are such that a *bona fide* transfer of the stock took place sufficient to shake off double-liability obligations.

In spite of the exchange of National Bank of Kentucky stock, its stockholders through the holding company kept both a large measure of control of the Bank and the benefits of investment in it. They, or those acting in their behalf, had determined the policy of the holding company, had sponsored its representatives, and had selected its officers and personnel, including the manager who proved to be false to his trust. There is evidence that the National Bank of Kentucky had for some time been under criticism by the Comptroller for many of its loans and some of its policies, although it is found not to have been insolvent. The exchange did not consist of individual acts but was a concerted movement, planned by the Bank management, by which the holding company absorbed all of the stockholdings and all of the double liability.

The Court might properly, if examination of the evidence should warrant it, reach a legal conclusion that the double liability of the stockholders of the National Bank of Kentucky survives the exchange and that those who have continued their interest in the Bank through the holding company are liable upon assessment in the same manner and to the extent that they would have been had the holding company transactions never occurred. But this would be because the formal transfer of the stock out of their own names would not be recognized as a defense. The Court's conclusion rests on a quite different theory. It concludes that the transfer was valid to relieve these stockholders of their liability *as stockholders of the Bank*, but that they became subject to a new and smaller liability *as stockholders of a holding company*. With this we cannot agree.

The holding company, its financing, its management, and all that relates to it constitute relevant material as to whether under principles that have long been recognized the transfer is good. We do not think they create a new liability.

II.

After holding that former owners of National Bank of Kentucky shares are liable because they did not find an adequate substitute for their own personal liability, the Court proceeds to hold purchasers of holding-company stock for cash to be under a substituted liability *pro tanto*. The grounds upon which Bank of Kentucky stockholders and non-Bank of Kentucky stockholders are both held seem to conflict. If the new stockholders for cash are liable it is hard to see why the old ones have not found a substitute, and if the Bank of Kentucky stockholders have not found a substitute, it is difficult to see a basis on which the new stockholders are liable.

Stock purchasers for cash have at no time owned a stock that purported to carry double liability. On the contrary, by the terms of the stock certificates and by the law of the corporation's being, their shares were fully paid and nonassessable. These stockholders cannot be said in any way to have assumed any express or implied contractual assessment liability. No statute of the United States and no applicable state statute then or since has purported to impose a double liability upon these holding-company shares. No controlling precedent in this Court at the time these stockholders purchased or since (until today) purported to attach a double liability to such shares.[2]

[2] The authorities cited to support the Court's disregard of the corporate entity fall far short of persuasion. The quotation of the statement by Mr. Justice Cardozo from Berkey v. Third Avenue Railway Co., 244 N. Y. 84, "that a surrender of that principle of limited liability would be made 'when the sacrifice is essential to the end that some accepted public policy may be defended or upheld'" has a very different significance in its context. The facts, including interchangeable names of parent and subsidiary, complete financial and operating domination, and use of one company's assets by the other, indicated a stronger case for disregard of the corporate fiction than do the findings here. Nevertheless, Chief Judge Cardozo considered that the corporate entity could not be disregarded in favor of a tort claimant and said: "In such circumstances, we thwart the public policy of the State instead of defending or upholding it, when we ignore the separation between subsidiary and parent, and treat the two as one."

Other cases cited afford no more support for the decision. United States v. Milwaukee Refrigerator Transit Co., 142 F. 247, held that payments by a carrier to a corporation wholly controlled by a shipper

The reason given for this decision is that "the interposition of a corporation will not be allowed to defeat *a legislative policy*" and that "no State may endow its corporate creatures with the power to place themselves above the Congress of the United States and defeat the *federal policy concerning national banks which Congress has announced.*" [Italics supplied.]

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might constitute rebates under the Elkins Act. The statements in Powell, Parent & Subsidiary Corporations, 77-81, are completely general and to be read in the light of the specific categories which precede the page citation, all of which involve active wrong by a parent corporation. Linn & Lane Timber Co. v. United States, 236 U. S. 574, involved the question whether an "instrumentality" corporation could acquire rights which would enable it to stand better than its transferor-creator. Rice v. Sanger Bros., 27 Ariz. 15, found a corporation to be organized for fraudulent purposes and the former partners who became its stockholders were held liable. Donovan v. Purtell, 216 Ill. 629, holds nothing more than that an officer of a corporation who is personally guilty of fraud will be held liable therefore. George v. Rollins, 176 Mich. 144, stands for the proposition that equity will enforce a restrictive covenant against a successor corporation formed for the purpose of evading it. Higgins v. California Petroleum Co., 147 Cal. 363, held that in the circumstances certain successor corporations assumed a lease and therefore had to pay royalties; there was no disregarding of the corporate entity involved. Luckenbach S.S. Co. v. Grace & Co., 267 F. 676, comes nearer the mark, but still is far wide of it. A steamship corporation leased its fleet of vessels to a $10,000 corporation, formed and 90 per cent owned by it, for an utterly inadequate rental. It was held that this turning over of the corporation's ships to a subsidiary which was "itself in another form" rendered the parent corporation liable for the subsidiary's breach of contract. Oriental Investment Co. v. Barclay, 25 Tex. Civ. App. 543, allowed a hotel employee to recover for personal injuries against the parent holding company, even though technically he was the employee of the subsidiary operating company, of whose existence he was unaware and which had been capitalized with $2,000 to operate a property whose monthly rental alone was $1500. Weisser v. Mursam Shoe Corp., 127 F. 2d 344, arose on dismissal of the complaint and it was held that on a full trial it might be found that the subsidiary was "only a tool of the other defendants, deliberately kept judgment proof, to obtain the benefits of a lease with plaintiffs without assuming any obligations. The plaintiffs allege that this was done fraudulently. . . ." Pepper v. Litton, 308 U. S. 295 and Albert Richards Co. v. Mayfair, Inc., 287 Mass. 280, both dealt with cases where parent corporations claimed priority over other creditors of a subsidiary; in each, the subsidiary was held to be an instrumentality of the parent and, to avoid a fraud on creditors, the latter's claim of priority was denied. In Erickson v. Minnesota & Ontario Power Co., 134 Minn. 209, a parent corporation was held liable for damage caused by a dam owned by a subsidiary; the parent paid the operating expenses of the dam, took all the earnings of the subsidiary, had a mortgage on all its assets, and in addition had a direct right of control over the operation of the dam. United States v. Lehigh Valley Railroad, 220 U. S. 257, and United States v. Reading Co., 253 U. S. 26, held that a railroad's exercise of its power as a stockholder might amount to such a commingling of affairs as to make it liable for a violation of the commodities clause. Chicago, Milwaukee & St. Paul Ry. Co. v. Minneapolis Civic Association, 247 U. S. 490, held that additional terminal charges made by a wholly owned subsidiary as compared with terminal charges by the parent might be held to constitute a discrimination.

We have been unable to find that Congress ever has announced a legislative policy such as the Court announces. And the Court nowhere points it out. The National Banking Act applicable at the time provided that the stockholders "of every national banking association" shall be under assessment liability. But Congress nowhere has said that the stockholders of a corporation that is not a national banking association shall be liable to assessment because the latter corporation held some or all of the stock of a national bank. Indeed, the history of banking legislation shows that Congress has considered the problems created by the holding company and not only has failed to adopt such a policy as the Court is declaring, but has made other provisions inconsistent with such a policy.

No legislation on the subject appears until 1933, when Congress enacted detailed regulation of the relations between holding companies and national banks. It required the holding company to obtain a permit to vote national bank shares and empowered the Board of Governors of the Federal Reserve System to grant or withhold the permit.[3] No permit can be granted except upon

[3] § 19 of the Banking Act of 1933, amending § 5144 of the Revised Statutes, provides in part as follows:

" . . . shares controlled by any holding company affiliate of a national bank shall not be voted unless such holding company affiliate shall have first obtained a voting permit as hereinafter provided, which permit is in force at the time such shares are voted.

. . . . . .

"For the purposes of this section shares shall be deemed to be controlled by a holding company affiliate if they are owned or controlled directly or indirectly by such holding company affiliate, or held by any trustee for the benefit of the shareholders or members thereof.

"Any such holding company affiliate may make application to the Federal Reserve Board for a voting permit entitling it to cast one vote at all elections of directors and in deciding all questions at meetings of shareholders of such bank on each share of stock controlled by it or authorizing the trustee or trustees holding the stock for its benefit or for the benefit of its shareholders so to vote the same. The Federal Reserve Board may, in its discretion, grant or withhold such permit as the public interest may require. In acting upon such application, the Board shall consider the financial condition of the applicant, the general character of its management, and the probable effect of the granting of such permit upon the affairs of such bank, but no such permit shall be granted except upon the following conditions:

"(a) Every such holding company affiliate shall, in making the application for such permit, agree (1) to receive, on dates identical with those fixed for the examination of banks with which it is affiliated, examiners duly authorized to examine such banks, who shall make such examinations of such holding company affiliate as shall be necessary to disclose fully the relations between such banks and such holding company affiliate and the effect of such relations

certain conditions, and assumption by holding-company stockholders of an assessment liability is not among them. In general, they are (a) that the holding company must submit to examination in the same manner as the national bank and must publish periodic statements of condition; (b) that after five years from the statute's enactment, each holding company must possess readily marketable assets and free assets other than bank stock in a prescribed amount; and (c) that after five years a holding company *whose stockholders or members are individually and severally liable* may be relieved of establishing a part of this reserve under certain circumstances. Congress was informed that some bank stock holding corporations were, by the law of the states in which they were incorporated, subject to double liability just as were stockholders

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upon the affairs of such banks, such examinations to be at the expense of the holding company affiliate so examined; (2) that the reports of such examiners shall contain such information as shall be necessary to disclose fully the relations between such affiliate and such banks and the effect of such relations upon the affairs of such banks; (3) that such examiners may examine each bank owned or controlled by the holding company affiliate, both individually and in conjunction with other banks owned or controlled by such holding company affiliate; and (4) that publication of individual or consolidated statements of condition of such banks may be required;

"(b) After five years after the enactment of the Banking Act of 1933, every such holding company affiliate (1) shall possess, and shall continue to possess during the life of such permit, free and clear of any lien, pledge, or hypothecation of any nature, readily marketable assets other than bank stock bank stocks controlled by such holding company affiliate, which amount shall in an amount not less than 12 per centum of the aggregate par value of all be increased by not less than 2 per centum per annum of such aggregate par value until such assets shall amount to 25 per centum of the aggregate par value of such bank stocks; and (2) shall reinvest in readily marketable assets other than bank stock all net earnings over and above 6 per centum per annum on the book value of its own shares outstanding until such assets shall amount to such 25 per centum of the aggregate par value of all bank stocks controlled by it;

"(c) Notwithstanding the foregoing provisions of this section, after five years after the enactment of the Banking Act of 1933, (1) any such holding company affiliate the shareholders or members of which shall be individually and severally liable in proportion to the number of shares of such holding company affiliate held by them respectively, in addition to amounts invested therein, for all statutory liability imposed on such holding company affiliate by reason of its control of shares of stock of banks, shall be required only to establish and maintain out of net earnings over and above 6 per centum per annum on the book value of its own shares outstanding a reserve of readily marketable assets in an amount of not less than 12 per centum of the aggregate par value of bank stocks controlled by it, and (2) the assets required by this section to be possessed by such holding company affiliate may be used by it for replacement of capital in banks affiliated with it and for losses incurred in such banks, but any deficiency in such assets resulting from such use shall be made up within such period as the Federal Reserve Board may by regulation prescribe . . . . ." June 16, 1933, c. 89, 48 Stat. 186-7.

of banks. It was also informed that other bank holding corporations by the law of their incorporation were not so liable.[4] It did

[4] At the Senate hearings which preceded the Banking Act of 1933, Mr. L. E. Wakefield, vice-president of one of the largest bank holding companies, testified as follows with respect to double liability:

"Mr. Wakefield. The stockholders of the First Bank Stock Corporation, being a Delaware corporation, do not have a double liability. When we started to organize this institution we did all the work on the theory we would have it a Minnesota corporation, which would have double liability. At the last minute, when we found that every stockholder in North Dakota, South Dakota, and Montana would, in case of death, have a double inheritance tax, they complained so strongly about that situation we shifted and put it into a Delaware corporation.

. . . . . .

"The other factor that we have heard discussed and that I think of in connection with banking such as we are doing is this thought in the public mind, or some minds, that, for instance, our being a Delaware corporation was intended to avoid the double liability of stockholders. I would say that if that is of importance it might be easily provided that a holding company should create a surplus account in its holdings or build up a surplus account of some proportion of the capital of the banks that should be kept in liquid securities, or something of that sort. . . . ." Hearings before Senate Committee on Banking and Currency Pursuant to S. Res. 71, 71st Cong., 3d Sess., Pt. 4, pp. 616, 620.

Earlier, Mr. J. W. Pole, Comptroller of the Currency, had testified:

"Mr. Pole. We call that a group banking system in the Northwest. In the case of the Northwest and the First Bank Stock Corporation, I think that their stock is not subject to the double liability, although the stock of some holding corporations is subject to double liability. But in the case of those two corporations, in those particular cases—not that it obtains too generally—they have invested in securities other than bank stocks, so that a judgment against either one of those corporations would be good for the assessment.

Mr. Willis. In those particular cases?

Mr. Pole. In those particular cases; yes, sir.

Mr. Willis. But there are cases where they are not subject to the assessment?

Mr. Pole. There are cases where they are not subject to the assessment; yes, and where they hold nothing but bank stocks.

Mr. Willis. In those cases where you have an affiliated bank that buys all the stock of the bank itself, what becomes of the double liability of the shareholder?

Mr. Pole. The securities company where it buys the stock of the bank itself, would be the holder of the stock and subject to assessment.

. . . . . .

Mr. Willis. Is not the double liability then very largely neutralized?

Mr. Pole. Yes.

Mr. Willis. What have you done to correct that?

Mr. Pole. We have done nothing to correct it.

Mr. Willis. What can be done by law to correct it?

Mr. Pole. That is a big problem.

Mr. Willis. Can you make a recommendation covering that along with your other problems?

Mr. Pole. Yes."

Senate Hearings, *supra*, Part 1, pp. 27-28.

For a provision extending double liability to holding company stockholders, see Wisconsin Stat. (1943) §221.56(3).

not expressly or by implication recognize or create a uniform double liability by federal act on stockholders of state-created holding companies. It made specific provision, on the contrary, for each class of corporation. Where does this Court get authority to disregard the distinction Congress has thus created and to impose a single rule of its own making instead? When Congress has expressly set up a standard of diversification for holding company assets and has given the companies five years to meet it, from what do we derive authority to say the five-year adjustment period shall be ignored? How can we say retroactively that there is a liability for failure to do before Congress acted something which, after it did act, it expressly gave five years to do? And how can such a result be said to be an enforcement of congressional policy, which we understand to be the basis of the Court's opinion?

III.

If to legislate were the province of this Court, we would be at liberty candidly to exercise discretion toward the undoing of the holding company. Some of us feel that as utilized in this country it is, with a few exceptions, a menace to responsible management and to sound finance, shifting control of local institutions to absentee managements and centralizing in few hands control of assets and enterprises bigger than they are able well to manage—views which are matters of record.[5]

But we are of one opinion that no such latitude is confided to judges as here is exercised. We are dealing with a variety of liability without fault. The Court is professing to impose it, not as a matter of judge-made law, but as a matter of legislative policy, and it cannot cite so much as a statutory hint of such a policy. The Court is not enforcing a policy of Congress; it is competing with Congress in creating new regulations in banking, a field peculiarly within legislative rather than judicial competence. Nor was such a policy of assessment liability one whose importance was so transcending as to set aside the policy of permitting corporate enterprise under limited liability. Congress has since repealed the

[5] See 56 Reports of American Bar Association (1931) p. 763; Briefs for Government in Electric Bond & Share Co. v. S. E. C., 303 U. S. 419; testimony in support of a proposal to withdraw from holding companies tax exemption of intercorporate dividends, Hearings before Senate Committee on Finance, on H. R. 8974, 74th Cong., 1st Sess., p. 221, *et seq.*

double liability, even of holders of stock in national banks;[6] and when in force, it had little practical value to depositors.[7] States also have abandoned the assessment plan.[8] Courts should, of course, see that the congressional policy is not defeated by any fraud, by creating sham corporations, or by any other artifice. When, however, assessment liability is a failure only because the corporate owner of the stock is not solvent, that is not a circumstance which will warrant disregard of the corporate entity so as to render stockholders liable. The findings here, accepted by the Court, eliminate every charge of fraud, bad faith, or intentional evasion of liability.[9]

We are fully agreed that Bank of Kentucky depositors, however, should not be prejudiced by a transfer to the holding company of its stock in violation of letter or spirit of the National Banking Act. If the case warrants disregard of the transfer, the depositors then would have just the protection that they would have enjoyed had no holding company intervened. The Court,

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[6] June 16, 1933, c. 89, § 22, 48 Stat. 189, Aug. 23, 1935, c. 614, § 304, 49 Stat. 708; 12 U. S. C. § 64a.

[7] Comptroller Pole stated at the Senate hearings: "We hear a good deal about double liability. It is not so important as at first one might so regard it. As an illustration, the deposits, we will say, of a bank with $100,000 capital would be ordinarily $1,000,000. If you collected the entire 100 per cent assessment, you would only collect 10 per cent of your deposits after all. . . . But in practice you would not collect over 50 per cent of that. We do collect, as a matter of fact, just about 50 per cent." Hearings, *supra* note 4, Pt. 1, p. 28.

Depositors in the bank have already received 77 per cent of their deposits. Few pre-depression investments have yielded so much. About 6,000 stockholders of Banco have lost 100 per cent of their investment, and are now faced with liability in undetermined amounts. As to many of them, it is idle to say that they had actual responsibility for the Bank's management or any better knowledge of its affairs than the depositors.

[8] Within the last decade at least thirty-one states which formerly had double liability have abolished it either absolutely or upon compliance with certain conditions. Only five states appear to have retained their double liability provisions intact, and in one of these a proposal to abolish it is currently being considered. See "Stockholders' Double Liability," Commerce Clearing House State Banking Law Service, Vol. II.

[9] Findings of the trial court included the following:

"61. Banco was organized in good faith.

62. Banco was 'certainly not a sham.'

63. Banco was 'not organized for a fraudulent purpose or to conceal secret or sinister enterprises conducted for the benefit of the Bank.'

64. Banco was not a mere holding company.

65. Banco 'was formed for the purpose set out in the letter of July 19, 1929, and for no other purpose.'

66. Banco 'was not formed as a medium or agency through which to avoid double liability on the stock of the Bank.'"

The removal of liability is conditioned upon giving the notice prescribed.

however, makes the holding company a windfall to bank creditors by extending the liability to persons never otherwise reachable. We may disallow the holding company as a sanctuary for stockholders escaping pre-existing liability without making of it a trap for unwary and unwarned investors.

To disregard the transfer of this stock, and to hold former stockholders liable to the same extent as if they had made no such transfer, is the manner of proceeding indicated under proper circumstances by the National Banking Act itself. Instead of considering whether to disregard the transfer the Court disregards the corporate entity of the holding company because it says these obligations arise from legislative policy. Even if we could find such a policy, legislative liabilities are numerous. It is probably a legislative policy that a corporation shall pay all of its debts. The reasoning employed by the Court, we should think, would leave it uncertain whether stockholders may not be liable for many other types of indebtedness. Congress, if the matter of banking reform were left to it, could define the limits of vicarious liability at the time it was imposed. The Court is leaving the limits and extent of that liability so vague that a whole cluster of decisions will have to be written to clarify what is being done today. And meanwhile we know of no way that a stockholder can learn the extent and circumstances of stockholder liability except to give his name to a leading case.[10]

The Court admits that the judgment is "harsh." Why is it so if it is according to any law that was known or knowable at the time of the transactions? To enforce a double liability so incurred would be no harsher than to enforce any contract obligation that had been assumed without expecting it would result in liability. This decision is made harsh by the element of surprise.[11] Its only harshness is that which comes of the Court's doing with backwards effect what Congress has not seen fit to do with forward effect.

[10] This Court has considered the disregard of the corporate fiction in Donnell v. Herring-Hall-Marvin Safe Co., 208 U. S. 267, 273 and Klein v. Board of Supervisors, 282 U. S. 19, 24.

[11] In authoritative studies made prior to the origin of this controversy which included studies of many of the cases cited by the Court's opinion we are unable to find a trace or suggestion of the present theory of stockholder liability for corporate obligations created by legislation. See Douglas and Shanks, Insulation from Liability through Subsidiary Corporations," (1929) 39 Yale L. J. 193; Powell, Parent and Subsidiary Corporations (1931), esp. Ch. III; Wormser, Disregard of the Corporate Fiction (1927).